



September 06, 2019

To,

1. National Stock Exchange of India Ltd. Exchange Plaza Bldg. 5 <sup>th</sup> Floor, Plot No.C-1 'G' Block, Near Wockhardt, Bandra Kurla Complex Mumbai 400 051. Fax:26598237/38 Scrip Code : DCW	2. BSE Limited Department of Corporate Services, 1st floor, New Trading Ring Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Fax : 22723121/3719/2037/2039 Scrip Code :500117
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Dear Sirs,

**Sub.: Annual Report for the Financial Year 2018-19 along with the Notice of the Annual General Meeting ("the AGM")**

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith soft copy of the Annual Report for the Financial Year 2018-19 along with the Notice of the AGM to be held on September 30, 2019.

Annual Report for the Financial Year 2018-19 along with the Notice of the AGM is also available on the website of the Company at [www.dcwlimited.com](http://www.dcwlimited.com).

This is for your information and records.

Thanking You,

Yours faithfully,  
For DCW Limited

  
Name: Dilip Darji  
General Manager (Legal) & Company Secretary  
Membership No. ACS-22527



## DCW LIMITED

HEAD OFFICE :

"NIRMAL" 3RD FLOOR, NARIMAN POINT, MUMBAI-400 021.

TEL.: 2287 1914, 2287 1916, 2202 0743 TELEFAX: 22 2202 8838

REGISTERED OFFICE : DHRANGADHRA - 363 315 (GUJRAT STATE)

Email: [ho@dcwlimited.com](mailto:ho@dcwlimited.com), Website: [www.dcwlimited.com](http://www.dcwlimited.com), CIN-L24110GJ1939PLC000748



**2018-2019**  
**80th Annual Report**  
*"Striding Towards a New Future"*





## Corporate Information

### BOARD OF DIRECTORS

Dr. Shashi Chand Jain  
Chairman Emeritus

Shri Pramodkumar Jain  
Chairman and Managing Director

Shri Bakul Jain  
Managing Director

Shri Vivek Jain  
Managing Director

Shri Mudit Jain  
Managing Director

### INDEPENDENT DIRECTORS

Smt. Sujata Rangnekar  
Shri Krishnamoorthy Krishnan  
Shri Salil Kapoor  
Shri Pradip Madhavji  
(Resigned w.e.f. 31.03.2019)  
Shri D. Ganapathy  
(Resigned w.e.f. 07.05.2018)  
Shri Mahesh Vennelkanti  
(Appointed w.e.f. 28.06.2019)

### CHIEF FINANCIAL OFFICER

Shri Vimal Jain

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Dilip Darji

### BANKERS

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

### AUDITORS

Chhajed & Doshi  
Chartered Accountants, Mumbai

### SECRETARIAL AUDITORS

S. K. Jain & Co.

### REGISTERED OFFICE

Dhrangadhra – 363 315, Gujarat.

### HEAD OFFICE

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

### BRANCH OFFICE

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

### WORKS

<b>Soda Ash Division</b>	: Dhrangadhra – 363 315, Gujarat
<b>Caustic Soda Division</b>	: Arumuganeri P.O., Sahapuram – 628 202, Tamil Nadu.
<b>PVC Division</b>	
<b>CPVC Division</b>	
<b>SIOP Division</b>	
<b>Salt Works</b>	: Kuda, Gujarat. : Arumuganeri P.O., Sahapuram – 628 202, Tamil Nadu.

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**80<sup>TH</sup>**

**Annual Report**  
**2018 - 2019**

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## Board's Report

To The Members,

Your Directors present their 80th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2019

### 1. Financial Results

	31-03-2019 (in lakhs)	31-03-2018 (in lakhs)
Net Sales	135280.20	121340.71
Gross Profit	6149.06	3870.76
Less : Provisions		
Depreciation	8335.56	8779.94
Profit Before Tax/(Loss)	<b>(2186.50)</b>	<b>(4909.18)</b>
Tax: Current Period	-	-
Previous Period	-	-
MAT Credit available for set off / Utilized	-	-
	-	-
Profit/(Loss) After Current Tax & Tax Adjustments	(2186.50)	(4909.18)
Deferred Tax	(1759.47)	(2889.02)
Profit after Tax/(Loss)	(427.03)	(2020.16)
Add: Balance brought forward	13665.99	15686.15
Profit available for Appropriation	<b>13238.96</b>	<b>13665.99</b>
Appropriations:		
General Reserves	-	-
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Balance carried forward	<b>13238.96</b>	<b>13665.99</b>

### 2. Dividend:

Due to loss during the year from the operations of the company your directors have not recommended any dividend for the year on the equity shares of the Company.

### 3. Operations:

The sales for the year are ₹ 135280.20 lakhs compared to ₹ 121340.71 lakhs in the previous year. The profit for the year (before depreciation) was ₹ 6149.08 lakhs against a profit of ₹ 3870.76 lakhs in the previous year. The loss before tax amounted to ₹ (2186.50) lakhs as against loss of ₹ (4909.18) lakhs in the previous year. The loss after provision of current tax / taxes for the year is ₹ (2186.50) lakhs against a loss of ₹ (4909.18) lakhs for previous year and loss after deferred tax was ₹ (427.03) lakhs against loss of ₹ (2020.16) lakhs for previous year.

### 4. Exports:

The Company's exports were of ₹ 21306.57 lakhs as compared to ₹ 15297.34 lakhs in the previous year. This increase in Export Turnover is on account of increase in sale and realization on sale of Synthetic Rutile (BI) during the year.

### 5. Division wise Performance:

#### a) PVC Division:

The turnover of the division was ₹ 53379.09 lakhs as compared to ₹ 54558.22 lakhs in the previous year, the turnover of this division is marginally lower compared to Previous year. this is due to lower production & sale of PVC during the year due to shortage of raw materials . The demand for PVC Continues to show positive growth. There is Demand Supply gap of PVC in domestic market about 50% of the local demand is being met from Imports.



The Government has identified irrigation, power and infrastructure, as thrust areas and increased activity in these sectors are likely to boost demand of PVC Resin.

**b) Caustic Soda Division:**

The turnover of the division was ₹ 47794.27 lakhs as compared to ₹ 40904.17 lakhs in the previous year, an increase of 17% in the turnover during the year. The increase in the turnover of this division was on account of better realization on the products being produced by this Division.

**c) Soda Ash Division:**

The turnover of the division was ₹ 21585.62 lakhs as compared to ₹ 20736.67 lakhs, an increase of 4% during the year. The marginal increase in turnover of this division was due to higher production and sale during the year. The demand for the product of this segment is consistent. Also looking to the demand and supply position in coming years and the Soda Ash industry growing at a robust rate of 4-5% per annum and this trend is expected to continue which will be able to absorb any additional capacities coming up in near future.

**d) Synthetic Iron Oxide Pigment:**

The turnover of the division was ₹ 3260.84 lakhs as compared to ₹ 2595.82 lakhs in the previous year. An increase of 26% during the year. The product manufactured in this division have got good response from the user industry. Also this being specialty chemical the validation process was slow and longer. The company is in process of gradually ramping up the capacity and meet product variants as required by the customers.

The product has been well accepted both in the international as well as domestic market and company is developing wider customer base for this product in both the markets.

**e) C-PVC Division:**

The turnover of the division was ₹ 8251.58 lakhs as compared to ₹ 2189.12 lakhs in the previous year. An increase of 277% during the year. The product has been well accepted by the customers and your company expects to benefit on the first move advantage under made in India.

## **6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **6.1 Industry Structure and Developments:**

6.1.1 Caustic Soda is an Alkaline used in sector like Soap, Detergent, Paper and Chemicals (alumina sector), food, textile and petroleum products. The demand for caustic soda is driven by the upturn in the production growth in these sectors. The installed capacity of caustic soda is about 3.66 mill. MT out of which 50% of the capacities are in the Western part of India, 25% in Southern India and balance in rest of India.

6.1.2 Soda Ash is mainly used in industries such as Detergents, Dye intermediaries, Sodium Silicate, Ore Refining, Glass Industry, Pesticides, Paper, Pharmaceuticals and Mining Industries. Sodium Bicarbonate which is manufactured by Soda Ash Industries is being used in Bakeries and also by Chemical and Pharmaceuticals Industries. The total installed capacity in Soda Ash Industries is 3.36 mill. MT. All these capacities are concentrated in Western part of India due to availability of required raw material i.e. Salt, Lime Stone and Coal/Lignite. The demand for Soda Ash is increasing by 5% annually mainly due to demand from Detergent and Glass sector.

#### **6.1.3 PolyVinyl Chloride (PVC)**

PolyVinyl Chloride (PVC) is the most commonly used thermoplastic. PVC is produced from Vinyl Chloride Monomer (VCM), which is obtain from Ethylene Dichloride (EDC), a derivative of ethylene and chlorine. PVC is used in variety of items, such as Pipes and Fittings, Wires and Cables, Calendared Sheets, Blow Molded Bottles, Profiles, Footwear, Roofing, Automotive Parts, Table Clothes, Shower Curtains and Furniture. In India the per capita consumption of PVC is significantly less as compared with developed countries.

Total domestic installed capacity of PVC Industry is 1.35 Mill. TPA. The domestic demand of PVC is about 2.90 Mill. TPA. The short fall 1.55 Mill. TPA in supply is met by imports. The market for PVC is expanding by 5 to 6% p.a. and hence, there is scope for increasing capacities.

#### 6.1.4 C-PVC

Chlorinated Polyvinyl Chloride (CPVC) is a specialty Polymer having characteristics such as high glass transition temperature, high heat deflection temperature, outstanding flame and smoke properties and chemical inertness due to these properties CPVC finds application in Hot water plumbing, Sanitary pipe, Industrial Pipes and fire- retardant systems.

CPVC is manufactured by chlorinating Polyvinyl Chloride. Polyvinyl Chloride normally contains 56-57% chlorine and when chlorinated further to 66-67%, it is called Chlorinated Polyvinyl Chloride. DCW's CPVC is produced under technical licenses from Arkema, France, (Presently KEMONE) it is a most clean technology with zero effluent discharge.

C-PVC market is estimated to 125000 MT/year and growing at the CAGR of 15%. At present DCW is the only domestic producer having capacity of 12000 MT/year and rest of the demand is met by the imports.

#### 6.1.5 Synthetic Iron Oxide Pigment (SIOP)

SIOP are widely used in Coating, Construction, Plastic and Paper Industries as a coloring matter. As a specialty pigment, the demand for this product is increasing due to growth in Infrastructure and Housing, Commercial Projects. Apart from catering to the domestic demand, the pigment are being exported to countries viz. U.S.A., Europe, Africa, Japan and to other Asian Countries.

#### 6.2 Opportunities and Threats

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

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

#### 6.3 Segment-wise or product-wise performance.

##### 6.3.1 Caustic Soda Division:

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

##### 6.3.2 Soda Ash Division:

The Soda Ash Industry continues to grow at a compounded rate of 4% - 5% per annum and this trend is expected to continue. There has been capacity addition, however, the Soda Ash industry is growing at a robust rate of 4-5% per annum and this trend is expected to continue and would be able to absorb additional quantity.

##### 6.3.3 PVC Division:

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

##### 6.3.4 Synthetic Iron Oxide Pigment Division:

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





### 6.3.5 C-PVC:

The new C-PVC Plant which was commissioned and has since stabilized is a specialty chemical and your company is first in India to manufacture C-PVC domestically. At present entire C-PVC demand is being met by way of imports. This plant will help the country to conserve foreign exchange and also will help the country to move towards Make in India.

### 6.4 Outlook

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

### 6.5 Risks and concerns

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

### 6.6 Internal Control systems and their adequacy

Company has adequate internal control system commensurating with the nature of its business and size of its operations. Internal Audit is conducted on a regular basis by a reputed firm of Chartered Accountants. The reports of the internal audit along with comments from the management are placed for review before Audit Committee.

### 6.7 Financial Performance with respect to Operative Performance

The Gross Revenue of the Company for the year was 1352.80 crores against the gross revenue of 1213.40 crores of the previous year. The Profit/(Loss) Before Tax was ₹ (21.87) crores compared to ₹ (49.09) crores of the previous year. The EBIDTA of the company has improved ₹ 165.53 crores, as against ₹ 131.91 crores, in previous year,

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

Company continues to give at most importance to human resources development and keeps relations cordial. Number of permanent employees have been mentioned hereinafter.

### 7 Cautionary Note:

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

### 8. Directors & Key Managerial Personnel (KMPs):

In accordance with the provisions of Section 152(6) Shri. Mudit Sharadkumar Jain (DIN No. 00647298) retires by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer himself for re-appointment. The Board on the recommendation of the Nomination & Remuneration Committee (NRC) has recommended his re-appointment.

Pursuant to the provisions of the Companies Act, 2013 ("Act"), the shareholders at the 75th AGM of your Company held on 13th August, 2014 appointed Smt. Sujata Rangnekar (DIN:06425371) and Shri. Salil Kapoor (DIN: 02256540) as Independent Non-Executive Directors to hold office for a term of 5 (five) consecutive years upto the conclusion of the 80th AGM of the Company in the calendar year 2019. The Board of Directors, based on the performance evaluation and as per the recommendation of the NRC has recommended re-appointment of Smt. Sujata Rangnekar and Shri. Salil Kapoor as Independent Non-Executive Directors for a second term of five consecutive years upto the conclusion of the 85th Annual General Meeting of the Company to be held in the calendar year 2024. The Board considers that, given their background, experience and contributions made by them during their tenure, the continued association of Smt. Sujata Rangnekar and Shri. Salil Kapoor would be beneficial to the Company.

Shri. Pradip Madhavji (DIN: 00549826), Independent Director of the Company has resigned from the Directorship of the Company w.e.f. March 31, 2019 due to other commitments. Shri. Pradip Madhavji has also confirmed in his resignation letter that there is no other material reason other than the reason mentioned above.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri Pramodkumar Jain, (DIN: 00380458), Chairman & Managing Director; Shri Bakul Jain (DIN: 00380256), Shri Vivek Jain (DIN: 00502027), Shri Mudit Jain (DIN: 00647298), Managing Directors, Shri Vimal Jain, Chief Financial Officer and Smt. Jigna Karnick, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Company during the year.

Smt. Jigna Karnick resigned on May 31, 2019 as Company Secretary & Compliance Officer of the Company. Shri Dilip Vishnubhai Darji is appointed as Company Secretary & Compliance Officer of the Company w.e.f. June 1, 2019.

## 9. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. The Board of Directors expressed their satisfaction with the evaluation process.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on March 13, 2019. The Independent Directors expressed their satisfaction with the evaluation process.

The performance evaluation of all the Directors, Committees and the Board was carried out by the Nomination & Remuneration Committee, Independent Directors and Board at their respective meetings.

## 10. Succession Plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

## 11. Particulars of employees

11.1 The information required under Section 197 of the Companies Act, 2013 and Rule 5 (2) of Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure 'A'**.

11.2 Information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year\*

Managing Directors	Ratio to median remuneration
Shri Pramodkumar Jain	-
Shri Bakul Jain	-
Shri Mudit Jain	-
Shri Vivek Jain	-

\* Managing Directors, to strengthen the finances of the Company, as a gesture of goodwill, waived their salary for the period 1/4/2018 to 31/3/2019.

\* Non Executive and Independent Directors have not been included as they were not paid any commission and the sitting fees paid to them have not been considered as remuneration.

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



There was no increase in the Remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year.

- c. The percentage increase in the median remuneration of employees in the financial year : 4.46%
- d. The number of permanent employees on the rolls of Company : 1839
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration is 4.46% for employees other than Managerial Personnel and there was no increase in the Managerial remuneration.

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

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

## 12. Statutory Auditors

The Shareholders of the Company at the 78th Annual General Meeting of the Company held on 28th September, 2017, had appointed M/s. Chhajed & Doshi, Chartered Accountants (ICAI Firm Registration No. 101794W), as Statutory Auditors of the Company for the period of 5 (five) years to hold office until the conclusion of the 83rd Annual General Meeting to be held in the calendar year 2022 to conduct the audit of the Accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

Pursuant to amendment to Section 139 (1) of the Companies Act, 2013, ratification of appointment of Statutory Auditor at every Annual General Meeting is not required.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the auditors to the effect that they are eligible to continue as Statutory Auditor of the Company.

The Statutory Auditors' report contain the remarks for delay in depositing various statutory dues with appropriate authorities within prescribed due dates, as detailed in point (vii) of Annexure A to Statutory Auditors' Report.

Management's Reply: The delay in depositing statutory dues were due to Company's operating cash flows issues during the financial year.

## 13. Cost Auditor And Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee have appointed M/s. N.D. Birla & Co., Ahmadabad and M/s. R. Nanabhoy & Co., Mumbai, Practising Cost Accountants for conducting cost audit of the cost records maintained by the company for the financial year 2019-20.

M/s. N.D. Birla & Co., Ahmadabad and M/s. R. Nanabhoy & Co., Mumbai, Practising Cost Accountants have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that there are free from any disqualification specified under Section 141 and proviso to Section 148(3) of the Act.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Shareholders in a General Meeting for their ratification. Accordingly, a resolution seeking Shareholders' ratification for remuneration payable to M/s. N.D. Birla & Co., Ahmadabad and M/s. R. Nanabhoy & Co., Mumbai, Practising Cost Accountants is included in the Notice convening the Annual General Meeting.

## 14. Secretarial Auditor and Secretarial Audit Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s S.K Jain & Co., Practising

Company Secretaries, to conduct the secretarial audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2019, is annexed herewith and marked as **Annexure B** to this Report. The Secretarial Audit Report contain the following remarks:

1. The Company has delayed submission of unaudited quarterly standalone financial results for the quarter ended 30th September, 2018, along with Limited Review Report to the BSE Limited and National Stock Exchange of India Limited by one day i.e. on November 15, 2018. However, the Company has paid the penalty as levied by the said Stock Exchanges for delayed submission of the said financial results.
2. During the Financial Year under review, the Company has delayed in depositing employer's and employee's share of contribution towards Provident Fund within prescribed due dates with DCW Trust. However, though the Company has deposited entire portion of employee's Provident Fund contribution in May 2019, it has still to deposit employer's portion of Provident Fund contribution to the trust.

Management's Reply: The Company has delayed in depositing Provident Fund (PF) contribution to the PF trust due to Company's operating cash flows issues during the financial year. However, the Company has fully deposited employee's contribution to the Provident Fund and is depositing employer's contribution in installments.

#### **15. Secretarial Standards:**

The Company has complied with the applicable Secretarial Standards. The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

#### **16. Conservation of Energy, Technology and Foreign Exchange.**

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

#### **17. Deposits / Loans & Advances, Guarantees Or Investments**

Your Company has not accepted any deposits from the public during the year under review. The particulars of loans/ advances, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements.

#### **18. Risk Management**

Your Company laid down Risk Management Policy and it is made available on the website of the Company. However, the provisions related to Risk Management Committee is not applicable to the Company.

#### **19. Establishment Of Vigil Mechanism**

Your Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective clauses for the Whistle Blowers. The Whistle Blower Policy is made available on the website of the Company.

#### **20. Board Meetings**

During the Financial Year 2018-19, 7 (Seven) number of Board Meetings were held. For details thereof kindly refer to the section 'Board of Directors' – "Board Meetings", in the Corporate Governance Report.

#### **21. Committees of the Board.**

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



## 21.1 Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Shri Pramodkumar Jain, Chairman of the Board. The other members of the Committee are Shri Krishnamoorthy Krishnan, an Independent Director and Shri. Bakul Jain, Managing Director. A detailed CSR Policy has also been framed which is placed on the company's website. Other details for the CSR activities as required under Section 135 of the Companies Act 2013 are given in the CSR Report at "Annexure D".

## 21.2 Internal Compliance Committee

In terms of the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. Your Company laid down Prevention of Sexual Harassment Policy and it is made available on the website of the Company. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 21.3 Audit Committee

Audit Committee comprises 3 Independent Directors and Ms. Sujata Rangnekar is the Chairperson of the Committee and other members of the Committee are Shri Pradip Madhavji and Shri Krishnamoorthy Krishnan and they possess sound knowledge on accounts, audit, finance, taxation, Internal Control etc. The details of the composition of the Audit Committee are given in the Corporate Governance Report.

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

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

## 21.4 Nomination & Remuneration Committee & Policy

The Company has duly constituted Nomination & Remuneration Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulation 2015 comprises 3 Independent Directors and Ms. Sujata Rangnekar is the Chairperson of the Committee and other members of the Committee are Shri Pradip Madhavji and Shri Krishnamoorthy Krishnan.

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

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

## 22. Extract of the Annual Return

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2019 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as **Annexure "E"**.

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

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

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

#### **24. Related Party Transactions:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the audit committee on a quarterly basis specifying the nature value and terms and conditions of the transactions.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is put up on the Company's website and can be accessed at <http://www.dcwlimited.com/PDF/policy/policy.zip>. The details of transaction with Related Party are provided in the accompanying financial statements.

#### **25. Corporate Governance Report**

The report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report as **Annexure "F"**. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

#### **26. Directors' Responsibility Statement**

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

- A. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- B. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- C. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- D. the directors had prepared the annual accounts on a going concern basis; and
- E. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- F. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **27. Significant/Material Orders passed by the Regulators**

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

#### **28. Material changes and commitments affecting the financial position of the Company**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.





**29. Details in respect of fraud reported by Auditors other than those which are reportable to Central Government**

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

**30. Industrial Relations:**

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

**31. Acknowledgements**

The Board places on record their grateful appreciation for the assistance and co-operation received from the shareholders, customers, vendors, bankers, financial institutions regulatory and Governmental authorities in India and abroad.

For and on behalf of the Board of Directors

Sd/-

**Pramodkumar Jain**

Chairman & Managing Director

DIN: 00380458

Place: Mumbai

Date: 28th May, 2019

## ANNEXURE TO THE DIRECTOR'S REPORT

Information as per Section 197(12) of the Companies Act, 2013, read with the 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report

Sr. No.	Name	Designation	Remuneration (Rupee)	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Last Employment held
1	Shri Amitabh Gupta	Sr. Vice President (Marketing)	9198126	M.Sc.	46	15.7.1971	67	-
2	Shri S Ganapathy	Sr. Vice President (PVC)	6584174	M.B.A.	33	2.7.1990	58	Colorchem Ltd.
3	Shri Vimal Jain	Chief Financial Officer	6067947	C.A.	31	21.1.2004	56	Sapat International
4	Shri V Sridhar	Sr. Vice President (Taxation.)	5598251	C.A.	41	9.3.1992	66	TTK Prestige Ltd.
5	Shri P.K.Agarwal	Vice President (Finance, Accts. & Commercial)	3976138	M.Com. , C.A.	28	10.4.2000	53	Metrochem Industries Ltd.
6	Shri Romu Malkani	Sr. G.M. (Commercial)]	2571547	BE, PGDFT	27	28.1.1997	48	Sabero Organics
7	Shri C S Ganesh	Sr. G.M. (Marketing)	2478534	B.Sc, MBA	34	21.5.1985	56	Royal Cushion Vayal
8	Shri Vivek Poddar	Sr. G.M. PVC	2538534	B.Sc	39	10.10.1994	60	Ion Exchange (India) Limited
9	Shri Nitin Vaidya	Sr. G. M. System	2478387	B.Sc., PGDCA	32	17.02.1994	54	Bradma Of India
10	Shri T. D. Laji	Vice President (Legal)	2538534	LLB	41	03.05.1990	64	Mather & Platt (India) Ltd.

**Notes:**

- 1 The gross remuneration shown above (subject to tax) comprise salary, Perquisites, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
- 2 None of the above employees are related to any of the Directors of the Company.
- 3 The Managing Directors, Senior President and Presidents are entitled for remuneration in excess of the limits mentioned under Rule 5(2) (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, to strengthen the finances of the Company, as a gesture of goodwill they have waived their salary for the period 1/4/2018 to 31/3/2019.



