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ENVIRONMENT.

ANNUAL REPORT
2012-13





Notice

SEVENTY FOURTH ANNUAL GENERAL MEETING 2012-2013

NOTICE is hereby given that the 74th Annual General Meeting of the Members of **DCW LIMITED** will be held at 10.00 a.m. on Thursday, 12th September, 2013 at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhara - 363 315, Gujarat State, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Accounts for the year ended March 31, 2013 and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity shares of the Company.
3. a. To appoint a Director in place of Shri P.K. Jain, who retires by rotation and being eligible, offers himself for reappointment.
b. To appoint a Director in place of Shri S.K. Jalan, who retires by rotation and being eligible, offers himself for reappointment.
c. To appoint a Director in place of Shri R.V. Ruia, who retires by rotation and being eligible, offers himself for reappointment.
4. **To appoint Auditors and to fix their remuneration and in this connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :**
"RESOLVED THAT M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion

of the next Annual General Meeting, on a remuneration of Rs. 10,00,000/- (Rupees Ten Lakhs only) plus reimbursement of traveling and other out-of-pocket expenses; such remuneration to be exclusive of fees payable for services that may be rendered by them other than as Auditors."

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a "Ordinary Resolution":**
"RESOLVED THAT Smt. Sujata Rangnekar, who was appointed as an Additional Director of the Company with effect from 31st October, 2012 and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Smt. Sujata Rangnekar as a candidate for the office of Director, be and is hereby appointed, as a Director of the Company liable to retire by rotation."
6. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a "Ordinary Resolution":**
"RESOLVED THAT Shri D. Ganapathy, who was appointed as an Additional Director of the Company with effect from 7th November, 2012 and who,

in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri D. Ganapathy as a candidate for the office of Director, be and is hereby appointed, as a Director of the Company liable to retire by rotation."

7. **To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a "Special Resolution":**
"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the payment of remuneration to Ms. Malti Bhindi, related to some of the