FORM NO. MR - 3

**Secretarial Audit Report**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

To,  
The Members,  
**DCW LIMITED**  
DHARANGADHRA  
GUJARAT - 363315

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period 1st April, 2018 to 31st March, 2019 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the period 1st April, 2018 to 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable as the Company has not made any further issue of Shares)**

- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**
  - i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**
- (vi) The Company has complied with following specific laws applicable to the Company
- i. Explosive Act, 1884;
  - ii. Hazardous Waste (Management and Handling) Rules, 1989;
  - iii. Gas Cylinder Act, 1981.
  - iv. Bureau of Indian Standards Act, 1986.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, guidelines, Standards etc. mentioned above except to the extent mentioned below:

1. The Company has delayed submission of unaudited quarterly standalone financial results for the quarter ended 30th September, 2018 along with Limited Review Report to the Bombay Stock Exchange and National Stock Exchange by one day i.e. on November 15, 2018, However the Company has paid the penalty as levied by the said Stock Exchanges for delayed submission of the said financial results.
2. During the Financial Year under review, the Company has delayed in depositing employer's and employee's share of contribution towards Provident Fund within prescribed due dates with DCW Trust. However, though the Company has deposited entire portion of employee's Provident Fund contribution in May 2019, it has still to deposit employer's portion of Provident Fund contribution to the trust.

#### **I further report that:**

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

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

Majority decision is carried through and recorded as part of the Minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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



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

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

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

1. Mr. D. Ganapathy (DIN: 02707898), Independent Director of the Company has resigned as a Director from the Board of Directors of the Company vide his Resignation Letter dated April 05, 2018 with immediate effect due to his ill health and other domestic commitments. Board of Directors of the Company took note of the same in its Meeting held on May 22, 2018.
2. The Board of Directors of the Company in its Meeting held on May 22, 2018 has appointed Mr. Krishnamoorthy Krishnan (DIN: 08129657) as an Additional Director of the Company and also designated him as an Independent Director. The Members of the Company at Annual General Meeting held on September 27, 2018 have approved the appointment of Mr. Krishnamoorthy Krishnan (DIN: 08129657) as a regular Director and also approved his appointment as an Independent Director for a term of 5 (five) continuative years w.e.f May 22, 2018.
3. The Board of Directors of the Company in its Meeting held on May, 22 2018 had decided to issue shares aggregating up to INR 80 (eighty) crores on Right basis in accordance with the provisions of Section 62(1)(a) of the Companies Act, 2013 and rules made thereunder read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. However the Board of Director at its Meeting held on February 12, 2019 has decided to cancel the said proposed right issue.
4. The Board of Director of the Company in it Meeting held on March 29 2019 has approved the issue of warrants and equity shares on preferential basis to the Promoters, Promoter Group, Business Associates and Investors for an aggregate amount up to ₹ 80 crores and also Issue of Non-Convertible Debentures on Private Placement basis for an amount up to ₹ 400 crores and called Extra-Ordinary General Meeting of the Members of the Company on April 25, 2019 for taking approval of the Members of the Company on the above said matter.

**For S. K. Jain & Co.**

**Place: Mumbai**

**Date: May 25, 2019**

**CS. Dr. S. K. Jain**

**Practicing Company Secretary**

**Membership No. FCS 1473**

**COP No. 3076**

This report is to be read with our letter of even date which is annexed as “**Annexure - III**” and forms an integral part of this report.

## ANNEXURE - I

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

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

**For S. K. Jain & Co.**

**Place: Mumbai**

**Date: May 25, 2019**

**CS. Dr. S. K. Jain**  
**Practicing Company Secretary**  
**Membership No. FCS 1473**  
**COP No. 3076**





## ANNEXURE - II

### List of applicable laws to the Company

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

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

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

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

**Annexure - III**

To,

**DCW LIMITED**

DHRANGADHRA GJ 363315

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

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

**For S. K. Jain & Co.**

**Place: Mumbai**

**Date: May 25, 2019**

**CS. Dr. S. K. Jain**  
**Practicing Company Secretary**  
**Membership No. FCS 1473**  
**COP No. 3076**

## ANNEXURE TO THE DIRECTORS' REPORT

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

### A) CONSERVATION OF ENERGY:

#### (I) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

##### SAHUPURAM

##### Chlor-Alkali Plant

1. In the FY 2018-19, 28 nos. Anodes and 22 nos. Cathodes were recoated and placed in Electrolyzers due to which reduction in cell voltage of individual elements from the level of 4.1 V to 3.3 V thereby energy savings of 55,662 KWHr.
2. Energy efficient motors replaced in place of low efficient one in cooling tower pumps resulted in annual savings of 19,750 KWHr.
3. Optimization of Agitator running hours based on Soda Ash preparation resulted in annual savings of 14,000 KWHr.

##### Synthetic Rutile plant

1. In Integrated Effluent Treatment Plant, Calcium hydroxide solution (Lime) for treating High Total Dissolved Solid effluent is pumped using a pump. The lime pumping line is modified in such a way to operate it in gravity flow. By this modification running of pump avoided resulted in annual savings of 37,800 KWHr.
2. By modifying the ore handling process running of one belt conveyor eliminated resulted in annual saving of 37,000 KWHr.
3. Stopping the digester water feed pump when the Low pH water is in line for digester water wash, for Digester House ground floor wash, water is being diverted from filter press feed water pump in Synthetic Rutile plant Utox area, resulted in annual energy savings of 45,990 KWHr.

##### Poly Vinyl Chloride Plant

1. Preheating pure water by condensate heat through Heat Exchanger in hot water generating system resulted in annual savings of 500 MT of Steam.
2. Modifying the line size of cooling tower pump No.5 resulted in efficiency enhancement of cooling water pumping system.
3. Replacement of Old Transformer with an Energy efficient one resulted in annual energy savings of 57,600 KWHr.
4. Replacement of Metal Halide lamps with Light Emitting Diode (LED) lamps resulted in savings of 13,124 KWHr per annum.

##### Cogen Plant

1. Metal Halide light fittings were replaced with energy efficient LED lamps - 15 Nos in street light resulted in energy conservation 5475 KWHr.

##### Effective utilization of Energy Saving Devices

- ❖ Identifying of potential areas for energy conservation were made, availability of Energy saving devices ensured by proper preventive maintenance.
- ❖ By effective running of energy savings devices (Variable Frequency devices & Supermisers) total savings achieved 36.29 Lakh KWHr per annum. (through Supermisers MX 16.34 Lakh units and in Variable Frequency Drives 19.95 Lakh Units)

### Energy Conservation activities

- ❖ National Energy Conservation week celebrations organized during Dec 2018. Out of 36 suggestions 17 validated for implementation. By completion of 11 suggestions savings achieved per annum 3,87,105 KWHr and 596 tons of steam.
- ❖ Two Cost Improvement programmes organized in the FY 2018-19, number of Energy related projects implemented 5. Energy saving per annum 81,586 KWHr.

### DHRANGADHRA

- 1) Revamping of Air pre heater unit in boilers 2 & 3 :  
Air pre heater unit tubes in boilers 2 & 3 revamped, resulting in high heat exchange of primary air leading to reduced flue gas temperature. This has also resulted in lower power consumption of Induced Draught fan of boiler & marginal reduction in fuel consumption.  
Investment : ₹ 11.94 lakhs.  
Reduction of 21 KW in power consumption of FBC boiler.
- 2) New calciner investment resulted in consistency in production of soda ash, flexibility in production of soda ash & soda bicarbonate & stoppage of one set soda ash recirculation flow conveyors.  
(Investment : ₹ 1951 lakhs)  
A new calciner of 350 MT/Day capacity has been successfully installed & commissioned by September 2018 and it resulted in stoppage of one set of flow conveyors & rotary valves in soda ash recirculation system.  
This has resulted in power saving of 11 kw & reduction in break down & maintenance expenses of conveyors.  
The new calciner has also contributed to consistency in production of soda ash & flexibility in increasing the production of soda ash due to higher calciner capacity, whenever sodium bicarbonate production has to be curtailed due to market conditions or due to interruptions in bicarbonate plant.

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

- ❖ Savings of 1837 KWHr / Annum achieved by usage of Photovoltaic panel in administration block.
- ❖ Savings of 1092 KWHr / Annum achieved by usage of 5 Nos. solar tubing in place of conventional lighting.

### III) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:

An investment of ₹ 52.41 lakhs were made for energy conservation equipment procurement and services.

### (B) TECHNOLOGY ABSORPTION:

#### THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION AND BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION.

##### Chlor Alkali Plant

- 1) In house Efforts are undertaken to recycle a part of Demineralising M plant Effluents for Hydrochloric Acid synthesis and thereby reducing Specific water consumption and Effluent Generation.
- 2) Recoating of Selective Anodes & Cathodes are undertaken to reduce the specific power consumption to optimum levels.
- 3) Installation of RADAR based level measurement system in Chlorine storage is being undertaken on safety aspect.
- 4) With In house Efforts Bureau of Indian Standards certification has been obtained for all forms of Caustic soda sold to market.
- 5) Implementation of Closed loop level control measurement in rectifier return water pumps to reduce specific power consumption of Caustic soda.
- 6) Installation of Energy efficient IE-3 Motors in Hot water pumps available in T Trichloroethylene plant.
- 7) In Liquid Chlorine plant acid handling valves MOC material of construction changed from Glass lined to ordinary Carbon steel results in maintenance cost reduction.,

- 8) In Trichloroethylene CE plant Tetra cooler pipes MOC material of construction changed from Carbon Steel to Cast Iron which resulted in better Heat Transfer Efficiency.

#### **Synthetic Rutile Plant**

- 1) Process improvement made in Blow down operation i.e., double settling in different position increases the leached ore recovery, resulted in reduction of specific ore consumption.
- 2) After conducting various in house trials, ore purification process by-passed while processing IP1 ore, resulted in energy conservation.

#### **Poly Vinyl Chloride Plant**

- 1) Through in house modification, Waste heat recovery system installed in hot water unit to recover the waste heat from return condensate.
- 2) By in house modifications additional provision introduced to convert 25 kg bagging into Gambo bags.
- 3) To ensure uninterrupted instrument air supply for process requirement, interconnection made between Nitrogen Unit receiver and plant air receiver.
- 4) Caustic dosing system has been modified to ensure

#### **Chlorinated Poly Vinyl Chloride Plant**

- 1) We are proudly announcing that it is the first of its kind in India to manufacture Chlorinated Poly Vinyl Chloride Resin.
- 2) Both Chlorinated Poly Vinyl Chloride resin & Chlorinated Poly Vinyl Chloride compound are well received by Indian customers and have entered the market in a big way.
- 3) Presently two grades of Chlorinated Poly Vinyl Chloride resin & Chlorinated Poly Vinyl Chloride compound (Pipe grade & Fitting grade) are being manufactured.

#### **Synthetic Iron Oxide Pigment Plant**

- 1) Spin Flash Dryer capacity optimized by providing a vibrator on top of the conveyor to increase the capacity of conveying through in house modification.

#### **Cogeneration Plant**

- 1) Anti Friction coating applied in Cooling tower main circulatory water pumps to reduce power consumption.

#### **PRODUCT IMPROVEMENT:**

#### **SODIUM BICARBONATE PRODUCT, UPGRADED TO MEET SPECIFIC DEMANDS OF SELECTED CUSTOMERS, WHO NEED UNIFORM CRYSTALS OF SPECIFIED RANGE :**

Estimated investment: ₹ 25 lakhs.

Sodium bicarbonate product upgraded to meet the demand of specific consumers who need uniform crystals of specified granulometry. In addition to carrying out changes in the parameters of carbonators, modified the classification system to produce & upgrade the product quality. The product was well received by the consumers.

#### **III) INFORMATION REGARDING IMPORTED TECHNOLOGY (imported during the last 3 years (from the beginning of the financial year):**

There was no technology imported in the last 3 years

#### **IV) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT:**

During the year under review the Company has spent ₹ 74.50 lakhs for Research and Development

#### **C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- Foreign Exchange Earning: ₹ 212.88 Crores
- Foreign Exchange Outgo: ₹ 550.30 Crores

## ANNEXURE TO DIRECTOR'S REPORT

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

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Objectives of Company's CSR Policy are to demonstrate commitment to the common good through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.</p> <p>The Company's web link to the CSR policy and projects is <a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a></p>
2.	The Composition of the CSR Committee	<p>1 Shri Pramodkumar Jain : Chairman and Managing Director 2 Shri Bakul Jain : Managing Director 3 Shri Krishnamurthy Krishnan : Independent Director</p>
3	Average net profit of the company for last three financial years (Amount in lakhs)	₹ 89.81 lakhs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in lakhs)	₹ 1.80 lakhs
5.	Details of CSR spent during the financial year.	
	(a) Total amount to be spent for the F.Y.	₹ 1.80 lakhs
	(b) Amount unspent , if any;	Nil



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

(‘in ₹’)

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Provision of Food, promotion of preventive health care and sanitation.	Eradicating, hunger, poverty and malnutrition,  Promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Govt. for the promotion of sanitation and making available safe drinking water.	Projects and programs were undertaken in the areas around where the Company’s manufacturing operations are being carried out i.e. in Sahupuram, Tuticorin District, Tamilnadu and at Dhrangadhra, Surendranagar District, Gujarat.  Sahupuram Dhrangadhra	50,001/- 6,16,339/-	50,001/- 6,16,339/-	50,001/- 6,16,339/-	Direct  Direct
2	Promoting education” and “vocational skills” and “livelihood enhancement ”.	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects	Sahupuram  Dhrangadhra	55,780/- 13,29,037/-	55,780/- 13,29,037/-	55,780/- 13,29,037/-	Direct  Direct
3	Environmental sustainability, ecology balance, animal welfare etc.	Ensuring environmental sustainability, ecology balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water. Including contribution to the Clean Ganga Fund set-up by the Central Govt. for rejuvenation of river Ganga.	Sahupuram  Dhrangadhra	2,01,000/- 13,42,392/-	2,01,000/- 13,42,392/-	2,01,000/ 13,42,392/-	Direct  Direct
4	Protection of old temples of historical importance	Protection of national heritage, art and culture including restoration and buildings and sights of historical importance and works of art ; setting-up public libraries; promotion and development of traditional arts and handicrafts.	Sahupuram  Dhrangadhra	98925/- 11,583/-	98925/- 11,583/-	98925/- 11,583/-	Direct  Direct

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
5	Donation of sports accessories	Training to promote rural sports, Nationally recognized sports, para Olympic sports and olympic sports.	Sahapuram	358,250/-	358,250/-	358,250/-	Direct
6		Contribution to the Prime Minister's National Relief Fund or any other fund set-up by the Central Govt. for Socio Economic Development and Relief and Welfare of the Scheduled Castes, Scheduled Tribes, Other Backward Classes, Minorities and Women.	Sahapuram	2,63,300/-	2,63,300/-	2,63,300/-	Direct
7	Rural Development	Rural Development projects.	Sahapuram	14,42,931/-	14,42,931/-	14,42,931/-	Direct
8		Slum Area Development	Sahapuram	4,50,000/-	4,50,000/-	450000/-	Direct
			<b>TOTAL</b>	<b>62,19,538/-</b>	<b>62,19,538/-</b>	<b>62,19,538/-</b>	

6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	N.A.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company	The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and policy of the Company.

Sd/-  
 Pramodkumar Jain  
 Chairman of CSR Committee  
 DIN: 00380458

Sd/-  
 Bakul Jain  
 Managing Director  
 Member of CSR Committee  
 DIN: 00380256

Sd/-  
 Krishnamoorthy Krishnan  
 Independent Director &  
 Member of CSR Committee  
 DIN: 08129657

Form No. MGT-9

## Extract of Annual Return

as on the financial year ended on 31st March, 2019

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

### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L24110GJ1939PLC000748
2	Registration Date	28th January, 1939
3	Name of the Company	DCW Limited
4	Category/Sub-Category of the Company	Inorganic / Petro Chemicals
5	Whether listed Company (Yes/No)	Yes
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Limited, 1st floor, Bharat Tinworks Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059 Tel.: 022 – 626368200, Fax No.: 62638299. E-mail : investor@bigshareonline.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Caustic Soda	20122	35.28
2	Soda Ash	20122	15.75
3	PVC Resin	24134	39.46

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

## I. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

### i) Category-wise Share Holding

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year : 31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>(A) Shareholding of Promoter and Promoter Group2</b>										
<b>Indian</b>										
(a)	INDIVIDUAL / HUF	48547990	0	48547990	21.97	48547990	0	48547990	21.97	0.00
(b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	56236740	0	56236740	25.45	56247740	0	56247740	25.45	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS									
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	104784730	0	104784730	47.42	104795730	0	104795730	47.42	0.00
<b>Foreign</b>										
(a)	BODIES CORPORATE									
(b)	INDIVIDUAL									
(c)	INSTITUTIONS									
(d)	QUALIFIED FOREIGN INVESTOR									
(e)	ANY OTHERS (Specify)									
	SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total holding for promoters										
	(A) = (A)(1) + (A)(2)	104784730	0	104784730	47.42	104795730	0	104795730	47.42	0.00
<b>(B) Public shareholding</b>										
<b>Institutions</b>										
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	1060031	12870	1072901	0.49	742104	12870	754974	0.34	(0.14)
(c)	GROUP COMPANIES									
(i)	FOREIGN FINANCIAL INSTITUTIONS / BANKS	0	40865	40865	0.02	0	40865	40865	0.02	0.00
(d)	MUTUAL FUNDS / UTI	10755	10500	21255	0.01	10755	10500	21255	0.01	0.00
(e)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(f)	INSURANCE COMPANIES	6679665	0	6679665	3.02	6679665	0	6679665	3.02	0.00
(g)	FII'S	11500	0	11500	0.01	11500	0	11500	0.01	0.00
(h)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(i)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(j)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(k)	FOREIGN PORTFOLIO INVESTOR	13061509	0	13061509	5.91	14818364	0	14818364	6.71	0.80
(l)	ALTERNATE INVESTMENT FUND									
	SUB TOTAL (B)(1) :	20823460	64235	20887695	9.45	22262388	64235	22326623	10.10	0.65

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year : 31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>Non-institutions</b>										
(a)	BODIES CORPORATE									
		14979954	65375	15045329	6.81	11794836	63945	11858781	5.37	(1.44)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO ₹ 1 Lakh)	55226510	3526966	58753476	26.58	57008522	3250446	60258968	27.27	0.68
(ii)	(CAPITAL GREATER THAN ₹ 1 Lakh)	18215965	98250	18314215	8.29	18511397	98250	18609647	8.42	0.13
(c)	ANY OTHERS (Specify)									
(i)	TRUSTS	12200	0	12200	0.01	2300	0	2300	0.00	(0.00)
(ii)	CLEARING MEMBER	1505557	0	1505557	0.68	1242193	0	1242193	0.56	(0.12)
(iii)	NON RESIDENT INDIANS (NRI)	71250	22210	93460	0.04	17739	22210	39949	0.02	(0.02)
(iv)	NON RESIDENT INDIANS (REPAT)	768800	0	768800	0.35	764158	0	764158	0.35	(0.00)
(v)	NON RESIDENT INDIANS (NON REPAT)	637777	0	637777	0.29	980908	0	980908	0.44	0.16
(vi)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(vii)	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(viii)	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(ix)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(x)	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR									
(e)	NBFCs registered with RBI	184168	0	184168	0.08	108150	0	108150	0.05	(0.03)
	SUB TOTAL (B)(2) :	91602181	3712801	95314982	43.13	90430203	3434851	93865054	42.47	(0.66)
Total Public Shareholding										
	(B)=(B)(1) + (B)(2)	112425641	3777036	116202677	52.58	112692591	3499086	116191677	52.58	(0.00)
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>		0	0	0	0.00	0	0	0	0.00	0.00
	(C)=(C)(1)		0		0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	217210371	3777036	220987407	100	217488321	3499086	220987407	100	0.00

**ii. Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year				Share Holding at the end of the year				% change in shareholding during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	SAHU BROTHERS PRIVATE LIMITED	52459860	0	52459860	23.74	52459860	0	52459860	23.74	0.00
2	VANDANA JAIN	9467206	0	9467206	4.28	9467206	0	9467206	4.28	0.00
3	VIVEK JAIN	7108911	0	7108911	3.22	7108911	0	7108911	3.22	0.00
4	VIVEK SHASHICHAND JAIN HUF	88020	0	88020	0.04	88020	0	88020	0.04	0.00
5	USHA P JAIN	9433690	0	9433690	4.27	9433690	0	9433690	4.27	0.00
6	ASHISH JAIN	3611318	0	3611318	1.64	3611318	0	3611318	1.64	0.00
7	MUDIT JAIN	1301498	0	1301498	0.59	1301498	0	1301498	0.59	0.00
8	PRAMOD KUMAR JAIN	1196500	0	1196500	0.54	1196500	0	1196500	0.54	0.00
9	DURGAVATI JAIN	3241991	0	3241991	1.47	2541991	0	2541991	1.15	-0.32
10	PREMCHAND JAIN	1920540	0	1920540	0.87	0	0	0	0	0.87
11	NAMITA P JAIN	1361945	0	1361945	0.62	1361945	0	1361945	0.62	0.00
12	M/S DHRANGADHRA TRADING CO PVT LTD	1280500	0	1280500	0.58	1280500	0	1280500	0.58	0.00
13	SAATVIK JAIN	1366018	0	1366018	0.62	1366018	0	1366018	0.62	0.00
14	VARSHA JAIN	1004579	0	1004579	0.45	1004579	0	1004579	0.45	0.00
15	CRESCENT HOLDINGS AND ENTERPRISES PVT LTD	1137000	0	1137000	0.52	0	0	0	0.00	0.52
16	SAHU CYLINDERS & UDYOG PVT LTD	1103250	0	1103250	0.50	1103250	0	1103250	0.50	0.00
17	BAKUL JAIN	2921972	0	2921972	1.32	1263332	0	1263332	0.57	-0.75
18	BAKUL JAIN HUF	170820	0	170820	0.08	0	0	0	0.00	0.08
19	SONALIKA JAIN	1050100	0	1050100	0.48	1050100	0	1050100	0.48	0.00
20	MEETA JAIN	878720	0	878720	0.40	878720	0	878720	0.40	0.00
21	PAULOMI BAKUL JAIN	480085	0	480085	0.22	4930085	0	4930085	2.23	2.01
22	NEERA JAIN	481	0	481	0.00	481	0	481	0.00	0.00
23	SATYAWATI GIANCHAND JAIN	109000	0	109000	0.05	109000	0	109000	0.05	0.00
24	FLORIDA HOLDINGS AND TRADING PVT LTD	185450	0	185450	0.08	1322450	0	1322450	0.60	0.52
25	RIMA SAATVIK JAIN	11	0	11	0.00	11	0	11	0.00	0.00
26	MALTI BHINDI	50000	0	50000	0.02	50000	0	50000	0.02	0.00
27	KALPATARU BOTANICAL GARDENS PRIVATE LIMITED	22500	0	22500	0.01	22500	0	22500	0.01	0.00
28	CASHCO HOLDINGS PRIVATE LIMITED	17750	0	17750	0.01	17750	0	17750	0.01	0.00
29	B J HOLDINGS PRIVATE LIMITED	16000	0	16000	0.01	16000	0	16000	0.01	0.00
30	D P B HOLDINGS PRIVATE LIMITED	13500	0	13500	0.01	13500	0	13500	0.01	0.00
31	SHIVANTIKA JAIN	4835	0	4835	0.00	4835	0	4835	0.00	0.00
32	CANVAS SHOE CO. (GOA) PRIVATE LTD.	830	0	830	0.00	830	0	830	0.00	0.00
33	VIKRANT HOLDINGS AND TRADING PVT LTD	100	0	100	0.00	100	0	100	0.00	0.00
34	PRAMOD KUMAR JAIN TRUST BB	1700000	0	1700000	0.77	1700000	0	1700000	0.77	0.00
35	ASHISH JAIN HUF	79750	0	79750	0.04	79750	0	79750	0.04	0.00
36	KISHCO PRIVATE LIMITED	0	0	0	0	11000	0	11000	0.00	0.00
		104784730		104784730	47.42	104784730		104784730	47.42	0.01



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Promoter	At the beginning of the year date wise Increase/ Decrease in Promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc. At the end of the year					Cumulative Shareholding during & at end of the year	
		Beginning of the year	% of total shares of the Company	Increase/ Decrease	Date	Reason	No. of share	% of total shares of the Company
1	BAKUL JAIN HUF	170820	0.0773	(170820)	24-08-2018	Partition of HUF	0	0
2	BAKUL JAIN	960447	0.4346	2091360	24-08-2018	Received from HUF in Partition	3051807	1.38
				(3051807)	02-11-2018	Gift	0	0.00
				700000	28-12-2018	Gift	700000	0.32
				(700000)	31-12-2018	Gift	0	0.00
	BAKUL JAIN	1961525	0.89	(698193)	31-12-2018	Gift	1263332	0.57
3	DURGAVATI JAIN	1128832	0.51	(700000)	28-12-2018	Gift	428832	0.19
4	KISHCO PRIVATE LIMITED	0.00	0.00	1000	06-04-2018	Buy	1000	0.00
				10000	08-06-2018	Buy	11000	0.01
5	PAULOMI BAKUL JAIN	0.00	0.00	1000000	02-11-2018	Gift	1000000	0.45
				150000	31-12-2018	Gift	1150000	0.52
	PAULOMI BAKUL JAIN			1000000	02-11-2018	Gift	1000000	0.45
				150000	31-12-2018	Gift	1150000	0.52
	PAULOMI BAKUL JAIN			51807	02-11-2018	Gift	51807	0.023
				948193	31-12-2018	Gift	1000000	0.45
6	PREMCHAND JAIN	1920540	0.87	1920540	24-08-2018	Partition of HUF	0	0.00

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

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding end of the year	
		No. of share	% of total shares of the Company	No. of share	% of total shares of the Company
1	APMS INVESTMENT FUND LTD	9,805,000	4.46	9,805,000	4.44
2	LIFE INSURANCE CORPORATION OF INDIA	6,679,665	3.04	6,679,665	3.02
3	LOTUS GLOBAL INVESTMENTS LTD	3,047,877	1.38	5013364	2.27
4	GNANESH VIRENDRA LAKHIA	1393836	0.63	1456440	0.66
5	RAJENDRA KUMAR HIRAWAT	1411348	0.64	1436348	0.65
6	PREM LATA HIRAWAT	974,133	0.44	974,133	0.44
7	FOUR DIMENSIONS SECURITIES (INDIA) LIMITED	770,000	0.35	970000	0.44
8	IL AND FS SECURITIES SERVICES LIMITED	918870	0.42	782442	0.35
9	MUKUL MAHAVIR PRASAD AGRAWAL	900000	0.41	0	0
10	INDIANIVESH SECURITIES LIMITED	719054	0.33	18210	0.01

(V) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Director and Key Managerial Person	At the beginning of the year date wise Increase/ Decrease in Promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc. At the end of the year					Cumulative Shareholding during the year	
		No. of share at the beginning of the year	% of total shares of the Company	Increase/ Decrease	Date	Reason	No. of share	% of total shares of the Company
1	Shri Pramodkumar Jain	1,196,500	0.54	NA	NA	NA	1,196,500	0.54
2	Shri Bakul Jain	2,921,972	1.03	(1658640)	As mentioned in Point (iii)	As mentioned in Point (iii)	1263332	0.57
3	Shri Mudit Jain	1,301,498	0.59	NA	NA	NA	1,301,498	0.59
4	Shri Vivek Jain	6891511	3.12	NA	NA	NA	6891511	3.12
6	Shri Pradip Madhavji Resigned w.e.f 31/03/2019	0	0	0	NA	NA	0	0.00
7	Shri. D. Ganapathy Resigned w.e.f 07/05/2018	0	0	0	NA	NA	0	0.00
8	Smt. Sujata Ragnekar	0	0	0	NA	NA	0	0.00
9	Shri Salil Kapoor	0	0	0	NA	NA	0	0.00
10	Shri Krishnamoorthy Krishnan Appointed w.e.f. 22/05/2018	0	0	0	NA	NA	0	0.00
11	Shri Vimal Jain	0	0	0	NA	NA	0	0.00
12	Smt. Jigna Karnick	0	0	0	NA	NA	0	0.00

VI INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in lakhs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75,543.18	7,518.66	–	83,061.84
ii) Interest due but not paid	-	-	–	-
iii) Interest accrued but not due	623.91	-	–	623.91
<b>Total (i + ii + iii)</b>	<b>76,167.09</b>	<b>7,518.66</b>	<b>–</b>	<b>83,685.75</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	5,958.23	9,921.75	–	12,357.78
- Reduction	25,443.29	3,661.77	–	25,582.86
Net Change	(19,485.06)	6,259.98	–	(13,225.08)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	56,058.11	13,778.64	–	69,836.75
ii) Interest due but not paid	-	-	–	-
iii) Interest accrued but not due	1,512.81	-	–	1,512.81
<b>Total (i + ii + iii)</b>	<b>57,570.92</b>	<b>13,778.64</b>	<b>–</b>	<b>71,349.56</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Shri. Pramod Kumar Jain	Shri. Bakul Jain	Shri. Vivek Jain	Shri. Mudit Jain	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

### B. Remuneration to other directors

(in Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Krishna Moorthy Krishnan	Shri. D Ganapathy	Smt. Sujata Rangnekar	Shri. Salil Kapoor	Shri. Pradip Madhavji	
1	Independent Directors						
	Fee for attending board committee meetings	85,000	10,000	85,000	10,000	1,00,000	2,90,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>85,000</b>	<b>10,000</b>	<b>85,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>2,90,000</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	<b>Total (B)=(1 + 2)</b>	<b>85,000</b>	<b>10,000</b>	<b>85,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>2,90,000</b>
	<b>Total Managerial</b>	<b>85,000</b>	<b>10,000</b>	<b>85,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>2,90,000</b>
	Remuneration						
	Overall Ceiling as per the Act						

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

(in Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,121,940	4,675,896	57,97,836
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	5,90,183	5,90,183
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>1,121,940</b>	<b>52,66,079</b>	<b>63,88,019</b>

**VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty		During the year, NSE and BSE imposed a fine of ₹ 5000/- each for non-compliance of the requirement of Regulation 33 of the Listing Regulations. Apart from the said penalty there are no instances of non-compliance for which penalty is imposed on the Company by Securities Exchange Board of India or Registrar of Companies			
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

### 2. CODE OF CONDUCT

The Company has adopted the Code of Conduct ('CoC') which is available on its website [www.dcwlimited.com](http://www.dcwlimited.com). The CoC articulates the DCW Group's values, ethics and business principle and provides the guidelines by which the Company conduct its business.

#### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING & CODE OF CORPORATE DISCLOSURE PRACTICES:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Board of Directors of the Company has adopted the revised Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code').

All our Promoters (including Promoter Group), Directors, Employees of the Company identified as Designated Persons and their Immediate Relatives and other Connected Persons such as Auditors, Consultant, Bankers amongst others, who could have access to the unpublished price sensitive information of the Company, are governed under this Insider Trading Code.

The Company Secretary of the Company is the 'Compliance Officer' in terms of the Insider Trading Code.

### 3. BOARD OF DIRECTORS:-

Our Company has optimum combination of Executive and Non Executive Directors (NED) with at least one Woman Director and not less than fifty per cent Non Executive Directors of total strength of the Board.

The Composition of the Board of Directors of the Company is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 149 of the Companies Act, 2013 ('Act').

Independent Directors are NED(s) as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with Rules framed there under. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

As required under Regulation 46 of the Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website [www.dcwlimited.com](http://www.dcwlimited.com).

The Board is at the core of our Corporate Governance practices and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

#### SIZE AND COMPOSITION OF THE BOARD

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

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

Category of Directorship	Name of the Director	Attendance Particulars at the		Other Directorships <sup>1</sup>		Other Committee	
		Board Meetings	Last AGM	No. of other Other Directorships	Names of the listed entities where the Director of the Company is a Director and the category of Directorship	Memberships	Chairmanships
Promoter/ Executive Directors	Shri Pramod Kumar Jain (Chairman and Managing Director) (DIN No.00380458)	7	YES	0	NIL	NIL	NIL
	Shri Bakul Jain (Managing Director) (DIN No. 00380256)	6	NO	4	JK Tyre & Industries Limited (Non-Executive, Independent) Bengal & Assam Company Limited Non-Executive, Independent	1	3
	Shri. Mudit Jain (Managing Director) (DIN No. 00647298)	7	NO	1	NA	NIL	NIL
	Shri Vivek Jain (Managing Director) (DIN No. 00502027)	7	NO	2	NA	NIL	NIL
Non Executive- Independent Directors	Shri Salil Kapoor (DIN No. : 02256540)	1	NO	0	NIL	NIL	NIL
	Ms Sujata Rangnekar (DIN. : 06425371)	5	YES	0	NIL	NIL	NIL
	Shri D. Ganapathy (DIN : 02707898) Resigned w.e.f 07/05/2018	0	NO	0	NIL	NIL	NIL
	Shri. Pradip Madhavji (DIN No. : 00549826) Resigned w.e.f 31/03/2019	6	NO	3	UPL LIMITED Non-Executive - Independent [Date of cessation 27-04-2018] INDIA GELATINE AND CHEMICALS LTD Non-Executive - Independent	0	4
	Shri. Krishnamoorthy Krishnan (DIN: 08129657) Appointed w.e.f. 22/05/2018	6	YES	1	1	1	3
	Mr. Mahesh Vennelkanti (DIN:03633359) Appointed w.e.f 28/06/2019	0	NA	0	NIL	NIL	NIL

**Notes:**

1. The Directorship held by Directors as mentioned above do not include directorship(s) in private companies, foreign companies and DCW Limited
2. In accordance with Regulation 26 of the Listing Regulations, Membership(s), Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public companies have been considered

3. During financial year 2018-19, none of our Directors acted as Member in more than 10 Committees or as Chairperson in more than 5 Committees across all Indian Companies (listed and unlisted), where he/she is a Director.
4. The Company placed before the Board all relevant information from time to time including information as specified in Part 'A' of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Except Shri Pramodkumar Shriyansprasad Jain, Shri Bakul Premchand Jain, Shri Vivek Shashichand Jain and Shri Mudit Sharadkumar Jain, who are related, none of the other Directors are relative of the other.

### **SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA**

The Nomination and Remuneration Committee ('NRC') assists the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Training & Familiarisation Programme

The Company conducts Familiarization Programme for the Independent Directors (ID) to enable them to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with Senior Management Personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations, products, organization structure and the industry of which it is a part. The IDs are also provided with an opportunity to visit the Company's plants.

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company at [www.dcwlimited.com](http://www.dcwlimited.com) and the web link thereto is <http://www.dcwlimited.com/PDF/policy/policy.zip>.

### **DIRECTORS QUALIFICATIONS, SKILLS, EXPERTISE, COMPETENCIES AND ATTRIBUTES**

The Board Diversity Policy of the Company requires the Board to have a balance of skills, industry experience, expertise and diversity of perspectives appropriate to the Company which would strengthen the Corporate Governance structure in the Company. The Company currently has a right mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

- i. Industry Knowledge and experience – knowledge of industry, sector and changes in industry specific policy.
- ii. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities).
- iii. Technical/Professional Skills and experience in the areas of Finance, Banking, Safety & Corporate Social Responsibility and allied fields, projects, accounting, law, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.
- iv. Behavioral Competencies - attributes and skills to use their knowledge and experience to function well as team members and to interact with key stakeholders.

### **CONFIRMATION OF THE BOARD FOR INDEPENDENT DIRECTORS**

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

## DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR

Mr. Pradip Madhavji (DIN: 00549826), Independent Director of the Company has resigned from the Directorship of the Company w.e.f. March 31, 2019 due to other commitments. Mr. Pradip Madhavji has also confirmed in his resignation letter that there is no other material reason other than the reason mentioned above.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. The Board of Directors expressed their satisfaction with the evaluation process.

The performance evaluation of the Chairperson and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on March 13, 2019. The Independent Directors expressed their satisfaction with the evaluation process.

The performance evaluation of all the Directors, Committees and the Board was carried out by the Nomination & Remuneration Committee, Independent Directors and Board at their respective meetings.

## BOARD MEETINGS

The information as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations, as amended, is made available to the Board. The agenda and explanatory notes are sent to the Board in advance. The Board meets at least once in a quarter to review the quarterly financial results and other items on the agenda. Additional meetings are held, when necessary. Committees of the Board meet before the Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and/or noting.

During the Financial Year 2018-19, Seven (7) Board Meetings were held on : 22.05.2018, 29.05.2018, 13.08.2018, 24.09.2018, 15.11.2018. 12.02.2019 and 29.03.2019. The gap between any two consecutive Board Meetings during this period did not exceed 120 days.

## MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the Listing Regulations, a Meeting of the Independent Directors was convened on March 13, 2019 without the presence of Non-Independent Directors and Members of the Management to discuss and review:

- the performance of the Chairman, Non – Independent Directors and the Board.
- the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors except Mr. Salil Kapoor were Present at the Meeting.

## BOARD COMMITTEES

The Board has constituted following committees:

### 4. AUDIT COMMITTEE TERMS OF REFERENCE:

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

The Company Secretary acts as the Secretary to the Committee. The Internal Auditor reports functionally to the Audit Committee. The Executive Director(s) and Senior Management of the Company also attend the Meetings as invitees whenever required to address concerns raised by the Committee Members.



## Terms of reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the Quarterly Financial Results before submission to the Board;
- reviewing and examining with management the Annual Financial Statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
  - (a) matters required to be included in the Director's Responsibility Statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- reviewing the appointment, removal and terms of remuneration of the Internal Auditor.
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- evaluating 'undertaking or assets' of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism

### Composition, name of Members and Chairperson:

The Audit Committee met four(4) times during the year on May 29, 2018, August 13, 2018, November 15, 2018 and February 12, 2019 and the gap between two meetings does not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

Name of Director	Category	No. of Meetings during the Financial year 2018-19	
		Held	Attended
Smt. Sujata Rangnekar, Chairperson	Non-Executive Independent Director	4	4
Shri Pradip Madhavji, Member	Non-Executive Independent Director	4	4
Shri Krishnamoorthy Krishnan, Member	Non-Executive Independent Director	4	3

#### Note:

Shri. Krishnamoorthy Krishnan became a member of the Audit Committee on May 22, 2018.

### 5. NOMINATION AND REMUNERATION COMMITTEE : TERMS OF REFERENCE:

The terms of reference of this Committee cover the matters as specified for Nomination and Remuneration Committees ("NRC") under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management.

Terms of Reference of the committee inter-alia includes:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### Composition, Name of Members and Chairperson:

Nomination and Remuneration Committee comprises 3 Non-Executive Independent Directors. Smt. Sujata Rangnekar is the Chairperson of this Committee, Shri Pradip Madhav Ji and Shri Krishnamoorthy Krishnan are the other members of the Committee.

### Meeting and Attendance:

During the year two meetings were held and attendance of the members at that meeting were as follows:

Dates of Meetings	Smt. Sujata Rangnekar	Shri Pradip Madhav Ji	Shri Krishnamoorthy Krishnan
29.05.2018	Yes	Yes	Yes
13.03.2019	Yes	Yes	Yes

### Note:

Mr. Krishnamoorthy Krishnan was appointed as a member of the NRC on May 22, 2018.

Performance Evaluation Criteria for Independent Directors.

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

### REMUNERATION OF DIRECTORS :

Details of the Remuneration paid to the Directors for the Financial Year 2018-19 is given below:

Directors	Salary (₹)	Benefits (₹)	Contri. to PF & Other Funds (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)
Shri Pramod Kumar Jain	Nil	Nil	Nil	Nil	Nil	Nil
Shri Bakul Jain	Nil	Nil	Nil	Nil	Nil	Nil
Shri Mudit Jain	Nil	Nil	Nil	Nil	Nil	Nil
Shri Vivek Jain	Nil	Nil	Nil	Nil	Nil	Nil
Shri Salil Kapoor	Nil	Nil	Nil	Nil	10,000	10,000
Smt. Sujata Rangnekar	Nil	Nil	Nil	Nil	85,000	85,000
Shri D. Ganapathy	Nil	Nil	Nil	Nil	10,000	10,000
Shri. Pradip Madhavji	Nil	Nil	Nil	Nil	1,00,000	1,00,000
Shri Krishnamoorthy Krishnan	Nil	Nil	Nil	Nil	85,000	85,000

\* Managing Directors, to strengthen the finances of the Company, as a gesture of goodwill, waived their salary for the period 1/4/2018 to 31/3/2019.

The Non-Executive Directors are paid sitting fees for the meetings of the Board and its Committees attended by them.

The Company also reimburses them the expenses incurred for travel and accommodation for attending the meetings of the Board/Committees, if any. Non-Executive Directors are entitled for commission aggregating not more than 1% of the net profits of the Company in a financial year subject to a maximum of ₹ 3,00,000/- per Director as approved by the members of the Company at the Extra- ordinary General Meeting held on December 19, 2013. Besides the above there are no other pecuniary relationship or transactions between the Company and Non-Executive Directors.

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

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

No severance fee is payable on termination of appointment.

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

## 6. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The purpose of the Corporate Social Responsibility and Sustainability ('CSR&S') Committee is to assist the Board in formulating, monitoring and reviewing the CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities.

The Committee also assists the management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital.

The CSR&S Policy is available on our website at [www.dcwlimited.com](http://www.dcwlimited.com)

During the FY 2018-19, one Meeting of the CSR&S Committee was held on May 29, 2018.

The composition of the present CSR&S Committee and attendance details of the Members for the meetings held during the year 2018-19 are given below:

Name of Member	Category	Designation	No. of Meetings Attended
Shri Pramodkumar Shriyansprasad Jain	Executive Director	Chairman	1
Shri Krishnamoorthy Krishnan	Non-Executive - Independent Director	Member	1
Shri Bakul Premchand Jain	Executive Director	Member	1

## 7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee or Stakeholders' Grievance Committee ('SRC') oversees the mechanism of redressal of grievances of our shareholders.

### The Committee also

- Reviews the resolution of the grievances of shareholders.
- Oversees and reviews all matters related to the transfer of securities of the Company and with respect to dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Recommends measures for overall improvement of the quality of investor services.
- Suggests and drives implementation of various stakeholder-friendly initiatives.

Shri. Krishnamoorthy Krishnan, Independent Director is the Chairman of the Stakeholders Relationship Committee and The Company Secretary acts as the Secretary to the Committee.

There were 21 complaints received from the shareholders during the Financial Year 2018-19 and all 21 complaints were resolved in the same year. Further no other complaints pending at the end of the year.

## 8. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions Passed
2015-16	Dhrangadhra, Gujarat	29.09.2016	10.00 a.m.	2
2016-17	Dhrangadhra, Gujarat	28.09.2017	10.00 a.m.	2
2017-18	Dhrangadhra, Gujarat	27.09.2018	10.00 a.m.	1

- No Special Resolution has been passed during the last year through postal ballot.
- No Special Resolution is proposed to during the conducted through postal ballot.



## 9. MATERIAL SUBSIDIARY COMPANIES

The Company does not have any material unlisted subsidiary Company, therefore the requirement of appointment of an Independent Director of the Company on the Board of Directors of such non-listed subsidiary Company is not applicable.

## 10. MEANS OF COMMUNICATION

### Quarterly Results:

The Company's quarterly results are published in 'Financial Express' in English and Gujarati Edition published from Ahmedabad and also are displayed on its website ([www.dcwlimited.com](http://www.dcwlimited.com)). Official news releases, if any, are also displayed on website.

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

## 11. CEO / CFO CERTIFICATION

Mr. P. K. Jain, Chairman & Managing Director and Mr. Vimal Jain, Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) of SEBI (Listing Obligation and Disclosures) Regulations, 2015 read with Schedule II Part B of the Listing Regulations, pertaining to CEO /CFO certification for the financial year ended 31st March, 2019.

## 12. NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from CS. Dr. S K. Jain, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

## 13. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from CS. Dr. S K. Jain, Practising Company Secretary, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

## 14. RISK MANAGEMENT:

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board has formulated Risk Management Policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy/strategy.

## 15. GENERAL SHAREHOLDERS INFORMATION

### ANNUAL GENERAL MEETING:

Date	30th September, 2019
Time	10.00 A.M.
Venue	Registered Office (at Guest House No.2), Dhrangadhra, Gujarat - 363 315
Financial Year	April 2018 – March 2019
Date of Book closure	24th September,2019 till 30th September,2019 (Both days inclusive)
Dividend Payment Date	No dividend has been recommended or declared for the financial year 2018-19.

Listing on Stock Exchanges :

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

- BSE Limited - Phiroze Jeejeebhoy Towers,(BSE)  
Dalal Street, Mumbai 400 023
- National Stock Exchange of India Ltd. - Exchange Plaza Bldg.,  
5th Floor, Plot No. C- 1,  
'G' Block, Bandra- Kurla Complex,  
Near Wockhardt, Mumbai 400 051

Confirmation about payment of annual listing fee to each of such Stock Exchange(s);

The Board of Directors has confirmed that the Company has made the payment of annual listing fee to each of such Stock Exchange(s);

**Stock Code** : 500117 (BSE)  
DCW (NSE)

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

**Market price data** :

High / Low During each month in last Financial year :

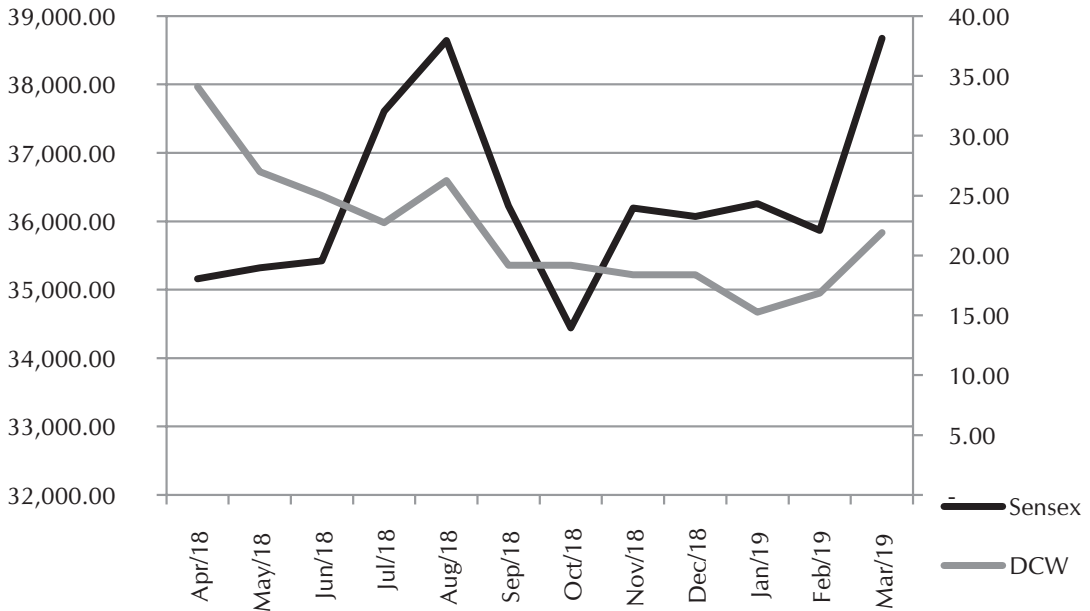
Month / Year	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	37.20	31.35	37.30	31.35
May, 2018	34.60	26.40	34.30	26.40
June, 2018	27.80	22.50	27.80	22.70
July, 2018	25.65	19.10	25.60	19.35
August, 2018	29.20	22.55	29.15	22.55
September, 2018	27.70	18.30	27.75	18.40
October, 2018	19.70	17.00	19.50	17.10
November, 2018	21.55	17.35	22.20	18.15
December, 2018	19.35	16.90	19.90	16.65
January, 2019	18.75	15.00	18.95	15.05
February, 2019	18.70	13.10	18.55	13.15
March, 2019	22.40	16.70	22.50	16.60



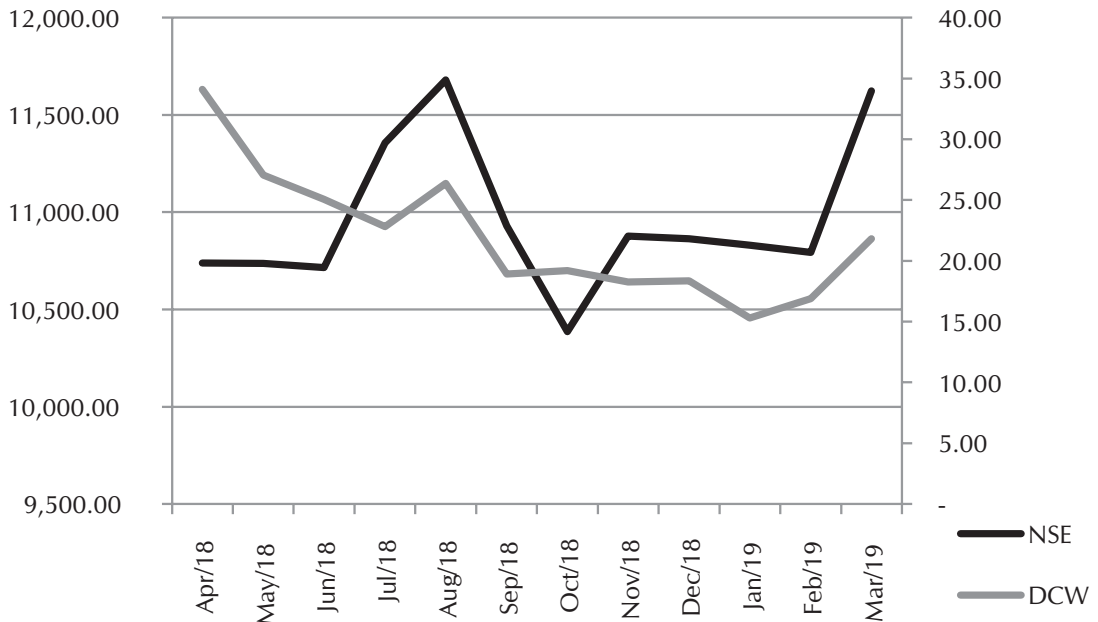
## SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

NSE Nifty and BSE Sensex based on share price on March 31, 2019

DCW Limited Share Price versus BSE Sensex



DCW Limited Share Price versus NIFTY



### Registrar and Share Transfer Agents:

The Company has appointed Bigshare Services Pvt. Ltd., having Registered Office at E-3 Ansa Industrial Estate Saki Vihar Road Sakinaka Mumbai - 400072 and 1st floor, Bharat Tinworks Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059 as Registrars and Share Transfer Agents of the Company.

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

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

### Share Transfer System :

217488321 of Equity Shares of the Company are in Electronic forms . Transfer of these Shares is done through Depositories with no involvement of the Company. As regards, the Transfer of Shares held in Physical form, the Transfer Deeds can be lodged with the Registrar and Share Transfer Agent at the Address Mentioned above and the Company processes the Transfers with the prescribed time limit.

Distribution of Shareholding as on 31.03.2019 :-

Range	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Total Capital
1 - 5000	56372	95.8789	36517945	16.5249
5001 - 1000	1304	2.2179	10110065	4.5750
10001 - 20000	580	0.9865	8615700	3.8987
20001 - 30000	193	0.3283	4828201	2.1848
30001 - 40000	77	0.1310	2705166	1.2241
40001 - 50000	61	0.1038	2864358	1.2962
50001 - 100000	85	0.1446	5991327	2.7112
100001 - above	123	0.2092	149354645	67.5851
<b>Total</b>	<b>58795</b>	<b>100</b>	<b>220987407</b>	<b>100</b>

### SHAREHOLDING PATTERN OF DCW LTD AS ON 31/03/2019

CATEGORY	NUMBER OF SHARES	% OF HOLDING
<b>A. PROMOTER AND PROMOTER GROUP</b>		
Individuals/Hindu undivided Family	48547990	21.97
Bodies Corporate	56247740	25.45
<b>TOTAL</b>	<b>10,47,95,730</b>	<b>47.42</b>
<b>B. PUBLIC SHAREHOLDER</b>		
<b>I Institution</b>		
Mutual Funds	21255	0.01
Foreign Portfolio Investor	14818364	6.71
Financial Institutions/ Banks	754974	0.34
Insurance Companies	6679665	3.02
Others		
FII's	11500	0.01



CATEGORY	NUMBER OF SHARES	% OF HOLDING
Foreign Financial Institution/Banks	40865	0.02
<b>Sub-Total B(I)</b>	<b>22326623</b>	<b>10.10</b>
<b>II Central Government/ State Government(s)/ President of India</b>	0	0
<b>Sub-Total B(II)</b>	<b>0</b>	<b>0</b>
<b>III. Non-institutions</b>		
<b>Individuals-</b>	64081799	29.00
i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.		
<b>Individuals -</b>	14786816	6.69
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.		
NBFCs registered with RBI	108150	0.05
Others		
Bodies Corporate	11858781	5.37
Clearing Members	1242193	0.56
NRI – Non- Repat	1785015	0.81
Trusts	2300	0.00
<b>Sub-Total B(III)</b>	<b>93865054</b>	<b>42.48</b>
<b>Total Public Shareholding (B) = (B)(I) + (B)(II) + (B)(III)</b>	<b>116191677</b>	<b>52.58</b>
<b>Total (A + B)</b>	<b>220987407</b>	<b>100</b>

#### Dematerialisation of Shares and Liquidity

217488321 Equity Shares of the Company's held by 53357 Shareholders comprising 98.42% of the paid up Share Capital have been dematerialized up to March 31, 2019. Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI.

To enable us to serve our shareholders better, we have requested to the Members whose shares are in physical mode to dematerialize such shares and to update their bank accounts and e-mail ids with their respective DPs.

#### Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity as on March 31, 2019.

The Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

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

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

#### Plant Location :

Soda Ash Division	Dhrangadhra – 363 315,Gujarat
Caustic Soda Division PVC Division CPVC Division SIOF Division	Arumuganeri P.O., Sahupuram – 628 202, Tamil Nadu.
Salt Works	Kuda, Gujarat and Arumuganeri P.O., Sahupuram – 628 202, Tamil Nadu

## Address for correspondence:

Head Office	Registrar and Transfer Agent
DCW Limited, Nirmal, 3rd floor, Nariman Point, Mumbai - 400 021 Tel: 022-22871914 Email: legal@dcwlimited.com  <b>Investors' complaints may be addressed to</b>  Company Secretary DCW Limited, Nirmal, 3rd floor, Nariman Point, Mumbai – 400 021 legal@dcwlimited.com	Bigshare Services Private Limited E-3 Ansa Industrial Estate, saki Vihar Road Sakinaka Mumbai - 400072 1st Floor, Bharat Tinworks Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059. Tel.: 91- 22 – 62638200 / 07045571837 Fax.: 91-22-62638299 Email: investor@bigshareonline.com

### Designated e-mail id for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the Company has a dedicated e-mail address for investor complaints: Legal@dcwlimited.com which is continuously monitored by the Company's Compliance Officer.

For queries on Annual Report: legal@dcwlimited.com

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

### Nomination Facility

As per the provisions of the Act, facility for making nomination is available to the Members in respect of shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form.

Members holding shares in electronic form may obtain Nomination forms from their respective DPs.

Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.

### Change in Particulars

Members are advised to ensure that details with regard to their address, bank details, email ids, nomination and power of attorney are updated regularly with the RTA/DP.

Updation of bank details for remittance of dividend/cash benefits in electronic form.

SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 ('Circular') to all listed companies requires them to update bank details of their shareholders holding shares in demat mode and/or physical form, to enable usage of the electronic mode of remittance i.e., National Automated Clearing House ('NACH') and National Electronic Fund Transfer ('NEFT'), for distributing dividends and other cash benefits to the shareholders.

The Circular further states that in cases where either the bank details such as Magnetic Ink Character Recognition ('MICR') and Indian Financial System Code ('IFSC'), amongst others, that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the Bank, the Companies or its RTA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

Regulation 12 of the Listing Regulations allows the Company to pay dividend by cheque or 'payable at par' warrants, where payment by electronic mode is not possible.

Shareholders may kindly note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/delay in transit and more.

They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

In case of holdings in dematerialised form - By contacting their DP and giving suitable instructions to update the bank details in their demat account. b) In case of holdings in physical form - By informing the Company's RTA i.e. Bigshare Services Private Limited through a signed request letter with details such as their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions ('CBS') the 9 digit MICR Code Number and the 11 digit IFSC Code. This letter should be supported by a cancelled cheque bearing the name of the first shareholder.

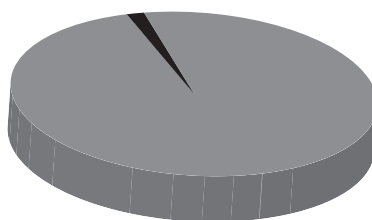
### Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Bifurcation of the category of shares in physical and Electronic mode as on 31st March, 2019 is given below:

Category	No. of Shareholders	No. of shares	Percentage %
PHYSICAL	5438	3499086	1.58
NSDL	29552	184412840	83.45
CDSL	23805	33075481	14.97
<b>TOTAL</b>	<b>58795</b>	<b>220987407</b>	<b>100.00</b>

Bifurcation of the category of shares in physical and Electronic mode as on 31st March, 2019



■ DEMAT ■ PHYSICAL

### LIST OF ALL CREDIT RATINGS OBTAINED DURING THE RELEVANT YEAR FOR ALL DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR SCHEME :

Not Applicable

### 16. DISCLOSURES IN RELATION TO SEXUAL HARASSMENT AT WORKPLACE

The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given as under:

- |    |  |   |      |
|----|--|---|------|
| a. | Number of complaints filed during the financial year         | - | Nil; |
| b. | Number of complaints disposed of during the financial year   | - | Nil; |
| c. | Number of complaints pending as on end of the financial year | - | Nil. |

## 17. OTHER DISCLOSURES

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

During the year, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large, Suitable Disclosures as required by the Indian Accounting Standard (IndAS-24) has been made in the notes to the Financial Statements.

Web-link where policy on dealing with related party transactions is disclosed; <http://www.dcwlimited.com/PDF/policy/policy.zip>

2. During the year, NSE and BSE imposed a fine of ₹ 5,000 each/- for non-compliance of the requirement of Regulation 33 of the Listing Regulations. Except for the said non-compliance, there were no other instances of non-compliance by the Company nor have any penalties or strictures been imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
3. The Company does not have any material subsidiary as defined under the Listing Regulations.
4. The Company has complied with the requirements of Schedule V of the Listing Regulations.
5. Vigil Mechanism / Whistle Blower Policy

In terms of the provisions of Section 177(9) & (10) of the Companies Act, 2013 Company has established a Vigil Mechanism for Directors and employees to report genuine concerns about unethical behaviour of suspected fraud or violation of the Company's Code of Conduct by Directors/employees. The Audit Committee oversees the Vigil Mechanism. Vigil Mechanism has been disclosed by the Company on its website. It is affirmed that no personnel has been denied access to the Audit Committee during the Financial Year 2018-19.

6. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):-

Not Applicable

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

During the Financial Year 2018-19, the Company has complied with all the mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulations 27(1) of SEBI

Listing Regulations:

- i. Modified Opinion in Audit Report
- ii. During the year under review, there was no audit qualification in the Auditors' Report on the Company's Financial Statements. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.
- iii. Reporting of Internal Auditor

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

8. The Company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and 46(2)(i)(b) of the Listing Regulations as applicable with regard to Corporate Governance.
9. The Company has issued formal appointment letters to all Independent Directors and the appointments of Independent Directors are in compliance with Regulation 25(1) and (2) of the Listing Regulations.



10. Management Discussion and Analysis is annexed to the Board's Report to the Members and forms part of the Annual Report.

11. Total fees paid to statutory auditors

Details of total fees for all services paid or payable by the Company during the Financial Year 2018-19, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as under:

- (i) Audit Fees ₹12.50 lakhs
- (ii) Tax Audit fees ₹ 4.00 lakhs
- (iii) Fees for Other Services ₹8.40 lakhs

#### 18. DETAILS OF CORPORATE POLICIES/ CODES

Particulars	Web Links
Corporate Social Responsibility and Sustainability Policy	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>
Policy on determination of Material Subsidiaries	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>
Vigil Mechanism Policy	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>
Code of Conduct	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>
Related Party Transaction Policy	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>
Familiarization programme of Independent Directors	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>
Nomination & Remuneration Policy	<a href="http://www.dcwlimited.com/PDF/policy/policy.zip">http://www.dcwlimited.com/PDF/policy/policy.zip</a>

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

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2018-19. Senior Management Personnel means the Members of the Management one level below the Managing Director as on March 31, 2019.

**Shri Pramodkumar Jain**  
Chairman & Managing Director  
(DIN : 00380458)

## CEO/ CFO CERTIFICATE

To,

The Board of Directors

**DCW LIMITED**

**NIRMAL 3RD FLOOR, NARIMAN POINT,**

**MUMBAI – 400021. INDIA**

### Re: CEO / CFO Certificate

We, Shri Pramodkumar Jain (DIN: 00380458), Chairman & Managing Director and Shri Vimal Jain, Chief Financial Officer of the Company, do hereby certify the following:-

- a) We have reviewed the standalone Financial Statements and Cash flow statements for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
  - i) these statement do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading;
  - ii) these statements together presents a true and fair view of the Company's affairs and are in Compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the Best of our Knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019, which are fraudulent, illegal or violative of the Company's Code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which they are aware and the steps they have taken or proposes to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee,
  - i) Significant changes in Internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Pramodkumar Jain

(DIN: 00380458)

Chairman & Managing Director

Sd/-

Vimal Jain

Chief Financial Officer

Place: Mumbai

Date: 28.05.2019



# Compliance Certificate on Corporate Governance Report

To The Members of

**DCW LIMITED**

DHRANGADHRA GJ 363315

We have examined the compliance of conditions of Corporate Governance by **DCW LIMITED** for the year ended on 31st March, 2019

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

## **Managements Responsibility**

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

## **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

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

## **Restriction on Use**

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For S. K. Jain & Co.**

**Place: Mumbai**

**Date: May 25, 2019**

**CS. Dr. S. K. Jain**

**Practicing Company Secretary**

**Membership No. FCS 1473**

**COP No. 3076**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

DCW LIMITED

DHRANGADHRA GJ 363315

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DCW LIMITED having CIN L24110GJ1939PLC000748 and having registered office at Dhrangadhra GJ 363315 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	BAKUL PREMCHAND JAIN	00380256	27/07/2011
2.	PRAMODKUMAR SHRIYANSPRASAD JAIN	00380458	01/04/1969
3.	VIVEK SHASHICHAND JAIN	00502027	01/03/2014
4.	PRADIP PRANJIVAN MADHAVJI	00549826	13/11/2017
5.	MUDIT SHARADKUMAR JAIN	00647298	06/08/2012
6.	SALIL KAPOOR	02256540	23/10/2013
7.	SUJATA RANGNEKAR SANTOSH	06425371	31/10/2012
8.	KRISHNAMOORTHY KRISHNAN	08129657	22/05/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. K. Jain & Co.**

**Place: Mumbai**

**Date: May 25, 2019**

**CS. Dr. S. K. Jain**

**Practicing Company Secretary**

**Membership No. FCS 1473**

**COP No. 3076**





# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF DCW LIMITED

### 1. Opinion

We have audited the accompanying Ind AS financial statements of **DCW Limited ("the Company")**, which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of cash flows for the year ended March 31, 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2019, and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the IND AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

### 2. Emphasis of Matter

We draw attention to Note No. 32 to the financial statements which describe the uncertainty related to the outcome of the petitions/appeals filed by the company in the matter of:

- a. electricity tax demand of ₹ 5346.66 lakhs on captive power generated and other matters during the period 2003 to 2012;
- b. custom duty demand of ₹ 3164.60 lakhs of coal imported and other matters by the company during 2011 and 2012; and
- c. Execution of assignment deeds of the lands at Sahupuram works in respect of which the state government has issued notice of repossession and demanded lease rent for the period occupied by the company. The land is treated as freehold.

No provision has been made for the aforesaid demands in view of the factors stated in the said note.

Our opinion is not modified in respect of these matters.

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are:

Sr. No.	Key Audit matter	Response to Key Audit Matter
1.	<p><b>Estimation of Provision &amp; Contingent Liabilities</b></p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.</p> <p>As a result, there is a high degree of judgment required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p>	<p><b>Internal enquiry:</b></p> <p>We enquired of the senior management, and inspected the minutes of the board where relevant, for claims arising and challenged whether provisions are required.</p> <p><b>Tests of details:</b></p> <p>In respect of significant claims, we checked the amount of claim, nature of issues involved, management submissions and corroborated the same with external evidence, where available.</p> <p>In case of disputed demands for income tax and other indirect taxes the orders passed against the company and the management views in respect of the legal position has been perused by the Tax Team and based on their views the provision for the same is not considered necessary and accordingly the same are included in the contingent Liability.</p>
2.	<p><b>Deferred Tax</b></p> <p>The deferred tax asset has been created based on the management judgment in regard to reversal of timing difference.</p> <p>As a result, there is a high degree of judgment required for the recognition and measurement.</p>	<p><b>Internal enquiry:</b></p> <p>We enquired of the senior management and Internal Tax team where relevant in respect of ascertainment of permanent and timing difference.</p> <p><b>Tests of details:</b></p> <p>The deferred tax asset has been created based on the management judgment in regard to reversal of timing difference, and the same has been verified with respect to estimated projections prepared by the management based on which reasonable certainty of tax benefits to be accrued has been ascertained and accordingly asset has been created.</p>

#### 4. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion & Analysis Report, Business Responsibility Report and Corporate Governance Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **5. Responsibilities of Management and Those Charged with Governance for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, the financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **6. Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the IND AS financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## 7. Report on Other Legal and Regulatory Requirements

7.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

7.2 As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.



- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No 32 of the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No 36 of the financial statements.
  - iii. There was no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For CHHAJED & DOSHI  
Chartered Accountants  
[Firm Reg. No.101794W]

CA. Aruna Dhanesha  
Partner  
M. No. 107863

Place: Mumbai  
Date: 28th May 2019

## ANNEXURE "A" TO AUDITOR'S REPORT

### Annexure referred to in our report of even date to the members of DCW Limited on the accounts for the year ended 31st March 2019

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation in respect of material Fixed Assets. The fixed Asset register is maintained manually and is in process of integrating with the financial accounting system.
- (b) We have been informed that the fixed assets were physically verified by the Management during the financial year. In our opinion the frequency of verification is reasonable. As per the information given to us by the management, wherever material discrepancies were noticed as compared to book records the same have been appropriately dealt with in books of account.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company except in case of certain lands and buildings referred to in Note 2, 32 and 37.
- ii. The inventories of finished goods (except goods lying with in-transit), stores, spare parts and raw materials have been physically verified by the management with the help of external agencies. The inventories lying with third party has not been physically verified and is subject to confirmation from the custodian of said inventories at the year end. In our opinion, the frequency of physical verification is reasonable except in case of inventories lying at third party locations. We have been informed by the management that the discrepancies noticed on verification between the physical inventories and the book inventories, wherever material, necessary adjustments have been made in the books of account.
- iii. According to the information and explanations given to us, the company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The company has not granted any loans, guarantees or security and has not made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.
- v. In our opinion and according to the information and explanations given to us and representation made by the management, the amounts received as business advances and inter corporate deposits are not considered as deposits received from the public during the year.
- vi. The Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of certain products manufactured by the Company. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the records maintained by the company, the company during the year has delayed in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax, Cess and other statutory dues with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2019, for a period of more than six months from the date they became payable except provident fund amounting to ₹ 355.87 lakhs which are in arrears for more than six months from the due date, as at 31st March, 2019.

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

(Amount in ₹ lakhs)

Name of the Statute / Nature of Dues	Period	Forum where dispute is pending				
		Supreme Court	High Court	Appellate Tribunal*	Appellate Authority**	Grand Total
Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable)	1997 to 2017	-	95.79	6379.49	-	6475.28
Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1997 to 2015	-	94.81	353.01	-	447.82
Sales Tax legislations (sales tax, including penalty & interest wherever applicable)	1982 to 2017	-	1738.93	86.40	1,239.62	3064.95
Service Tax	2005 to 2015	-	-	39.17	110.45	149.62
Local cess, local cess surcharge [land revenue including penalty and interest wherever applicable]	1989 to 2017	3167.61	4402.11	7.31	452.47	8029.50
<b>GRAND TOTAL</b>		<b>3167.61</b>	<b>6331.64</b>	<b>6865.38</b>	<b>1802.54</b>	<b>18167.17</b>

\* Appellate Tribunal includes STAT, CESTAT & ITAT

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

- viii. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks/Financial Institutions. The company has not taken any loan from any Government or by way of issue of debentures.
- ix. According to the information and explanations given to us and the records of the company, the company has not raised money by way of initial public offer or further public offer during the year. During the year the Company has raised fresh term loans, which was utilised for purpose of working capital needs of the Company.
- x. According to the information and explanations given to us and based on audit procedures performed and representations obtained from the management, we report that no fraud on the Company by its officers or employees or by the company has been noticed by the management or reported during the year under audit.
- xi. According to the information and explanations given to us and based on verification of records, the Company has not paid any remuneration to its directors during the year.
- xii. The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, and considering the approval of the Central Government in respect of payment of remuneration to relatives of Directors and approval of the Audit Committee, the company has complied with provisions of section 177 and 188 of Companies Act, 2013 with respect to related party transactions entered in to during the year under review and the details have been disclosed in the Financial Statements etc., as required under Ind AS24.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations given to us and based on verification of records, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CHHAJED & DOSHI  
Chartered Accountants  
[Firm Reg. No.101794W]

CA. Aruna Dhanesha  
Partner  
M. No. 107863

Place: Mumbai  
Date: 28th May 2019



## ANNEXURE “B” TO AUDITOR’S REPORT

Annexure referred to in our report of even date to the members of DCW Limited on the accounts for the year ended  
31st March 2019

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

#### 1. Report on the Internal Financial Controls

We have audited the internal financial controls over financial reporting of DCW Limited as at 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### 2. Management’s Responsibility for Internal Financial Controls

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

#### 3. Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### 4. Meaning of Internal Financial Controls over Financial Reporting

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

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### 5. **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### 6. **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

For CHHAJED & DOSHI  
Chartered Accountants  
[Firm Reg. No.101794W]

CA. Aruna Dhanesha  
Partner  
M. No. 107863

Place: Mumbai

Date: 28th May 2019



# BALANCE SHEET AS AT 31ST MARCH 2019

₹ in lakhs

	Note No	As At 31-Mar-19	As At 31-Mar-18
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
a)			
a)	2	1,53,388.43	1,47,112.61
b)		705.24	12,359.64
<b>c) Financial Assets</b>			
i)	3	0.86	0.96
ii)	4	582.94	595.05
iii)		5.28	-
d)	5	2,173.82	737.44
<b>Total Non-Current Assets</b>		<b>1,56,856.57</b>	<b>1,60,805.70</b>
<b>2. Current Assets</b>			
a)	6	12,231.28	15,706.34
<b>b) Financial Assets</b>			
i)	7	7,369.27	8,620.31
ii)	8	115.36	355.01
iii)	9	1,572.28	32.12
iv)	10	1,562.20	2,621.84
c)		-	-
d)	11	2,160.88	2,224.72
<b>Total Current Assets</b>		<b>25,011.27</b>	<b>29,560.34</b>
<b>Total Assets</b>		<b>1,81,867.84</b>	<b>1,90,366.04</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>A. Equity</b>			
a)	12	4,419.75	4,419.75
b)	13	58,733.12	59,090.93
<b>Total Equity</b>		<b>63,152.87</b>	<b>63,510.68</b>
<b>B. Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i)	14	38,356.77	47,875.40
b)	15	1,080.00	1,089.92
c)	16	6,638.24	8,360.43
d)	17	2,666.62	2,718.70
<b>Total Non Current Liabilities</b>		<b>48,741.63</b>	<b>60,044.45</b>
<b>2. Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i)	18	15,419.46	21,168.54
ii)	19		
		1,091.68	462.36
		26,672.63	16,920.04
iii)		20,688.23	18,473.05
b)	21	605.15	446.88
c)	22	5,433.46	9,269.14
d)		62.73	70.90
<b>Total Current Liabilities</b>		<b>69,973.34</b>	<b>66,810.91</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,81,867.84</b>	<b>1,90,366.04</b>

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 45

As per our Report of even date attached.

For and on behalf of the Board

For Chhajer & Doshi  
Chartered Accountants  
FRN NO 101794W

Pramod Kumar Jain  
Chairman & Managing Director  
DIN 00380458

Bakul Jain (DIN: 00380256)  
Vivek Jain (DIN: 00502027)  
Mudit Jain (DIN: 00647298)  
Managing Directors

Aruna Dhanesha  
Partner  
Membership No 107863  
Place: Mumbai  
Date : 28th May, 2019

Jigna Karnick  
Dy. Company Secretary  
CS NO 24140

Vimal Jain  
Chief Financial Officer

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019



₹ in lakhs

	Note No	For the year ended 31-Mar-19	For the year ended 31-Mar-18
<b>1. REVENUE</b>			
a) Revenue From Operations	23	1,35,280.20	1,21,340.71
b) Other Income	24	360.69	617.11
<b>Total Income</b>		<b>1,35,640.89</b>	<b>1,21,957.82</b>
<b>2. EXPENSES</b>			
a) Cost of Raw Materials Consumed	25	67,628.63	58,311.74
b) Purchases of Stock-in-Trade	26	45.52	26.61
c) Change in Inventories of Finished Goods, Stock-in-Trade and Work-in-Process	27	469.11	1,373.67
d) Excise Duty		-	2,598.90
e) Employee Benefits Expense	28	11,448.71	11,467.80
f) Finance Costs	29	10,402.70	9,319.94
g) Depreciation Expenses	2	8,335.56	8,779.94
h) Other Expenses	30	39,497.16	34,988.40
<b>Total Expenses</b>		<b>1,37,827.39</b>	<b>1,26,867.00</b>
<b>Profit / (Loss) Before Tax</b>		<b>(2,186.50)</b>	<b>(4,909.18)</b>
<b>TAX EXPENSES</b>			
Deferred Tax		(1,759.47)	(2,889.02)
Tax For Earlier Years		-	-
<b>Total Tax Expenses</b>		<b>(1,759.47)</b>	<b>(2,889.02)</b>
<b>Profit / (Loss) After Tax</b>		<b>(427.03)</b>	<b>(2,020.16)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	31		
A. (i) Items that will not be reclassified to profit or (loss)		106.50	(258.06)
(ii) Tax on items that will not be reclassified to profit or loss		(37.28)	90.32
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Tax on items that will be reclassified to profit or loss		-	-
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>69.22</b>	<b>(167.74)</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>(357.81)</b>	<b>(2,187.90)</b>
<b>Earnings Per Equity Share</b>			
(1) Basic & Diluted Earnings Per Share (Face Value of Equity Share ₹ 2/- each)		(0.19)	(0.91)

Significant Accounting Policies and Notes forming part of Financial Statements

1 to 45

As per our Report of even date attached.

For Chhajed & Doshi  
Chartered Accountants  
FRN NO 101794W

Aruna Dhanesha  
Partner  
Membership No 107863  
Place: Mumbai  
Date : 28th May, 2019

For and on behalf of the Board

Pramod Kumar Jain  
Chairman & Managing Director  
DIN 00380458

Jigna Karnick  
Dy. Company Secretary  
CS NO 24140

Bakul Jain (DIN: 00380256)  
Vivek Jain (DIN: 00502027)  
Mudit Jain (DIN: 00647298)  
Managing Directors

Vimal Jain  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in lakhs

Particulars	2018-19		2017-18	
<b>A. Cash flow from Operating Activities</b>				
Net profit before tax		(2,186.50)		(4,909.18)
<b>Adjustments for : Non cash Items</b>				
Depreciation and amortisation expense	8,335.56		8,779.94	
Unrealized Exchange Loss / (Gain)	(515.17)		1,059.64	
Finance Costs	10,402.70		9,319.94	
Interest income	(69.78)		(154.65)	
(Profit) on Sale of Asset	(26.81)		17.23	
Loss on Sale of Asset	93.63		-	
Income Recognized Against Capital Grant	(69.28)		(69.28)	
Provisions made/(written back) during current year	148.35		28.41	
Unclaimed balances written back	(70.28)	18,228.92	(279.26)	18,701.98
Operating profit before working capital changes		16,042.42		13,792.80
<b>Adjustments for : Working Capital</b>				
Trade receivables & other current assets	2,372.39		(212.36)	
Long term loans & advances	(1,429.56)		(83.85)	
Inventories	3,475.07		(2,188.43)	
Trade and other payables	7,569.10	11,987.00	(4,639.36)	(7,123.99)
<b>Cash generation from operations</b>		28,029.42		6,668.81
Unrealized Exchange Loss / (Gain)		515.17		(1,059.64)
Direct taxes paid (Net off Refund)		(8.17)		121.95
<b>Net cash flow from operating activities</b>		<b>28,536.42</b>		<b>5,731.11</b>
<b>B. Cash flow from Investing Activities</b>				
Purchase of fixed Assets	(3,138.55)		(2,044.35)	
Sale of Fixed Assets	114.75		18.82	
(Purchase) / Sales of Investments	0.10		-	
Advance received for property sale	-		558.00	
Margin Money (investment done)	(1,540.16)		(30.32)	
Interest income	69.78		154.65	
<b>Net cash used in investing activities</b>		<b>(4,494.08)</b>		<b>(1,343.20)</b>
<b>C. Cash flow from Financing Activities</b>				
Proceeds from issue of share capital	-		225.27	
Proceeds from Long-Term Borrowings	4,992.62		12,453.66	
Repayment of Long Term Borrowings (term loans)	(12,329.05)		(11,086.70)	
Short Term Borrowings (Net)	(5,753.04)		2,852.39	
Dividends paid	(11.38)		(12.95)	
Finance Costs	(11,291.60)		(8,811.86)	
<b>Net cash used in financing activities</b>		<b>(24,392.45)</b>		<b>(4,380.19)</b>
<b>Net increase / (Decrease) in Cash and Cash equivalents</b>		<b>(350.09)</b>		<b>7.72</b>
<b>Opening Cash and Cash Equivalents</b>		143.51		135.80
<b>Closing Cash and Cash Equivalents</b>		(206.58)		143.52
		350.09		(7.72)

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019



₹ in lakhs

Particulars	2018-19	2017-18
Breakup of Opening Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	331.39	142.58
Cheques on Hand	-	0.06
Cash on Hand	23.62	15.12
<b>Total</b>	<b>355.01</b>	<b>157.76</b>
Less: Debit Balance in Overdraft A/c	(211.50)	(21.96)
<b>Cash and Cash Equivalents</b>	<b>143.51</b>	<b>135.80</b>
Breakup of Closing Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	87.70	331.39
Cheques on Hand	-	-
Cash on Hand	27.66	23.62
<b>Total</b>	<b>115.36</b>	<b>355.01</b>
Less: Debit Balance in Overdraft A/c	(321.94)	(211.50)
<b>Cash and Cash Equivalents</b>	<b>(206.58)</b>	<b>143.51</b>

Notes:

- 1) The Cash Flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS) 7 on cash flow statement & presents cash flow by operating, investing & financing activities.
- 2) Figures in the Bracket are outflows / deductions.
- 3) Figures of the previous year have been regrouped / rearranged wherever necessary to make it comparable to the current presentation.
- 4) The Cash Credit facilities availed from bank are part of financing activity which do not form part of cash and cash equivalents for the cash flow statement purpose.

<p>As per our Report of even date attached. For Chhajed &amp; Doshi Chartered Accountants FRN NO 101794W</p> <p>Aruna Dhanesha Partner Membership No 107863 Place: Mumbai Date : 28th May, 2019</p>	<p>For and on behalf of the Board Pramod Kumar Jain Chairman &amp; Managing Director DIN 00380458</p> <p>Jigna Karnick Dy. Company Secretary CS NO 24140</p>	<p>Bakul Jain (DIN: 00380256) Vivek Jain (DIN: 00502027) Mudit Jain (DIN: 00647298) Managing Directors</p> <p>Vimal Jain Chief Financial Officer</p>
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

**A. Equity Share Capital**

₹ in lakhs

	Opening balance	Changes during the year	Closing balance
As at 31st March 2019	4,419.75	-	4,419.75
As at 31st March 2018	4,393.64	26	4,419.75

**B. Other Equity**

	Reserves and Surplus						Money received against share warrants	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	Other Comprehensive Income		
<b>Balance as at 01st April 2018</b>	13,665.99	32,024.13	13,167.38	406.88	5.30	(178.75)	-	59,090.93
Profit for the year	(427.03)	-	-	-	-	-	-	(427.03)
Other comprehensive Income (Net of Tax)	-	-	-	-	-	69.22	-	69.22
<b>Total comprehensive income for the year</b>	<b>13,238.96</b>	<b>32,024.13</b>	<b>13,167.38</b>	<b>406.88</b>	<b>5.30</b>	<b>(109.53)</b>	-	<b>58,733.12</b>
Divided Paid (Including Dividend Distribution Tax)	-	-	-	-	-	-	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>13,238.96</b>	<b>32,024.13</b>	<b>13,167.38</b>	<b>406.88</b>	<b>5.30</b>	<b>(109.53)</b>	-	<b>58,733.12</b>
<b>Balance as at 01st April 2017</b>	<b>15,686.15</b>	<b>32,024.13</b>	<b>12,893.12</b>	<b>406.88</b>	<b>5.30</b>	<b>(11.01)</b>	<b>75.10</b>	<b>61,079.67</b>
Profit for the year	(2,020.16)	-	-	-	-	-	-	(2,020.16)
Other comprehensive Income (Net of Tax)	-	-	-	-	-	(167.74)	-	(167.74)
<b>Total comprehensive income for the year</b>	<b>13,665.99</b>	<b>32,024.13</b>	<b>12,893.12</b>	<b>406.88</b>	<b>5.30</b>	<b>(178.75)</b>	<b>75.10</b>	<b>58,891.77</b>
Divided Paid (Including Dividend Distribution Tax)	-	-	-	-	-	-	-	-
Transfer to / from General Reserve	-	-	274.26	-	-	-	(75.10)	199.16
<b>Balance as at 31 March 2018</b>	<b>13,665.99</b>	<b>32,024.13</b>	<b>13,167.38</b>	<b>406.88</b>	<b>5.30</b>	<b>(178.75)</b>	-	<b>59,090.93</b>

**C. Nature of reserves**

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

**D Terms of money received against Share Warrants**

13,06,000 convertible warrants out of 26,12,000 have been issued and allotted to promoters during the year 2015-16 has been converted to 13,06,000 equity shares during the year 2017-18.

As per our Report of even date attached.

For Chhajed & Doshi  
Chartered Accountants  
FRN NO 101794W

Aruna Dhanesha  
Partner  
Membership No 107863  
Place: Mumbai  
Date : 28th May, 2019

For and on behalf of the Board

Pramod Kumar Jain  
Chairman & Managing Director  
DIN 00380458

Jigna Karnick  
Dy. Company Secretary  
CS NO 24140

Bakul Jain (DIN: 00380256)  
Vivek Jain (DIN: 00502027)  
Mudit Jain (DIN: 00647298)  
Managing Directors

Vimal Jain  
Chief Financial Officer

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019



## I. Company Overview

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

## II. Basis for preparation:

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

The Company's presentation and functional currency is Indian Rupees (₹) and all values are rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

### Use of Judgement, Assumptions and Estimates

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

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

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

### c. Current Non Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- I. The asset/liability is expected to be realized/settled in the company's normal operating cycle;
- II. The asset is intended for sale or consumption;
- III. The asset/liability is held primarily for the purpose of trading
- IV. The asset/liability is expected to be realized / settled within twelve months after the reporting period;
- V. The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;



## NOTES FORMING PART OF THE BALANCE SHEET

- VI. In case of liability, the company doesn't have an unconditional right to defer the settlement of liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as noncurrent.

For the purpose of current/ non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. Property, plant & equipment

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- b) An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment loss.

The company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

- c) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- d) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- e) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- f) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit & Loss on issue/consumption.
- g) When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance cost are recognised in the Statement of Profit and Loss as and when incurred.
- h) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- i) The company has elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, revised together with Rule 7 of the Companies (Accounts) and used the same as deemed cost in the opening Ind As Balance Sheet prepared on 1st April, 2015.

#### B. Capital Work In Progress and Capital Advances

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

# NOTES FORMING PART OF THE BALANCE SHEET



## C. Depreciation

- a) Depreciation on property, plant and equipment is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of up to 5%). Residual values of the fixed assets are held at 5% except that of Furniture and fixtures and Office equipment at Re. 1 as estimated by the Chartered Engineer & Valuer. The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act except in case of following assets which are depreciated over their useful life as determined by a Chartered Engineer and Valuer

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

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

## D. Accounting for Leases

At the inception of an arrangement, the Company determines whether the arrangement is (or contains) a lease and whether it is a finance lease or an operating lease.

If substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company as lessee the arrangement is treated as a finance lease otherwise it is considered as an operating lease.

The Company which has an operating lease (as a lessee) recognises the lease rentals as expense in the statement of Profit & Loss on a straight line basis with reference to lease terms and other considerations.

## E. Investment Property

Investment properties are properties that are held to earn rentals and/or for capital appreciation (including property under construction for such purposes) and not occupied by the Company for its own use.

Investment properties are initially recognised at cost.

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

## NOTES FORMING PART OF THE BALANCE SHEET

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

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

### **F. Non-Current Assets Held For Sale**

The Company classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

### **G. Inventories**

Raw-materials, work-in-process, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on item-to- item basis.

Cost of inventories comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all the other costs incurred in the normal course of business in bringing inventories to their present location, including appropriate overheads apportioned on a reasonable and consistent basis and is determined on the following basis:

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

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

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

### **H. Revenue Recognition**

Revenue is recognized when it's probable that economic benefits associated with a transaction will flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the company.

Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the company, on its own account. Amounts collected on behalf of third parties such as sales tax, value added tax and goods and services tax are excluded from revenue.

#### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the company. Sale value of goods is measured at the fair value of the consideration received or receivable,

# NOTES FORMING PART OF THE BALANCE SHEET



net of returns and applicable trade discounts or rebates. It includes applicable excise duty and surcharge but excludes sales tax and Goods & Service Tax (GST)

Sale of scrap / wastages, salvages and sweepings are accounted for on delivery / realisation.

## **Sale of Services**

Revenue from sale of services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till balance sheet date as percentage of total services contracted.

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

## **Interest Income**

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

## **I. Employee Benefits**

### **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss for the year/period in which the related services are rendered.

### **Post employment Benefits:**

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

#### **I. Defined Contribution Plans:**

Defined Contribution plans are employee state insurance scheme and government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

The Superannuation Fund is a Defined Contribution Scheme managed by LIC and SBI Life Insurance Company and contributions are made to the funds is charged to the Statement of Profit and Loss.

#### **Recognition and Measurement of Defined Contribution Plans:**

The company recognizes contribution payable to a defined contribution plan as an expense in Statement of profit and Loss when employee render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before reporting date, the excess is recognized as an asset to the extent that prepayment will lead to, for example, a reduction in future payments or cash refund.

#### **II. Defined Benefit Plans:**

##### **i. Provident Fund scheme:**

The company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the company. The minimum interest payable by the trust to the beneficiaries is being notified by the government every year. The company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

##### **ii. Gratuity Scheme:**

The Company operates defined benefit plan for Gratuity. The company contributes to a separate entity (a fund), towards meeting the Gratuity obligation. The Company has created an Employees

## NOTES FORMING PART OF THE BALANCE SHEET

Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India.

### Recognition and measurement of defined benefit plans:

The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year. The defined benefit obligations recognized in the balance sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

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

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

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

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

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

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

### **J. Borrowing costs**

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

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

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

### **K. Segment Accounting**

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

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

# NOTES FORMING PART OF THE BALANCE SHEET



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

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

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

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

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

## **Inter-Segment transfer pricing**

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

## **L. Foreign Currency Transactions**

### **Monetary items:**

#### **Initial Recognition**

On initial recognition, transactions in foreign currencies are entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the same date of transaction.

#### **Measurement of foreign currency items at reporting date**

Foreign currency monetary items of the company are translated at the closing rates.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit & Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

#### **Non – Monetary items:**

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

## **M. Provisions, Contingent Liabilities and Contingent Assets**

- a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision are recognised in the Statement of Profit & Loss net of any reimbursement.
- b) If the effect of time value of money is material, provisions are shown at present value of expenditure expected to be required to settle the obligation, by discounting using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of

## NOTES FORMING PART OF THE BALANCE SHEET

resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

- d) Show-cause notices issued by various Government Authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- e) Contingent Assets are not recognised but reviewed at each balance sheet date and disclosure is made in the Notes in respect of possible effects that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where inflow of economic benefit is probable.

### **N. Fair Value measurement**

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

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

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

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

### **O. Financial Instruments**

#### **i. Financial Assets other than derivatives**

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

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

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

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

#### **ii. Financial Liabilities other than derivatives**

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

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount



# NOTES FORMING PART OF THE BALANCE SHEET



or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

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

### iii. **Derivative financial instruments**

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

### iv. **Offsetting of financial instruments**

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

## P. **Classification of Assets and Liabilities as Current and Non-Current:**

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

## Q. **Impairment**

### **Non-financial Assets**

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

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

### **Financial Assets**

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

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

## R. **Taxes on Income**

### **Current Tax**

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



# NOTES FORMING PART OF THE BALANCE SHEET

## Deferred tax

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

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

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

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

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

## S. Earnings per share

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

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

## T. Cash and Cash equivalents

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

## Cash Flows

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

## U. Government Grants

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

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

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

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

## V. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions

# NOTES FORMING PART OF THE BALANCE SHEET



and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

## **Judgements, Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## **W. Impairment of non-financial assets**

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

## NOTES FORMING PART OF THE BALANCE SHEET

### Note No "2" PROPERTY, PLANT AND EQUIPMENT Financial Year 2018-19

₹ in lakhs

Description of Assets	Gross Block				DEPRECIATION				NET BLOCK				
	At Cost After Fair Valuation as on 01.04.2018	Additions and other Transfers	Sales and other deductions	Deduction Written Off ₹	Adjustments	At Fair Value as on 31.03.2019 ₹	Opening Depreciation as on 01.04.2018 ₹	For the Year ₹	Dep. on Discarded/ Sold Assets ₹	Dep. On Written Off ₹	Adjustments	As at 31st March, 2019	As at 31st March, 2018
Land	20,303.24	-	-	-	-	20,303.24	-	-	-	-	-	20,303.24	20,303.24
Buildings	36,444.70	924.79	-	-	-	37,369.50	3,283.49	1,325.45	-	-	-	32,760.55	33,161.21
Plant and Machinery	1,00,453.97	13,714.01	141.45	-	1,353.41	1,15,379.93	15,515.54	6,342.45	49.31	-	1,353.41	92,217.85	84,938.43
Wind Mill	9,710.68	-	-	-	-	9,710.68	1,503.82	501.31	-	-	-	7,705.56	8,206.86
Furniture & Fittings	66.18	1.21	-	-	6.52	73.91	37.02	12.48	-	-	6.52	56.03	17.88
Office Equipments	300.83	25.33	0.20	-	29.63	355.60	211.31	33.72	0.14	-	29.63	274.53	81.07
Vehicles	590.07	45.16	70.10	-	265.14	830.27	205.88	120.14	63.17	-	265.14	527.98	384.20
<b>TOTAL</b>	<b>1,67,869.67</b>	<b>14,710.50</b>	<b>211.75</b>	<b>-</b>	<b>1,654.70</b>	<b>1,84,023.12</b>	<b>20,757.06</b>	<b>8,335.56</b>	<b>112.63</b>	<b>-</b>	<b>1,654.70</b>	<b>30,634.70</b>	<b>1,47,112.61</b>
Previous Year	1,65,283.01	2,813.24	215.11	11.47	-	1,67,869.67	12,167.63	8,779.94	179.06	11.46	-	20,757.06	1,47,112.61

#### Notes :-

- Building includes ₹ 4507.13 lakhs being cost of Ownership flats and office accommodation in Co-operative societies and a Limited company against which the company holds shares of the face value of ₹ 0.77 lakhs in Co-operative Societies and the Limited Company.
- Assignment deeds in respect of 9.13 acres of Land at Caustic Soda Division, transferred by Central Government to the State Government, are yet to be executed by the State Government in favour of the Company.
- The Company exercised the option to purchase 793.39 acres of land leased by the State government at Sahapuram Works. Assignment deeds in respect of the said land is yet to be executed by the State Government in favour of the Company. (Refer Note No 31(III)).
- Encroachers have occupied some portion of the land belonging to the Company at Sahapuram. Efforts are being made to evict them.
- Various movable & immovable assets offered as security against borrowing as mentioned in note 14 of this financial statement.
- Capital Work in Progress as at 31.03.2019 ₹ 705.24 lakhs and as at 31.03.2018 ₹ 12,359.65 lakhs.
- Figures shown in adjustment column represent excess deletion of Gross Block and Accumulated Depreciation due to application of INDAS.
- Previous year figures have been regrouped / rearranged to match with the current year.

# NOTES FORMING PART OF THE BALANCE SHEET



## NOTE "3"

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

#### INVESTMENTS IN EQUITY INSTRUMENTS :

	FACE VALUE PER UNIT ₹	LONG TERM			
		31.03.2019		31.03.2018	
		NUMBER	₹ in lakhs	NUMBER	₹ in lakhs
<b>TRADE INVESTMENTS</b>					
<b>UNQUOTED :</b>					
Equity Shares in DCW Pigment Limited	10	8,600	0.86	8,600	0.86
<b>Total A</b>	<b>10</b>	<b>8,600</b>	<b>0.86</b>	<b>8,600</b>	<b>0.86</b>
<b>NON-TRADE INVESTMENTS :</b>					
<b>UNQUOTED :</b>					
(I) Investment in Government / Trust Securities :					
7 Years National Savings Certificates	1000	-	-	10	0.10
(ii) Investment in Equity Shares of "The Dhrangadhra Peoples Co-operative Bank Limited"*	25	10	0.003	10	0.003
(iii) Investment in Equity Shares in Companies :					
Global Trust Bank	10	-	-	19,000	1.90
Less : Provision for Diminution of value in shares		-	-	(19,000)	(1.90)
<b>Total B</b>		-	<b>0.00</b>	-	<b>0.10</b>
<b>Total Long Term Investment</b>			<b>0.86</b>		<b>0.96</b>
. * Figures Denote Amount in Rupees					
<b>Other Disclosures :</b>					
(I) Aggregate value of unquoted investments (Gross)			0.86		0.96
(II) Aggregate value of diminution in value of investments			-		1.90



## NOTES FORMING PART OF THE BALANCE SHEET

₹ in lakhs

### NOTE "4"

#### Long term loans & advances

(Unsecured, considered good)

Staff Loans

1.31

2.58

Security Deposits

491.93

500.23

VAT/Property Tax Refund Receivable

89.70

92.24

#### TOTAL

**582.94**

**595.05**

### NOTE "5"

#### OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

Capital Advances - Others

133.53

71.13

Prepaid expenses - Non Current

2,040.29

666.31

#### TOTAL

**2,173.82**

**737.44**

### NOTE "6"

#### INVENTORIES

(As Certified by the Management)

Raw materials

6,107.34

6,756.42

Work-in-process

495.67

570.69

Finished Goods

2,432.72

2,826.80

Stores, Spares and Fuel

2,951.06

5,347.38

Packing Materials

241.83

202.39

Packing Drums & Scrap

2.66

2.66

#### TOTAL

**12,231.28**

**15,706.34**

### NOTE "7"

#### TRADE RECEIVABLES

##### Unsecured Considered good

##### Debts Overdue for six months

##### From Others

Trade Receivable Considered good (over six months)

691.57

1,231.81

Trade Receivable Considered doubtful

-

-

Less: Provision for doubtful debts / ECL

(159.59)

(30.21)

##### From Others

Trade Receivable Considered good

6,837.29

7,418.70

#### TOTAL

**7,369.27**

**8,620.30**

# NOTES FORMING PART OF THE BALANCE SHEET



₹ in lakhs

## NOTE "8"

### CASH AND CASH EQUIVALENTS

Balances with Banks  
In Current Accounts  
Cheques on Hand  
Cash on Hand

#### TOTAL

As At 31-Mar-19	As At 31-Mar-18
87.70	331.39
-	-
27.66	23.62
<b>115.36</b>	<b>355.01</b>

## NOTE "9"

### OTHER BANK BALANCES

Fixed Deposits with Banks

#### TOTAL

1,572.28	32.12
<b>1,572.28</b>	<b>32.12</b>

## NOTE "10"

### CURRENT LOANS

(Unsecured, considered good)

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

#### TOTAL

146.92	278.89
1,415.28	2,342.95
<b>1,562.20</b>	<b>2,621.84</b>

## NOTE "11"

### OTHER CURRENT ASSETS

Prepaid Expenses  
Asset held for sale  
Statutory and Other Receivables

#### TOTAL

676.98	830.88
1.54	1.54
1,482.36	1,392.30
<b>2,160.88</b>	<b>2,224.72</b>

## NOTE "12"

### EQUITY SHARE CAPITAL

#### Authorised Capital

32,50,00,000 Equity Shares of ₹ 2/- each  
(2018: 32,50,00,000 Equity Shares @ ₹ 2/- each)

#### TOTAL

6,500.00	6,500.00
<b>6,500.00</b>	<b>6,500.00</b>

#### Issued, Subscribed and Fully paid up

22,09,87,407 Equity Shares of ₹ 2/- each  
(2018: 22,09,87,407 shares of ₹ 2/- each)

Face value per share

#### TOTAL

4,419.75	4,419.75
₹ 2/-	₹ 2/-
<b>4,419.75</b>	<b>4,419.75</b>

- a) 2,36,10,000 Equity Shares were issued and allotted on preferential basis to the promoter of the company and FII's during 2007-08.
- b) During the year 2015-16, 48,80,750 Equity Shares of ₹ 2/- each at a premium of ₹ 21/- per share were issued and allotted on preferential basis to promoters / promoters group and business associates including relatives of business associates of the company.



## NOTES FORMING PART OF THE BALANCE SHEET

- c) 1,36,36,363; 37,03,704 and 13,06,000 Equity Shares were issued and allotted on preferential basis to the promoters on conversion of warrants during 2011-12, 2014-15 and 2015-16 respectively.
- d) During the year 2017-18, 13,06,000 Nos of Equity shares allotted on preferential basis to the promoters on conversion of warrants
- e) Reconciliation of number of equity shares at the beginning and end of the year

Particulars	As at 31-03-19 No. of Shares	As at 31-03-18 No. of Shares
Equity Shares at the beginning of the year	22,09,87,407	21,96,81,407
Add: Shares issued on conversion of warrants to promoters on preferential basis	-	13,06,000
<b>Equity Shares at the end of the year</b>	<b>22,09,87,407</b>	<b>22,09,87,407</b>

- f) Terms / Rights attached to Equity Shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 2/- per share. Each share holder of the Equity Share is entitled to one vote per share. The company declared and pays the dividend in Indian Rupees.

The final dividend proposed by Board of Directors is subject to the approval of the Shareholder in the ensuring Annual General Meeting.

- g) Name of Shareholders holding more than 5% Shares:

Name of Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% Held	No. of Shares	% Held
Sahu Brothers Pvt Ltd	5,24,59,860	23.74	5,24,59,860	23.74

# NOTES FORMING PART OF THE BALANCE SHEET



₹ in lakhs

## NOTE "13"

### OTHER EQUITY

#### A. Retained Earnings

Opening Balance

Add: Opening Balance Adjustment due to Ind AS

Profit For the Year

**Closing Balance**

#### B. General Reserve

– As Per Last Account

– Revaluation Reserve Transferred to General Reserve

**Opening Balance / Closing Balance**

#### C. Money Received Against Share Warrants

Opening Balance

Additions During the Year

Less :- Transferred to Equity Share Capital

Less :- Transferred to Share Premium

**Closing Balance**

#### D. Capital Reserve

**Opening Balance / Closing Balance**

#### E. Capital Redemption Reserve

**Opening Balance / Closing Balance**

#### F. Securities Premium Reserve

Opening Balance

Addition During the Year

**Closing Balance**

#### G. Other Comprehensive Income

Opening Balance

Additions During the Year

**Closing Balance**

**TOTAL**

	As At 31-Mar-19	As At 31-Mar-18
	13,665.99	15,686.15
	-	-
	(427.03)	(2,020.16)
	<b>13,238.96</b>	<b>13,665.99</b>
	32,024.13	32,024.13
	-	-
	<b>32,024.13</b>	<b>32,024.13</b>
	-	75.10
	-	-
	-	(26.12)
	-	(48.98)
	-	-
	<b>406.88</b>	<b>406.88</b>
	<b>5.30</b>	<b>5.30</b>
	13,167.38	12,893.12
	-	274.26
	<b>13,167.38</b>	<b>13,167.38</b>
	(178.75)	(11.01)
	69.22	(167.74)
	<b>(109.53)</b>	<b>(178.75)</b>
	<b>58,733.12</b>	<b>59,090.93</b>



## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE NO. 14

₹ in lakhs

Sr. No.	PARTICULARS	31.03.2019		31.03.2018	
		Non Current	Current Maturities	Non Current	Current Maturities
	<b>TERM LOANS - SECURED</b>				
<b>A</b>	<b>FROM BANKS</b>				
<b>1</b>	<b>TERM LOAN FROM LAXMI VILAS BANK</b> (Repayble in 16 equal quarterly installments, last installment falling due in Oct 2020)	468.75	625.00	1,093.75	625.00
<b>2</b>	<b>TERM LOAN FROM ICICI BANK LTD</b> (Repayble in 28 equal quarterly installments, last installment falling due in Jan, 2023)	2,171.65	1,071.01	3,242.25	1,071.43
<b>3</b>	<b>Term Loan from PNB</b> (Repayble in 28 equal quarterly installments, last installment falling due in Mar 2022)	5,746.92	1,785.71	7,532.65	1,785.71
<b>4</b>	<b>Term Loan from ICICI Bank</b> (Repayble in 28 equal quarterly installments, last installment falling due in April -2023)	2,730.93	910.31	3,641.24	910.32
<b>5</b>	<b>TERM LOAN FROM STATE BANK OF TRAVANCORE</b> (Repayble in 28 equal quarterly installments, last installment falling due in Sep -2023)	1,912.00	556.00	2,468.00	556.00
<b>6</b>	<b>TERM LOAN FROM DEVELOPMENT CREDIT BANK</b> (Repayble in 16 equal quarterly installments, last installment falling due in December 2018)	-	-	-	562.50
<b>7</b>	<b>CAR LOANS FROM BANK</b> (Repayable in monthly installments, last installment is due in Apr 2021)	44.05	54.88	69.79	52.23
<b>8</b>	<b>STATE BANK OF INDIA</b> (Repayble in 16 equal quarterly installments, last installment falling due in Mar 2020)	-	600.00	600.00	800.00
	<b>TOTAL A</b>	<b>13,074.30</b>	<b>5,602.91</b>	<b>18,647.68</b>	<b>6,363.19</b>
<b>B</b>	<b>FROM INSTITUTIONS</b>				
<b>9</b>	<b>TERM LOAN FROM IREDA</b> (Repayble in 44 equal quarterly installments, last installment falling due in June 2022)	2,177.69	729.56	2,907.25	729.56
<b>10</b>	<b>TERM LOAN FROM EXIM BANK</b> (Repayble in 28 equal quarterly installments, last installment falling due in Sept 2022)	5,694.13	2,530.73	8,224.86	2,530.73

# NOTES FORMING PART OF THE BALANCE SHEET



₹ in lakhs

Sr. No.	PARTICULARS	31.03.2019		31.03.2018	
		Non Current	Current Maturities	Non Current	Current Maturities
11	<b>TERM LOAN FROM EXIM BANK</b> (Repayable in 28 equal quarterly installments, last installment falling due in Jan 2023)	3,389.29	1,042.86	4,432.14	1,042.86
12	<b>TERM LOAN FROM INDUSIND BANK</b> (Repayable in 24 quarterly installments, last installment falling due in Nov. 2025)	4,807.50	137.50	-	-
13	<b>City Union Bank</b>	28.75	0.90	6.14	1.50
	<b>TOTAL B</b>	<b>16,097.36</b>	<b>4,441.55</b>	<b>15,570.39</b>	<b>4,304.65</b>
<b>C</b>	<b>Term Loan from NBFC</b>				
14	<b>IFCI Limited</b> (Repayable in 18 equal quarterly installments, last installment falling due in September 2022)	6,111.11	2,222.22	8,333.33	1,666.67
15	<b>SREI Infrastructure Finance Ltd</b> (Repayable in 8 equal quarterly installment, last installment falling due in April 2021)	2,250.00	2,250.00	4,500.00	-
	<b>TOTAL C</b>	<b>8,361.11</b>	<b>4,472.22</b>	<b>12,833.33</b>	<b>1,666.67</b>
<b>D</b>	<b>Loan from Life Insurance Corporation of India</b> (To be adjusted against maturity of LIC Keyman Insurance Policy during April / June, 2021)				
16	<b>Life Insurance Corporation of India</b>	824.00		824.00	
	<b>TOTAL D</b>	<b>824.00</b>	<b>14,516.68</b>	<b>824.00</b>	<b>12,334.51</b>
	<b>Amount taken to current maturities of long term debts under other current liabilities ( Note No 20 )</b>	<b>38,356.77</b>	<b>14,516.68</b>	<b>47,875.40</b>	<b>12,334.51</b>

## LOANS – Security : Banks/ Institutions

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

### Institutions (IREDA):

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

### NBFC:

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

## NOTES FORMING PART OF THE BALANCE SHEET

₹ in lakhs

**NOTE "15"**

**NON-CURRENT PROVISIONS**

Provision For Gratuity	428.83
Provision For Leave Encashment	651.17
<b>TOTAL</b>	<b>1,080.00</b>

As At 31-Mar-19	As At 31-Mar-18
428.83	353.17
651.17	736.75
<b>1,080.00</b>	<b>1,089.92</b>

**NOTE "16" DEFERRED TAX LIABILITIES (NET)**

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

₹ in lakhs

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
<b>For The Year Ended 31st March 2019</b>				
<b>Deferred Tax Liabilities</b>				
Difference between accounting and tax depreciation	17,832.90	1,642.10	-	19,475.00
<b>Total Deferred Tax Liabilities</b>	<b>17,832.90</b>	<b>1,642.10</b>	<b>-</b>	<b>19,475.00</b>
<b>Deferred Tax Assets</b>				
Expenses Allowed on Payment Basis	615.24	12.38	-37.28	590.34
Unabsorbed Depreciation	7,239.42	3,333.42	-	10,572.84
Provision for Doubtful Debts	-	55.77	-	55.77
Unutilized Tax Credits	1,617.81	-	-	1,617.81
<b>Total Deferred Tax Assets</b>	<b>9,472.47</b>	<b>3,401.57</b>	<b>-37.28</b>	<b>12,836.76</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>8,360.43</b>	<b>-1,759.47</b>	<b>37.28</b>	<b>6,638.24</b>
<b>For The Year Ended 31st March 2018</b>				
<b>Deferred Tax Liabilities</b>				
Difference between accounting and tax depreciation	19,200.76	-1,367.86	-	17,832.90
<b>Total Deferred Tax Liabilities</b>	<b>19,200.76</b>	<b>-1,367.86</b>	<b>-</b>	<b>17,832.90</b>
<b>Deferred Tax Assets</b>				
Expenses Allowed on Payment Basis	558.21	-33.20	90.23	615.24
Unabsorbed Depreciation	5,684.97	1,554.45	-	7,239.42
Unutilized Tax Credits	1,617.81	-	-	1,617.81
<b>Total Deferred Tax Assets</b>	<b>7,860.99</b>	<b>1,521.25</b>	<b>90.23</b>	<b>9,472.47</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>11,339.77</b>	<b>-2,889.11</b>	<b>-90.23</b>	<b>8,360.43</b>

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

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

# NOTES FORMING PART OF THE BALANCE SHEET



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

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18
A. Current Tax Expense	-	-
B. Deferred Tax Expense / (Asset) relating to		
- Origination and reversal of temporary differences	(1,759.47)	(2,889.11)
- Change in Tax Rates	-	-
- Recognition of previously unrecognized tax losses / (gains)	-	-
<b>Total</b>	<b>(1,759.47)</b>	<b>(2,889.11)</b>
<b>Tax Expenses recognized in the Statement of Profit &amp; Loss</b>	<b>(1,759.47)</b>	<b>(2,889.11)</b>
Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	37.28	(90.23)

₹ in lakhs

## NOTE "17"

### OTHER NON-CURRENT LIABILITIES

	As At 31-Mar-19	As At 31-Mar-18
Capital Grants	1,118.04	1,187.32
Trade and Other Deposits	1,543.84	1,526.64
Dues To Related Parties (Refer Note No 35B)	4.74	4.74
<b>TOTAL</b>	<b>2,666.62</b>	<b>2,718.70</b>

## NOTE "18"

### SHORT-TERM BORROWINGS

Demand Loans From Banks (Secured)		
Working Capital Loans*	3,184.66	2,219.06
Line of Credit	-	13,114.23
Unsecured Loans		
From Related Parties	4,099.80	3,735.25
Others	8,135.00	2,100.00
<b>TOTAL</b>	<b>15,419.46</b>	<b>21,168.54</b>

\*Working capital loans from banks are secured by a first charge by way of hypothecation and/or pledge of current assets, namely, stocks of raw materials, semi-finished and finished goods, consumable stores and spares including machinery spares not capitalized, bills receivable and book debts and further secured by a second charge by way of hypothecation over all of moveable plant and machinery and by way of mortgage by deposit of title deeds over the immovable properties, both present and future, such mortgage to rank second to the mortgages created / to be created in favour of term lenders viz., Banks / Financial Institutions/ NBFC (except windmill assets).

## NOTES FORMING PART OF THE BALANCE SHEET

₹ in lakhs

### NOTE "19"

#### TRADE PAYABLES

	As At 31-Mar-19	As At 31-Mar-18
Acceptances Against Letters of Credit	18,895.33	7,181.20
Dues to Micro and Small Enterprises (Refer Note Below)	1,091.68	462.36
Dues to Other than Micro and Small Enterprises	7,777.30	9,738.84
<b>TOTAL</b>	<b>27,764.31</b>	<b>17,382.40</b>

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

Principal amount remaining due and unpaid	1,091.68	
Interest due on above and the unpaid interest	180.20	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of futher interest remaining due and payable in succeeding years	-	-

### NOTE "20"

#### OTHER FINANCIAL LIABILITIES

Current Maturities of Long-Term Borrowings		
From Banks	5,602.91	6,364.68
From Financial Institutions	8,913.77	5,969.81
Interest Accrued but Not Due on Borrowings	1,512.81	623.91
Unclaimed Dividends*	32.37	43.75
Unpaid Matured Deposits and Interest Accrued Thereon	-	0.04
Employee Related Liabilities	1,378.64	1,655.24
Trade and Other Deposits	811.01	546.00
Creditors for Capital Goods	2,436.71	3,269.62
<b>TOTAL</b>	<b>20,688.22</b>	<b>18,473.05</b>

\* No amount were required to be transferred to the investor education protection fund.

### NOTE "21"

#### CURRENT PROVISIONS

Provision For Leave Encashment	505.15	446.88
Others	100.00	-
<b>TOTAL</b>	<b>605.15</b>	<b>446.88</b>

# NOTES FORMING PART OF THE BALANCE SHEET



₹ in lakhs

**NOTE “22”**

**OTHER CURRENT LIABILITIES**

	As At 31-Mar-19	As At 31-Mar-18
Statutory Liabilities	1,736.27	2,996.83
Advance Received From Customers	2,913.14	5,488.27
Advance Received Against Asset held for Sale	558.00	558.00
Trade and Other Deposits	156.77	156.77
Capital Grant	69.28	69.27
<b>TOTAL</b>	<b>5,433.46</b>	<b>9,269.14</b>

**NOTE “23”**

**REVENUE FROM OPERATIONS**

Direct sales of manufactured products	1,13,248.66	97,615.27
Consignment sales of manufactured products	-	7,695.55
Export sales of manufactured products	21,306.57	15,297.34
Sales of traded goods	46.07	25.86
Sale of Scrap and other materials	288.01	183.79
	1,34,889.31	1,20,817.81
<b>Other Operating Income</b>		
Sale of DEPB Licence	390.89	522.90
<b>TOTAL</b>	<b>1,35,280.20</b>	<b>1,21,340.71</b>

**NOTE “24”**

**OTHER INCOME**

Interest Income	69.78	154.65
Profit on Sale of Fixed Assets	26.81	10.95
Unclaimed balance written back	149.44	279.26
Insurance claims received	2.81	52.28
Other Non-operating Income	111.85	119.97
<b>TOTAL</b>	<b>360.69</b>	<b>617.11</b>

**NOTE “25”**

**COST OF RAW MATERIALS CONSUMED**

Opening stock in hand and in process	6,756.42	5,850.56
Add: Purchase of Raw materials	66,979.55	59,217.60
Less: Closing stock in hand and in process	6,107.34	6,756.42
<b>TOTAL</b>	<b>67,628.63</b>	<b>58,311.74</b>



## NOTES FORMING PART OF THE BALANCE SHEET

₹ in lakhs

### NOTE "26"

#### PURCHASE OF STOCK IN TRADE

Purchase of Stock in Trade

#### TOTAL

	As At 31-Mar-19	As At 31-Mar-18
	45.52	26.61
	<b>45.52</b>	<b>26.61</b>

### NOTE "27"

#### CHANGES IN INVENTORIES

Closing stock of Finished Goods

Closing Stock of Work-in-process

Closing stock of Packing Drums and Scrap

#### Opening Stock:

Opening Stock of Finished Goods

Opening Stock of Work-in-process

Opening Stock of Packing Drums and Scrap

#### Net (Increase) / decrease in stock

### NOTE "28"

#### EMPLOYEE BENEFIT EXPENSES

Salaries and wages

Contributions to provident and other funds

Staff Welfare Expenses

Directors Remuneration

(Net of Capitalisation ₹ Nil (PY. ₹ Nil lakhs))

#### TOTAL

	(2,432.72)	(2,826.81)
	(495.66)	(570.68)
	(2.66)	(2.66)
	<b>(2,931.04)</b>	<b>(3,400.15)</b>
	2,826.81	4,483.07
	570.68	288.09
	2.66	2.66
	<b>3,400.15</b>	<b>4,773.82</b>
	<b>469.11</b>	<b>1,373.67</b>

#### EMPLOYEE BENEFIT EXPENSES

Salaries and wages

Contributions to provident and other funds

Staff Welfare Expenses

Directors Remuneration

(Net of Capitalisation ₹ Nil (PY. ₹ Nil lakhs))

#### TOTAL

	9,481.64	9,876.42
	1,033.26	708.25
	933.81	804.13
	-	79.00
	<b>11,448.71</b>	<b>11,467.80</b>

### NOTE "29"

#### FINANCE COSTS

Interest expense\*

Bank Charges

Exchange differences regarded as an adjustment to borrowing costs

#### TOTAL

	9,548.71	8,769.25
	853.99	550.69
	-	-
	<b>10,402.70</b>	<b>9,319.94</b>

\* Net of transferrers to CWIP / Capitalisation ₹ 46.69 (PY ₹ 68.03 lakhs)

# NOTES FORMING PART OF THE BALANCE SHEET



₹ in lakhs

## NOTE "30"

### OTHER EXPENSES

	As At 31-Mar-19	As At 31-Mar-18
Power and fuel	22,417.97	19,181.08
Packing charges	1,610.96	1,533.00
Operating and maintenance expenses	1,637.78	3,655.25
Rent	58.27	58.60
Repairs to building	588.36	534.83
Repairs to machinery	5,548.32	4,635.61
Wholesalers commission	-	21.33
Repairs to other assets	635.84	475.41
Insurance	324.98	359.14
Rates and Taxes	245.26	83.64
Licence fees	75.52	69.25
<b>TOTAL A</b>	<b>33,143.26</b>	<b>30,607.14</b>

### Payments to auditors

as auditors	12.50	12.50
for taxation matters (Includes Tax Audit Fees ₹ 4 lakhs (previous year ₹ 4 lakhs))	4.00	7.60
for other services	8.40	3.65
Towards reimbursement of expenses	3.03	3.66
<b>TOTAL B</b>	<b>27.93</b>	<b>27.41</b>

Travelling expenses	127.46	137.53
Conveyance expenses	276.58	225.59
Advertisement expenses	15.72	8.14
Professional fees	546.32	507.64
Directors Sitting Fees	2.90	2.35
Loss on Assets Sold or Written off	93.63	28.18
Donations	5.76	6.61
Freight, Transportation, Loading and other Charges (Net)	2,209.38	2,318.77
Vehicle expenses	130.96	98.31
Exchange Difference (Net)	1,653.21	33.08
Miscellaneous Expenses	1,264.06	987.65
<b>TOTAL C</b>	<b>6,325.98</b>	<b>4,353.85</b>
<b>TOTAL (A + B + C)</b>	<b>39,497.17</b>	<b>34,988.40</b>

## NOTE "31"

### OTHER COMPREHENSIVE INCOME

#### Items that will not be reclassified to profit or loss

Remeasurement of Defined Benefit Plans	106.50	(258.06)
<b>Income Tax on items that will not be reclassified to profit or loss</b>		
Remeasurement of Defined Benefit Plans	(37.28)	90.32
<b>TOTAL</b>	<b>69.22</b>	<b>(167.74)</b>



## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE 32- CONTINGENT LIABILITIES AND COMMITMENTS:

#### Contingent Liabilities (to the extent not provided for)

₹ in lakhs

		As at 31.03.2019	As at 31.03.2018
<b>A.</b>	<b>CONTINGENT LIABILITIES NOT PROVIDED FOR:</b>		
1.	Disputed Sales Tax Demands*	3,264.99	6,350.56
2.	Disputed Excise / Service tax Demands	551.77	497.52
3.	Disputed Customs Demands **	6,545.98	6,139.98
4.	GST Demands	-	15.23
5.	Company's contribution to ESI not made pursuant to petitions for exemption pending before High Court	6.99	5.04
6.	Lease Rent, Local Cess, Octroi, and Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty. #	7,696.16	9,739.19
7.	Disputed Industrial relations matters	525.28	618.45
<b>B.</b>	<b>CLAIMS NOT ACKNOWLEDGED AS DEBTS:</b>	-	-
	<b>TOTAL</b>	18,591.17	23,365.97
<b>C.</b>	<b>GUARANTEE AS A MEMBER OF THE ALKALI MFG. ASSN. (A Company Limited by Guarantee)</b>	₹ 500	₹ 500

Note: The Company does not expect any outflow in respect of the above contingent liabilities.

**\* Includes:**

- i) Sales Tax Assessments of Dhrangadhra Unit are pending for 1994–95, 1995–96, 1997–98, 2004–05, 2005–06 and 2014–15 to 2016–17 & 2017-18. In respect of Sahupuram Unit Central Sales Tax Assessments and Tamil Nadu General Sales tax assessment are completed up to 2010–11.

**\*\*Includes:**

- i) The Commissioners of Customs, Tuticorin and Kandla during the year issued Order rejecting the classification of coal imported by the company during the year 2011 and 2012 as Steam Coal and reclassified the same as Bituminous Coal and demanded differential duty of ₹ 1,311.31 lakhs along with applicable interest of ₹ 490.58 lakhs and imposed penalty of ₹ 1,309 lakhs. The Company has filed appeal with CESTAT against the said Orders. The appeal is pending with CESTAT. The Company has been legally advised that it has a fair chance of winning the case before CESTAT. Accordingly no provision has been made in the accounts and has been disclosed as contingent liability.
- ii) In the matter of Export Duty on Upgraded Benefited Ilmenite classification dispute, the Company has given an undertaking to remit the disputed duty in case; the dispute is decided against the Company by the highest judicial forum. As at 31st March 2019 the duty liability is ₹ 2,848.14 lakhs (Previous year – ₹ 2,440.67 lakhs). Since the Company has got the favourable order from the adjudicating authority in some of the shipments made by the Company, relating to the same period, the Company is hopeful of getting favourable order in all the shipments where the duty has been demanded by the department.

**# Includes:**

- i) The Tamil Nadu Government vide Government order dated 23-09-1996 issued under TamilNadu Electricity (Taxation & Consumption) Act, 1961, exempted specified industries (including the industry in which the company operates) permanently from payment of Electricity Tax on consumption of power generated captive. The Supreme Court vide order dated 15th May, 2007 held that the withdrawal of the permanent exemption by the Act of 2003 was invalid. In November, 2007 the TamilNadu government passed the TamilNadu tax on consumption or Sale of Electricity (Amendment) Act, amending the Act of 2003 to invalidate the permanent exemption granted with retrospective effect. The writ petition filed by the company against this amendment

# NOTES FORMING PART OF THE BALANCE SHEET



has been dismissed by the Madras High Court. The SLP filed by the company against the High Court Order has been admitted by the Supreme Court.

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

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

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

- ii) In the matter of leasehold land in respect of the salt works at Kuda, Dhrangadhra, which is an "Operating Lease", the Honourable Supreme Court has admitted the SLP filed by the Company against the Order of the Gujarat High Court upholding that the lease of the aforesaid land is not permanent and hence is terminable. The Company is confident of succeeding in the Supreme Court.
- iii) In the matter of disputed demand of ₹ 498.94 lakhs consequent to revision in the lease rent rates fixed by the Tariff Authority for Major Ports (TAMP) from 2006 to 2016 in respect of the port lands taken on lease by the Company from the V. O. Chidambaranar Port Trust, the Company has obtained interim stay from the Honourable High Court of Judicature at Madras vide order dated 01.08.2014. The Company is confident of succeeding in this matter.
- iv) In the matter of lease rental on land admeasuring 793.39 acres at Sshupuram works, the assignment deeds in respect of which are yet to be executed by the State Government in favour of the Company. (Details refer note no.37)

## a. Commitments:

- i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is ₹ 513.37 lakhs (31st March 2018: ₹ 366.46 lakhs).
- ii) In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2019 amount to ₹ 1,040.48 lakhs (31st March 2018: ₹ 1,077.64 lakhs)
- iii) The Company has given an undertaking for the purposes of obtaining 100% Export Oriented Unit status that it would achieve positive net foreign exchange earnings as prescribed in the EOU Scheme for a period of five years from May 2015. The Company is hopeful of achieving the said parameters and does not expect any liability on this account as on the Balance sheet date.
- iv) The company does not have any other commitments.

## NOTE 33:

- a. Confirmation of balances from some of the Debtors and Creditors, have not been received. Statements of Account/ balance confirmations, wherever received, have been reconciled and impact thereof, in any, has been dealt with to the extent agreed upon by the Company.
- b. In Case of material lying with third party, movement of material is recorded and closing balances have been reconciled on the basis of periodical statements and / or subsequent movement of such material, as certified by the Management.
- c. In the opinion of the management, current assets, long term loans and advances and other non-current assets have a realizable value in ordinary course of business at least equal to the amounts at which they are stated in the balance sheet.
- d. During the year of review, Company has paid ₹ 50,000/- (Previous Year – Nil) to Bharatiya Janata Party towards Political Donation.



## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE 34- LEASE RENTALS FOR NON-CANCELLABLE OPERATING LEASES:

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

₹ in lakhs

	31.03.2019	31.03.2018
Not later than one year	37.16	37.16
Later than one year and not later than 5 years	148.64	148.64
Later than 5 years	854.68	891.84
<b>Total</b>	<b>1,040.48</b>	<b>1,077.64</b>

- c. Lease and sublease payments recognized as an expense in this period, with separate amounts for minimum lease payments, contingent rent and sublease payments.

A general description of the lessee's significant leasing arrangements including, but not limited to, the following:	
i) The basis on which contingent rent payable is determined;	There is no contingent rent payable on the expiry of the lease.
ii) The existence and terms of renewal or purchase options and escalation clauses; and	There are no terms of renewal or purchase option & escalation clause
iii) Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.	The lease terms does not permit any sub-lease.

### NOTE 35- RELATED PARTY DISCLOSURES AS PER Ind-AS 24:

#### a. Relationships:

##### i) List of Related Parties Where Control Exists

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

##### ii) Key management personnel and their relatives:

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

#### Note:

Related party relationships on the basis of the requirements of Indian Accounting Standard (Ind AS) – 24 disclosed above is as identified by the company and relied upon by the auditors.

## NOTES FORMING PART OF THE BALANCE SHEET



- b. i) Disclosure of Transactions between the company and related parties and the status of outstanding balances as on 31st March 2019

(₹ In lakhs)

Particulars	Enterprise / Key Management	Relationship	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Money Received towards Share Capital	Shri Bakul Jain	Managing Director	-	112.64
	Shri Vivek Jain	Managing Director	-	95.39
	Shri Vivek Jain & Smt. Meeta Jain	Managing Director	-	17.25
Purchase of goods	M/s. Kishco Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	0.34	0.71
Unsecured loan taken	Shri. Vivek Jain	Managing Director	1,873.00	4,285.00
	Shri P.K. Jain	Chairman & Managing Director	-	500.00
	Shri. Mudit Jain	Managing Director	450.00	150.00
	Shri Bakul Jain	Managing Director	513.75	-
	M/s Kishco Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	1,050.00	-
		<b>Total</b>		<b>3,886.75</b>
Unsecured Loan Repaid	Shri. Vivek Jain	Managing Director	2,772.20	2,121.00
	Shri P.K. Jain	Chairman & Managing Director	-	150.00
	Shri. Mudit Jain	Managing Director	-	-
	Shri Bakul Jain	Managing Director	-	-
	M/s Kishco Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	750.00	-
		<b>Total</b>		<b>3,522.20</b>
Unsecured Loan Balances as on 31 <sup>st</sup> March, 2019	Shri. Vivek Jain	Managing Director	2,186.05	3,085.25
	Shri P.K. Jain	Chairman & Managing Director	500.00	500.00
	Shri. Mudit Jain	Managing Director	600.00	150.00
	Shri Bakul Jain	Managing Director	513.75	-
	M/s Kishco Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	300.00	-
		<b>Total</b>		<b>4,099.80</b>

## NOTES FORMING PART OF THE BALANCE SHEET

(₹ In lakhs)

Particulars	Enterprise / Key Management	Relationship	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Interest Paid	Shri P.K. Jain	Chairman & Managing Director	60.00	11.36
	Shri Vivek Jain	Managing Director	469.49	88.49
	Shri Mudit Jain	Managing Director	67.23	9.17
	Shri Bakul Jain	Managing Director	48.82	-
	M/s Kishco Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	32.16	-
		<b>Total</b>	<b>677.71</b>	<b>109.02</b>
Balances	M/s. Dhrangadhra Trading Company Pvt. Ltd.	Entity in which key management personnel & / or their relatives have significant influence	(4.74)	(4.74)
		<b>Total</b>	<b>(4.74)</b>	<b>(4.74)</b>
<b>B. ii) Transaction with Key Management Personnel</b>				
A. Remuneration paid to Key Management Personnel & their Relatives	Shri P.K. Jain	Chairman & Managing Director	-	20.26
	Shri. Bakul Jain	Managing Director	-	20.26
	Shri. Vivek Jain	Managing Director	-	20.26
	Shri. Mudit Jain	Managing Director	-	20.26
	Shri. Ashish Jain	Senior President	-	19.86
	Mrs. Paulomi Jain	President	-	19.99
	Mrs. Malti Bhindi	President	-	19.92
	Shri. Saatvik Jain	President	-	19.60
	Shri.Vimal Jain	Chief Financial Officer	60.68	61.46
	Smt.Jigna Karnick	Dy. Company Secretary	12.11	12.11
	<b>Total</b>	<b>72.79</b>	<b>233.98</b>	
B. Sitting Fees	Shri. Sodhsal Singh Dev of Dhrangadhra	Independent Director	-	0.40
	Shri. Salil Kapoor	Independent Director	0.10	0.20
	Ms. Sujata Rangnekar	Independent Director	0.85	0.70
	Shri. D. Ganapathy	Independent Director	0.10	0.80
	Shri. Pradip Madhavji	Independent Director	1.00	0.25
	Shri. K. Krishnamoorthy	Independent Director	-	-

### NOTE 36- FINANCIAL DERIVATIVE INSTRUMENTS:

- a. Derivative contracts entered into by the Company and outstanding as on 31st March, 2019 for Hedging currency and interest related risks.
  - i) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

# NOTES FORMING PART OF THE BALANCE SHEET



Outstanding forward exchange contracts entered into by the company as on 31st March 2019:

Foreign Currency	Amount in INR	Buy / Sell	Cross Currency
USD 20,00,000	13,83,10,000/-	Sell	Rupees

- b. The Year End Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

March '19		March' 18	
Receivable/(Payable)	Receivable/ (Payable) in Foreign Currency	Receivable/(Payable)	Receivable/ (Payable) in Foreign Currency
₹	\$	₹	\$
36,66,50,205/-	USD 53,01,861	4,87,85,105/-	USD 7,48,582
(144,66,76,267/-)	USD (2,09,19,330)	(167,63,20,601/-)	USD (2,57,22,274)

- c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

## NOTE 37:

Land includes a land costing ₹ 3.91 lakhs (fair valued at ₹ 2380.20 lakhs on transition date) admeasuring 793.39 acres at Sahapuram Works, the assignment deeds in respect of which are yet to be executed by the State Government in favour of the Company.

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

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

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

## NOTE 38- DISCLOSURE PURSUANT TO IND AS-19 "EMPLOYEE BENEFITS":

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

### a. Defined Contribution Plans:

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

(₹ In lakhs)

Particulars	31st March 2019	31st March 2018
Provident Fund	466.36	494.44
Superannuation Fund	108.18	107.04
Employees' Pension Scheme, 1995	234.26	235.60

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

## NOTES FORMING PART OF THE BALANCE SHEET

**b. Defined Benefit Plans:**

(₹ In lakhs)

		Gratuity (Funded)	
		31st March 2019	31st March 2018
<b>1</b>	<b>Change in Benefit Obligation</b>		
	Liability at the beginning of the year 1st April' 2018	3557.11	2990.55
	Interest cost	268.92	224.59
	Current Service Cost	146.40	129.21
	Past Service Cost	-	219.94
	Benefit Paid	(127.44)	(266.15)
	Actuarial (gain) / Loss on obligation	(94.24)	258.97
	Liability at the end of the year	3750.75	3557.11
<b>2</b>	<b>Changes in the Fair Value of Plan Assets</b>		
	Present Value of Plan Assets as at 1st April, 2018	3046.11	2983.91
	Expected Return on Plan Assets	230.29	224.09
	Contributions by the Employer	160.69	103.35
	Actuarial (Gain)/Loss	12.26	0.91
	Employers' Contributions		
	Benefits Paid	(127.44)	(266.15)
	Present Value of Planned Assets as at 31st March, 2019	3321.92	3046.11
<b>3</b>	<b>Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
	Present Value of Defined Benefit Obligation as at 31st March, 2019	(3750.75)	(3557.11)
	Fair Value of Plan Assets as at 31st March, 2019	3321.92	3046.11
	Net Liability recognized in the Balance Sheet as at 31st March, 2019	(428.83)	(511.00)
<b>4.</b>	<b>Expenses Recognized in the Statement of Profit and Loss</b>		
A	Service Cost	146.40	129.21
B	Interest Cost	38.63	0.50
C	Past Service Cost	-	219.94
D	Expected Return on Plan Assets	(230.29)	(224.09)
E	Curtailment Cost/(Credit)	-	-
F	Settlement Cost/(Credit)	-	-
G	Net Actuarial (Gain)/Loss	(106.51)	258.06
	<b>Total Expenses recognized in the Statement of Profit and Loss</b>	<b>291.53</b>	<b>91.59</b>
<b>5</b>	<b>Actual Return on Plan Assets</b>		
	<b>Estimated Contribution to be made in the next annual year</b>		
	<b>The Composition of Plan Assets : i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31st March,2019</b>		
A	Govt of India Securities	-	-
B	Corporate Bonds	-	-

# NOTES FORMING PART OF THE BALANCE SHEET



(₹ In lakhs)

		Gratuity (Funded)	
		31st March 2019	31st March 2018
C	Special Deposit Scheme	-	-
D	Equity Shares of Listed Companies	-	-
E	Property	-	-
F	Insurance Managed Funds	3321.92	3046.11
G	Others	-	-
	<b>Total</b>	<b>3321.92</b>	<b>3046.11</b>
<b>6.</b>	<b>Amount recognised in Other Comprehensive Income (OCI)</b>		
	Actuarial Gains / (Losses) on Obligations for the period	94.24	(258.97)
	Re-measurement(Return on Plan Assets Excluding Interest Income)	12.26	0.91
	Change in Asset Ceiling	-	-
	<b>Net (Income) / Expenses for the period recognized in OCI</b>	<b>106.51</b>	<b>(258.06)</b>
<b>7.</b>	<b>Actuarial Assumptions</b>		
	Retirement age	58	58
	Discount rate	7.47%	7.56%
	Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate	
	Withdrawal rate	2%	2%
	Salary escalation	3%	3%
	<b>Other Details</b>		
	No of active members	1916	1924
	Per month salary for active members	549.60	536.39
	Average expected future service - in years	10	10
	Projected benefit obligation (PBO)	3750.75	3557.11
	Weighted average duration of the PBO – in years	-	-
	<b>Projected benefits payable in future years from the date of reporting</b>		
	1st following year	1017.08	897.92
	Sum of years 2 to 5	1372.04	1288.73
	Sum of years 6 to 10	1670.77	1639.42
	<b>Sensitivity analysis on PBO</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
	Delta effect of 1% increase in rate of discounting	(157.27)	(154.73)
	Delta effect of 1% decrease in rate of discounting	174.06	171.23
	Delta effect of 1% increase in rate of salary escalation	174.91	171.24
	Delta effect of 1% decrease in rate of salary escalation	(160.43)	(157.06)
	Delta effect of 1% increase in rate of attrition	49.37	49.46
	Delta effect of 1% decrease in rate of attrition	(53.72)	(53.73)





## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE NO. 39: Earning per share (EPS) as per IND AS – 33

(₹ In lakhs)

	2018-19	2017-18
Profit/ (Loss) after Tax	(357.79)	(2187.90)
No. Of Equity shares of ₹ 2 each outstanding as on 31.3.2019	22,09,87,407	22,09,87,407
Weighted Average Number of Equity Shares Outstanding during the year		
For Basic	22,09,87,407	22,09,87,407
For Diluted *	22,09,87,407	22,09,87,407
EPS (₹)		
Basic & Diluted	(0.19)	(0.91)

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

### NOTE 40: SEGMENT INFORMATION FOR YEAR 2018-19

(₹ In lakhs)

	CAUSTIC	SIOP	PVC	CPVC	SODA ASH	OTHERS	TOTAL
Segment Revenue							
External Revenue	51,397.55	3,333.94	69,359.16	8,257.41	1,917.34	1,375.49	135,640.89
	(40,747.72)	(2,696.20)	(54,873.65)	(2,189.15)	(20,564.22)	(886.89)	(121,957.82)
Segment Result	8,298.34	-2,232.61	16,865.21	-339.19	-14,933.58	627.26	8,285.44
	(110.98)	((-)2314.95)	(4,993.11)	((-)2906.48)	(4,067.88)	(292.49)	(4,243.03)
Add : Unallocated Corporate Income							
Less:							
Finance charges							10,402.70
							(9,319.94)
Current Tax							-
							-
Deffered Tax							1,759.47
							((-)2889.02)
Net Profit							357.79
							((-)2187.89)
Other information							
Segment Assets	51,979.66	42,001.49	12,580.59	30,060.64	29,640.38	13,444.18	179,706.94
	(56,271.85)	(42,832.63)	(15,101.54)	(31,423.18)	(28,591.13)	(13,254.67)	(187,475.00)
Add :Unallocated Corporate Assets							2,160.88
							(2,891.03)
Total							181,867.82
							(190,366.03)

# NOTES FORMING PART OF THE BALANCE SHEET



	CAUSTIC	SIOP	PVC	CPVC	SODA ASH	OTHERS	TOTAL
Segment Liabilities	20,891.95	27,115.81	30,188.57	13,515.98	5,933.29	14,431.13	112,076.72
	(25,445.22)	(34,189.74)	(16,518.52)	(16,971.49)	(6,417.14)	(18,952.79)	(118,494.90)
Add :Unallocated Corporate liabilities							6,638.24
							(8,360.43)
Total							118,714.96
							(126,855.33)
Capital Expenditure							3,118.49
							(2,044.35)
Depreciation	3,019.41	1,699.13	694.58	1,685.22	735.91	501.31	8,335.56
	(3,127.29)	(1,569.98)	(766.37)	(2,154.74)	(660.25)	(501.31)	(8,779.94)

Note : The figures in bracket represents previous year amount.

## NOTE NO 41- EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY(CSR) ACTIVITIES

- Gross amount required to be spent during the year is ₹ 1.80 lakhs (P.Y. 31.35 lakhs)
- Amount spent during the year:

(₹ In lakhs)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	31st March 2019	31st March 2018
1	Construction/acquisition of any asset	-	-	-	-
2	Other purposes other than above	-	-	60.86	64.76

## NOTE 42- FAIR VALUE MEASUREMENTS:

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

### a. Accounting classification and fair values

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

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

(₹ In lakhs)

Financial Liabilities	Carrying amount at Amortised Cost	Fair value	Fair value measurement hierarchy level
<b>As on 31st March.2019</b>			
Fixed Rate Borrowings	-	-	Level 2
<b>As on 31st March.2018</b>			
Fixed Rate Borrowings	-	-	Level 2



## NOTES FORMING PART OF THE BALANCE SHEET

### b. Measurement of fair values:

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

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

### c. Financial risk management

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

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

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

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

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

### d. Credit Risk

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

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

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

(₹ In lakhs)

Sundry Debtors	Up to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
<b>As on 31<sup>st</sup> March, 2019</b>					
Gross Carrying Amount	5,515.05	239.42	1,553.31	221.08	7,528.86
Specific Provision	-	-	-	-	-
Carrying Amount	5,515.05	239.42	1,553.31	221.08	7,528.86
<b>As on 31<sup>st</sup> March, 2018</b>					
Gross Carrying Amount	7,418.72	794.35	407.24	30.21	8,650.52
Specific Provision	-	-	-	-	-
Carrying Amount	7,418.72	794.35	407.24	30.21	8,650.52

### Cash and cash equivalents:

The Company held cash and cash equivalents of ₹115.36 lakhs as at 31 March 2019 (31 March 2018: ₹ 355.01 lakhs). The cash and cash equivalents are held with reputed banks.

# NOTES FORMING PART OF THE BALANCE SHEET



## e. Liquidity Risk:

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

(₹ In lakhs)

	Contractual cash flows					
	Carrying amount	Up to 1 year	1-2 years	2-5 years	Less than 5 years	Total
<b>As on 31<sup>st</sup> March, 2019</b>						
Non-derivative financial liabilities	-	-	-	-	-	-
Borrowings	68,284.58	29,932.32	14,195.09	22,474.01	1,683.15	68,284.58
Interest (Refer note below)	1,512.81	1,512.81	-	-	-	1,512.81
Trade payables	30,201.02	30,201.02	-	-	-	30,201.02
Deposits payable	-	-	-	-	-	-
<b>As on 31 March, 2018</b>						
Non-derivative financial liabilities	-	-	-	-	-	-
Borrowings	81,378.56	33,503.05	11,517.85	33,796.14	2,561.52	81,378.56
Interest (Refer note below)	623.91	623.91	-	-	-	623.91
Trade payables	20,652.02	20,652.02	-	-	-	20,652.02
Deposits payable	-	-	-	-	-	-

## f. Market Risk

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

### Interest rate risk:

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

### Exposure to Interest rate risk:

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

(₹ In lakhs)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Fixed-rate instruments</b>		
Financial liabilities - measured at amortised cost	-	-
<b>Variable-rate instruments</b>		
Financial liabilities - measured at amortised cost	38,352.26	47,875.40
<b>Total</b>	<b>38,352.26</b>	<b>47,875.40</b>

## NOTES FORMING PART OF THE BALANCE SHEET

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by ₹ 383.52 lakhs and ₹ 478.75 lakhs for the outstanding balance as on 31.3.2019 and 31.3.2018 respectively. Similarly a reasonable possible increase by 100 basis points in interest rate would have negative impact (before tax) by same amounts.

### Currency risk:

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

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

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

### Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31 March 2019 & 31 March 2018 are as below:

(₹ In lakhs)

	Total	INR	USD
<b>As on 31st March, 2019</b>			
<b>Financial assets</b>			
Cash and cash equivalents	115.36	115.36	-
Short-term loans and advances	1,562.20	1,562.20	-
Trade and other receivables	7,369.27	6,507.97	861.30
Other Non-current financial asset	583.80	583.80	-
Other Current financial asset	2,160.88	2,160.88	-
<b>Exposure for assets (A)</b>	<b>11,791.51</b>	<b>10,930.21</b>	<b>861.30</b>
<b>Financial liabilities</b>			
Long term borrowings	38,356.77	38,356.77	-
Short term borrowings	15,419.46	15,419.46	-
Interest accrued			
Trade and other payables	27,764.30	9,323.04	18,441.26
Other Current financial liabilities	20,688.22	16,248.04	4,440.18
Non-Current Liabilities	2,666.63	2,666.63	-
<b>Exposure for liabilities (B)</b>	<b>1,04,895.38</b>	<b>82,013.94</b>	<b>22,881.44</b>
<b>Net exposure (B-A)</b>	<b>93,103.87</b>	<b>71,083.73</b>	<b>22,020.14</b>

	Total	INR	USD
<b>As on 31st March, 2018</b>			
<b>Financial assets</b>			
Cash and cash equivalents	355.01	355.01	-
Short-term loans and advances	2,621.84	2,621.84	-

	<b>Total</b>	<b>INR</b>	<b>USD</b>
Trade and other receivables	9,111.16	8,620.31	490.85
Other Non-current financial asset	596.01	596.01	-
Other Current Financial assets	2,891.03	2,891.03	-
<b>Exposures for Assets (A)</b>	<b>15,575.05</b>	<b>15,084.20</b>	<b>490.85</b>
<b>Financial liabilities</b>			
Long term borrowings	47,875.40	47,875.40	-
Short term borrowings	34,282.77	21,168.54	13,114.23
Trade and other payables	24,563.60	17,382.40	7,181.20
Other Current financial liabilities	21,956.87	18,473.05	3,483.82
Non – Current Liabilities	2,944.74	2,944.74	-
<b>Exposure for liabilities (B)</b>	<b>1,31,623.38</b>	<b>1,07,844.13</b>	<b>23,779.25</b>
<b>Net exposure (B-A)</b>	<b>1,16,048.33</b>	<b>92,759.93</b>	<b>23,288.40</b>

#### Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupee against USD at March 31 by 4% would have positive impact (before tax) by ₹ 880.81 lakhs and ₹ 931.54 lakhs for the net outstanding balance as on 31.3.2019 and 31.3.2018 respectively. Similarly a reasonably possible weakening of the India Rupee against USD would have a negative impact (before tax) by same amounts.

#### Capital Management

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

#### Note 43A: Standards Implemented during the Year

##### IND AS 115 Revenue from Contracts with Customers

IND AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under IND AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer. The Company has adopted new accounting standard from accounting period commencing 1st April, 2018.

Consequent to the same revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration expected to be received in exchange for those product or services. The Company derives revenues primarily from the business of sale of Chemicals to its customers, where upon transfer of control, invoices are raised upon completion of sale. Modification in contracts with reference to price are considered as part of the existing contract and not as separate contract.

Volume discounts pricing incentives and other variable rebates are reduced from revenue. In respect of quantity rebates the company recognizes the liability based on the estimate of the customer annual purchases. Any change in the estimated amount of the obligation of discount is accounted in the period in which the change occurs.

Trade receivables are presented net of incurred credit losses and expected credit losses.

Considering the nature of business, which the company is into there is no significant impact on revenues owing to applicability of IND AS 115 as compared to hitherto revenue recognized as per IND AS 18.



### **Disaggregate revenue information**

The Revenues has been disaggregated from contracts with customers based on the product offerings or the business segments in which it operates. The company believes this disaggregation's best depicts how the nature, amount, timing and uncertainty of our revenues are affected by industry, market and other economic actors.

The disclosure requirements as mandated by the standard is given in Note No 23

### **Note 43B: Recent Accounting pronouncements**

#### **IND AS 116 LEASES:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard IND AS 17 Leases, and related Interpretations. The standards set out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard comes into force from accounting period commencing on or after 1st April, 2019, within those fiscal years.

The Company is in the process of analyzing the existing agreements to ascertain whether they are service agreements or there is an arrangement of lease in the same, based on which the impact of said Ind AS can be estimated.

#### **IND AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit( or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IndAS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual period beginning 01st April, 2019.

The Company is in the process of analyzing the impact of the same if any.

#### **Amendment to Ind AS 12- Income taxes:**

On March 30, 2019 Ministry of Corporate Affairs issued amendments to the guidance in Ind AS12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transaction or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effects of this amendment on the consolidated financial statements.

#### **Amendment to Ind AS 19- plan amendment, curtailment or settlement:**

On March 30, 2019 Ministry of Corporate Affairs issued amendments to the guidance in Ind As19, 'Employee Benefits', in accordance with accounting for plan amendments, curtailments and settlements.

The amendments require an entity-

- To use updated assumptions to determine current service cost and net interest for the remainder of the periods after plan amendment, curtailment or settlement and

- To recognize in profit or loss as part of past service cost, or gain or loss on settlement any reduction in surplus even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effects of this amendment on the consolidated financial statements and expects no impact on account of this amendment.

#### **Amendments to Ind AS 102, Share Based payments**

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

#### **Note 44.**

The standalone financial statements were authorised for issue in accordance with the resolution passed by the Board of Directors on 28th May 2019.

#### **Note 45.**

The figures of previous year have been rearranged & regrouped where ever necessary and / or practicable to make them comparable with those of the current year.

As per our Report of even date attached.	For and on behalf of the Board	
For Chhajed & Doshi Chartered Accountants FRN NO 101794W	Pramod Kumar Jain Chairman & Managing Director DIN 00380458	Bakul Jain (DIN: 00380256) Vivek Jain (DIN: 00502027) Mudit Jain (DIN: 00647298) Managing Directors
Aruna Dhanesha Partner Membership No 107863 Place: Mumbai Date : 28th May, 2019	Jigna Karnick Dy. Company Secretary CS NO 24140	Vimal Jain Chief Financial Officer















## DCW LIMITED

**Registered Office :** Dhrangadhra - 363 315, Gujarat

**Head Office :** Nirmal, 3rd Floor, Nariman Point, Mumbai - 400 021

**Tel. No. :** 22871914, 22871916, 22020743, **Fax :** 22 2202 8838 **Website :** www.dcwlimited.com

**CIN No. :** L24110GJ1939PLC000748 **Email :** legal@dcwlimited.com

### NOTICE

NOTICE is hereby given that the 80th Annual General Meeting of the Members of DCW LIMITED will be held at 10.00 a.m. on Monday, September 30, 2019 at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhra - 363315, Gujarat State, to transact the following business:

#### ORDINARY BUSINESS:

##### Item No. 1 – Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

##### Item No. 2 – Re-appointment of a Director

To appoint Shri Mudit Sharadkumar Jain (DIN: 00647298), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### Item No. 3 –Appointment of Shri Mahesh Vennelkanti (DIN: 03633359) as an Independent Director

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (“the Rules”) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”), and pursuant to recommendation of the Nomination and Remuneration Committee and as agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”), Shri Mahesh Vennelkanti (DIN: 03633359), who was appointed as an Additional Director and designated as an Independent Director of the Company by the Board of Directors at their Meeting held on June 28, 2019 and who holds office upto the date of ensuing Annual General Meeting (AGM) pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 2 (two) consecutive years with effect from June 28, 2019 upto June 27, 2021”.

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time”.

##### Item No. 4 – Re-appointment of Smt. Sujata Rangnekar (DIN: 06425371) as an Independent Director of the Company

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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (“the Rules”) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”) and pursuant to recommendation of the Nomination and Remuneration Committee and as agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”), Smt. Sujata Rangnekar (DIN: 06425371) who was appointed as an Independent Director of the Company at the Annual General Meeting of the Company held on 13th August, 2014 for a period of 5 years and who holds office upto the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment as an Independent Director of the Company, and has submitted a Declaration that she meets the criteria for independence as provided in Section 149(6) of the Act alongwith her consent to such re-appointment, and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years up to conclusion of 85th Annual General Meeting to be held in the Calendar year 2024, not liable to retire by rotation.”

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above Resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time.”

#### **Item No. 5 – Re-appointment of Shri Salil Kapoor (DIN: 02256540) as an Independent Director of the Company**

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 Sections 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (“the Rules”) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”) and pursuant to recommendation of the Nomination and Remuneration Committee and as agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”), Shri Salil Kapoor (DIN: 02256540) who was appointed as an Independent Director of the Company at the Annual General Meeting of the Company held on 13th August, 2014 for a period of 5 years and who holds office upto the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment as an Independent Director of the Company, and has submitted a Declaration that he meets the criteria for independence as provided in Section 149(6) of the Act alongwith his consent to such re-appointment, and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, being eligible, be and is hereby reappointed as an Independent Director of the Company for a further term of 5 (five) consecutive years up to conclusion of 85th Annual General Meeting to be held in the Calendar year 2024, not liable to retire by rotation.”

#### **Item No. 6 – Ratification of Remuneration of the Cost Auditors for the Financial Year ending March 31, 2020**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded for payment of Remuneration as set out in the Explanatory Statement annexed hereto to M/s. Nanabhoy & Co. and M/s N. D. Birla & Co., Cost Auditors of the Company appointed by the Board of Directors at their meeting held on May 28, 2019, to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2020 be and is hereby confirmed, approved and ratified.



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

By Order of the Board of Directors

Sd/  
Dilip Darji  
General Manager (Legal) & Company Secretary  
Membership No. ACS-22527

**Registered Office :**

Dhrangadhra - 363 315, Gujarat  
Email: legal@dcwlimited.com  
CIN: L24110GJ1939PLC000748  
Website: www.dcwlimited.com

Date 13th August, 2019

Place: Mumbai

**NOTES:-**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Item No. 3 to Item No. 6 forms part of this Notice. Additional information, pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India in respect of the Director seeking reappointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as annexure to this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
  - a. Pursuant to the provisions of Section 105 of the Act, read with applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
  - b. The instrument of proxy, in order to be effective, should be duly stamped, signed and completed in all respects and must be deposited/received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a Certified True Copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members/proxies/authorized representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which the Directors are interested, will remain open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the Meeting and will also be kept open at the venue of the Meeting till the conclusion of the Meeting.





7. Section 20 of the Act, as amended from time to time, permits service of documents on Members by a Company through electronic mode. Hence, in accordance with the Act read with the Rules framed thereunder, as amended, Notice of the Meeting and Annual Report for the F.Y. 2018-19 is being sent through electronic mode to those Members who have registered their email addresses with the Company/Depository Participant ('DP') Company's Registrar and Transfer Agent ('RTA') unless any Member has requested for a physical copy of the Report. For Member(s) who have not registered their email addresses, physical copies of the Notice of the Meeting and Annual Report for the F.Y. 2018-19 are being sent through permitted modes. Notice of the Meeting and Annual Report for the F.Y. 2018-19 will also be available on the Company's website [www.dcwlimited.com](http://www.dcwlimited.com).
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019, (both days inclusive) for the purpose of the Meeting.
9. Member(s) whose email address is registered with the Company and who wish to receive a printed copy of the Annual Report may send their request to the Company at its Registered Office or to the Company's RTA at Bigshare Services Pvt. Ltd., 1st floor, Bharat Tin Works Bldg., Opp. Vasant Oasis, Makwan Road, Marol, Andheri (East), Mumbai – 400 059. The Members may also send their requests to the Company's investor email id: [legal@dcwlimited.com](mailto:legal@dcwlimited.com).
10. Members who have not registered their e-mail addresses so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically
11. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd. /DP for receiving Annual Reports and other communications electronically from the Company in the future.
12. The Route Map showing directions to reach the venue of the 80th Annual General Meeting is annexed herewith the Notice.
13. Updation of Members' Details

The format of the Register of Members prescribed by the Ministry of Corporate Affairs ('MCA') under the Act requires the Company/RTA to record additional details of members including their Permanent Account Number ('PAN'), e-mail address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their details to the Company's RTA.

14. During the Financial Year 2018-19, SEBI and MCA have mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at [legal@dcwlimited.com](mailto:legal@dcwlimited.com) or contact the Company's RTA - Bigshare Services Pvt. Ltd. at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) ('RTA Email') and 022-62638200 ('RTA Number') for assistance in this regard.
15. As per the provisions of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective DPs.  
Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.
16. Members desiring any information as regards the Accounts are requested to write to the Company at an earlier date so as to enable the management to keep the information ready at the AGM.
17. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's RTA the details of such folios together with the share certificates for consolidating their holding in one folio.



18. Non-Resident Indian members are requested to inform the Company's RTA/respective DPs, immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. Members are requested to notify the Company/RTA of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
20. Pursuant to Sections 124 (5) of the Companies Act, 2013 the amount dividend remaining unclaimed for a period of 7 years shall be transferred to the Investor Education Protection Fund. Pursuant to Section 124(6) of the Companies Act 2013, all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund Members who have not yet encashed their dividend warrants for the Financial Year ended on 31st March, 2012 and onwards are advised to make their claims without any further delay and the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.dcwlimited.com](http://www.dcwlimited.com)) and also on the website of the Ministry of Corporate Affairs.

Accordingly, the Company has transferred all the unclaimed dividends declared till the year 2010-11 to the said Fund. Members who have not en-cashed their dividend warrants for the financial year ended March 31, 2012 onwards may claim for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) alongwith requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per IEPF Rules.

21. Members are requested to bring their copy of Annual Report to the Meeting.
22. Process and manner of Voting through Electronic Means.
  - a. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI Listing Regulations, each as amended from time to time and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to its Members to cast their votes electronically on resolutions set forth in this Notice. The Company has engaged the services of National Securities Depository Limited ('NSDL') as the Agency to provide e-voting facility. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') and the services will be provided by NSDL.
  - b. Instructions for remote e-voting (including process and manner of e-voting) are given herein below.
  - c. The Resolutions passed by remote e-voting shall be deemed to have been passed as if they have been passed at the AGM. The Notice of the AGM indicating the instructions of remote e-voting process along with printed Attendance Slip and Proxy Form can be downloaded from NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or the Company's website [www.dcwlimited.com](http://www.dcwlimited.com).
  - d. The facility for voting through ballot paper shall be made available at the Meeting and the Members (including proxies) attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
  - e. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again. Members can opt for only one mode of voting i.e. remote e-voting or voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical voting at the meeting will not be considered.
  - f. Members holding shares in physical form or dematerialized form as on Monday, September 23, 2019 ('Cut-Off Date') shall be eligible to cast their vote by remote e-voting.



- g. The remote e-voting period commences on Friday, September 27, 2019 at 9:00 a.m. (IST) and ends on Sunday, September 29, 2019 at 5:00 p.m. (IST). During this period, the members of the Company holding shares either in physical form or in dematerialized form as on the Cut-Off Date, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5:00 p.m. (IST) on Sunday, September 29, 2019.
23. Any person(s) who acquires shares of the Company and becomes a Member(s) of the Company after dispatch of the Notice of AGM and holding shares as on the Cut-Off date i.e., September 23, 2019 may obtain the login ID and password by sending a request at 'evoting@nsdl.co.in' or 'admission@bigshareonline.com' However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/ Password' or 'Physical User Reset Password' option available on 'www.evoting.nsdl.com' or contact NSDL at the following Toll Free No.: 1800-222-990 or e-mail at 'evoting@nsdl.co.in'
24. Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through ballot paper.
25. The Board of Directors has appointed M/s. S K Jain & Co, Practicing Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process as well as voting at the Meeting in a fair and transparent manner.
26. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and shall within 48 hours of conclusion of the Meeting submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman in writing, who shall countersign the same.
27. The Chairman or any other person authorised by him in writing shall declare the result of voting forthwith.
28. The results declared along with Scrutinizer's Report, will be placed on the Company's website 'www.dcwlt.com' and the website of NSDL 'www.evoting.nsdl.com' immediately after the result is declared by Chairman or any other person authorized by the Chairman and the same shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where the Securities of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.
29. In case of any grievances with respect to the facility for voting by electronic means, Members are requested to contact at evoting@nsdl.co.in (1800 222 990) or write to NSDL at NSDL, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
30. E-Voting Instructions

The way to vote electronically on NSDL e-Voting system consists of Two Steps which are mentioned below:

STEP 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

How to Log-in to NSDL e-Voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

vi. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.



ix. After you click on the “Login” button, Home page of e-Voting will open.

STEP 2: Cast your vote electronically on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of company for which you wish to cast your vote.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [skjaincs1944@gmail.com](mailto:skjaincs1944@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) on or before the closing of e-voting.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the ‘downloads’ section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.:1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

By Order of the Board of Directors

Sd/-

Dilip Darji

General Manager (Legal) & Company Secretary

Membership No. ACS-22527

#### **Registered Office :**

Dhrangadhra - 363 315, Gujarat

Email: [legal@dcwltd.com](mailto:legal@dcwltd.com)

CIN: L24110GJ1939PLC000748

Website: [www.dcwltd.com](http://www.dcwltd.com)

Date 13th August, 2019

Place: Mumbai



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

### ITEM NO. 3

pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company appointed, Shri Mahesh Vennelkant (DIN: 036333359) as an Additional Director, to hold office as an Independent Director of the Company for a term of 2 (two) consecutive years with effect from June 28, 2019 upto June 27, 2021.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members.

Shri Mahesh Vennelkant is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director.

The Company has also received declaration from Shri Mahesh Vennelkant that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Mahesh Vennelkant fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri Mahesh Vennelkant is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Shri Mahesh Vennelkant are provided in the "Annexure - I" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board sitting, reimbursement of expenses for participating in the Board and other meetings.

Shri Mahesh Vennelkant is interested in the Resolution set out at Item No. 3 of the Notice with regard to his re-appointment. Relatives of Shri Mahesh Vennelkant may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

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

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations. The Board commends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval by the members.

### ITEM NO. 4:

At the 75th Annual General Meeting held on 13th August, 2014, the Members of the Company had appointed Smt. Sujata Rangnekar (DIN: 06425371) as an Independent Director of the Company, to hold office for a period of 5 consecutive years upto the conclusion of 80th Annual General Meeting in the calendar year 2019 ("first term").

The Nomination and Remuneration Committee (the 'NRC') of the Board of Directors, on the basis of the report of performance evaluation, has recommended the re-appointment of Smt. Sujata Rangnekar as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Smt. Sujata Rangnekar would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Smt. Sujata Rangnekar as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company up to conclusion of 85th Annual General Meeting to be held in the Calendar year 2024.

Smt. Sujata Rangnekar is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given her consent to act as a director.





The Company has also received declaration from Smt. Sujata Rangnekar that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Smt. Sujata Rangnekar fulfils the conditions for appointment as an Independent Director of the Company as specified in the Act and the Listing Regulations. Smt. Sujata Rangnekar is independent of the management.

Details of Smt. Sujata Rangnekar are provided in the "Annexure - I" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. She shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Smt. Sujata Rangnekar is interested in the Resolution as set out at Item No. 4 of the Notice with regard to her re-appointment. Relatives of Smt. Sujata Rangnekar may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company.

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

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations. The Board commends the Special Resolution as set out at Item No. 4 of the Notice for approval by the members.

#### **ITEM NO. 5:**

At the 75th Annual General Meeting held on 13th August, 2014, the members of the Company had appointed Shri Salil Kapoor (DIN: 02256540) as an Independent Director of the Company, to hold office for a period of 5 consecutive years upto the conclusion of 80th Annual General Meeting in the calendar year 2019 ("first term").

The Nomination and Remuneration Committee (the 'NRC') of the Board of Directors, on the basis of the report of performance evaluation, has recommended the re-appointment of Shri Salil Kapoor as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the, NRC, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Shri Salil Kapoor would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Shri Salil Kapoor as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company up to conclusion of 85th Annual General Meeting to be held in the Calendar year 2024.

Shri Salil Kapoor is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director.

The Company has also received declaration from Shri Salil Kapoor that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Salil Kapoor fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri Salil Kapoor is independent of the management.

Details of Shri Salil Kapoor are provided in the "Annexure - I" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of sitting fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Shri Salil Kapoor is interested in the Resolution as set out at Item No. 5 of the Notice with regard to his re-appointment. Relatives of Shri Salil Kapoor may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company.



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

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations. The Board commends the Special Resolution as set out at Item No. 5 of the Notice for approval by the members.

**ITEM NO. 6:**

The Board, on the recommendations of the Audit Committee, has approved the re-appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2020, as per following details:

Sr. No	Name of the Cost Auditor	Industry	Audit Fees (Rs.)
1	Nanabhoy&Company	Chemicals (Caustic Soda)	85,000/- (Rupees Eighty Five thousand only)
2	N. D. Birla & Company	Chemicals (Soda Ash)	65,000/- (Rupees Sixty Five thousand only)

In accordance with the provisions of Section 148 of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors)Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020 by passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

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

The Board commends the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification by the members.

By Order of the Board of Directors

Sd/  
Dilip Darji  
General Manager (Legal) & Company Secretary  
Membership No. ACS-22527

**Registered Office :**

Dhrangadhra - 363 315, Gujarat

Email: legal@dcwltd.com

CIN: L24110GJ1939PLC000748

Website: www.dcwltd.com

Date 13th August, 2019

Place: Mumbai

**Annexure – I**

Pursuant to the Provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) details in respect of Director seeking Appointment/Re-appointment at the Annual General Meeting is furnished below:

Name of Director	Shri Mudit Sharadkumar Jain	Shri Mahesh Vennelkanti	Smt. Sujata Rangnekar	Shri Salil Kapoor
Date of Birth	03.09.1962	26.04.1947	11.10.1962	16.11.1958
Age	56 Years	72 Years	56 Years	60 Years
DIN	00647298	03633359	06425371	02256540





Name of Director	Shri Mudit Sharadkumar Jain	Shri Mahesh Vennelkanti	Smt. Sujata Rangnekar	Shri Salil Kapoor
Date of first appointment on the Board of the Company	06.08.2012	28.06.2019	31.10.2012	23.10.2013
Qualification	Post Graduate Degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai and M.B.A. (Wharton Business School, U.S.A.)	Bachelor's degree in Technology	B.Com, F.C.A., L.L.B.	B.A LL.B
Experience and expertise	He is Managing Director of the Company from Promoter Group and is in charge of the Caustic Soda Division and also oversees the Marketing operations of the Beneficiated Illmenite unit of the Company	He has an overall 40 years of experience in leading and shaping Indian and multi-national organizations across situations as a growth leader, turnaround leader and in entrepreneurial ventures. He has served as a CEO and Managing Directors of various Indian and multi-national organizations.	She is a practising Chartered Accountant. She was the President of the Sales Tax Practitioners Association of Maharashtra in the year 1999-2000. She was also the President of the Sales Tax Tribunal Bar Association for a term 2002-2004. She is a regular column writer and contributor to leading journals on Sales Tax.	He is an Advocate of Income Tax matters practicing in Supreme Court and various High Courts. He was a member of Income Tax Appellate Tribunal from March 2005 to September, 2006 and was also a Director of Bank of Rajasthan from December, 2008 to August, 2010. He represents major Multinationals and Indian Companies on domestic and international taxation matters.
Terms and Conditions of Appointment/ Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Shri Mudit Sharadkumar Jain who was re-appointed as a Managing Director at the Annual General Meeting held on September 29, 2016, is liable to retire by rotation	As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement thereto. Shri Mahesh Vennelkanti is proposed to be appointed as an Independent Director	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto. Smt. Sujata Rangnekar proposed to be re-appointed as an Independent Director	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto. Shri Salil Kapoor proposed to be re-appointed as an Independent Director
Remuneration last Drawn (including sitting fees, if any)	For remuneration please refer the Corporate Governance Report	Nil	For remuneration please refer the Corporate Governance Report	For remuneration please refer the Corporate Governance Report



Name of Director	Shri Mudit Sharadkumar Jain	Shri Mahesh Vennelkanti	Smt. Sujata Rangnekar	Shri Salil Kapoor
Remuneration Proposed to be paid	As per the resolution at Item No. 2 of the Notice convening this Meeting read with explanatory statement thereto and the resolution at Item No. 5 passed by the shareholders at the Annual General Meeting held on September 29, 2016 and existing terms and conditions	As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement thereto. and existing terms and conditions	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto and existing terms and conditions	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto and existing terms and conditions
Number of Board Meeting attended during the year 2018-19	7	Nil	5	1
Directorship held in other Listed Companies (As on March 31, 2019)	Nil	Nil	Nil	Nil
Directorship in other Companies (excluding foreign companies and Section 8 companies) (As on March 31, 2019)	<ul style="list-style-type: none"> <li>• DCW Pigments Limited</li> <li>• Sahu Cylinders And Udyog Private Limited</li> <li>• Sahu Brothers Private Limited</li> <li>• Jain Sahu Brothers Properties Private Limited</li> </ul>	Nil	Nil	Nil
Chairmanship/ Membership of Committees of the Board of Directors of other listed companies as on March 31, 2019	Nil	Nil	Nil	Nil



Name of Director	Shri Mudit Sharadkumar Jain	Shri Mahesh Vennelkanti	Smt. Sujata Rangnekar	Shri Salil Kapoor
Chairmanship/ Membership of Committees of the Board of Directors of other companies as on March 31, 2019	Nil	Nil	Nil	Nil
Shareholding of Director in the Company (As on March 31, 2019)	13,01,498 Equity Shares	Nil	Nil	Nil
Relationship with other Director/ Key Managerial Personnel ("KMP")	Related to Pramodkumar Shriyansprasad Jain, Shri Bakul Premchand Jain and Shri Vivek Shashichand Jain, Managing Directors	Not related to any other Directors or KMP of the Company	Not related to any other Directors or KMP of the Company	Not related to any other Directors or KMP of the Company

Note : For further details related to remuneration drawn and proposed please refer to Board's Report, Corporate Governance Report and Resolutions proposed in the Notice.



## DCW LIMITED

**Registered office:** Dhrangadhra – 363 315, Gujarat  
**Tel. No.:** 22871914, 22871916, 22020743, **Fax:** 22 2202 8838  
**Email :** legal@dcwltd.com | **Website:** www.dcwltd.com  
**CIN No.:** L24110GJ1939PLC000748

### MGT-11

### Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail : \_\_\_\_\_

Folio no./Client Id/DP Id : \_\_\_\_\_

No. of shares : \_\_\_\_\_

I / We, being the member(s) of the above named company, hereby appoint:

1. Name: \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

E-mail: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

2. Name: \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

E-mail: \_\_\_\_\_ Signature \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 80<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Monday, 30th September, 2019 at 10.00 A.M. at the Registered Office of the Company situated at Dhrangadhra – 363 315, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon		
2	To appoint Shri Mudit Sharadkumar Jain (DIN: 00647298), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment		
<b>Special Business</b>			
3	To Appoint Shri Mahesh Vennelkanti (DIN: 03633359) as an Independent Director		
4	To re-appoint Smt. Sujata Rangnekar (DIN : 06425371) as an Independent Director of the Company		
5	To re-appoint Shri Salil Kapoor (DIN: 02256540) as an Independent Director of the Company		
6	Ratification of Remuneration of the Cost Auditors for the Financial Year ending March 31, 2020		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Affix Revenue Stamp of Re. 1
---------------------------------------

Signature of the proxy holder(s)

Signature of the member

**Notes:**

- i. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- ii. Appointing a Proxy does not prevent a Member from attending in person, if he so wishes.
- iii. In case of Joint Holder, the signature of any one holder will be sufficient, but names of all Joint Holders should be stated.



# DCW LIMITED

**Registered Office:** Dhrangadhra - 363 315, Gujarat  
**Head Office:** Nirmal, 3rd Floor, Nariman Point, Mumbai - 400 021  
**Tel. No.:** 22871914, 22871916, 22020743, **Fax :** 22 2202 8838, **Website :** www.dcwLtd.com  
**CIN No.:** L24110GJ1939PLC000748 **Email :** legal@dcwLtd.com

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

### 80<sup>TH</sup> ANNUAL GENERAL MEETING

Name(s) of Shareholder(s) (including joint holders if any) Registered Address of the Sole/ First Named Shareholders	
Folio No. / Client ID / DP ID	
No. of Shares	
Name of the attending member / Proxy (in BLOCK LETTERS)	

I hereby record my presence at the **80<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company being held at 10.00 a.m. on Monday, September 30, 2019 at Dhrangadhra – 363 315, Gujarat.

\_\_\_\_\_  
Member's/Proxy's Signature  
(To be signed at the time of handing over the Slip)

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number	User ID	Password / PIN
111826		

**Note:** Please read the complete instructions given under the INSTRUCTIONS FOR E-VOTING to the Notice of the **80<sup>th</sup> Annual General Meeting**. The voting time commences on Friday, September 27, 2019 at 9 a.m. and ends on Sunday, September 29, 2019 at 5.00 p.m. The voting module shall be disabled by NSDL for voting thereafter.

### ROUTE MAP

Dhrangadhra Bus Stop to DCW Limited, Dhrangadhra  
Driving Distance 2.9 km, 10 min

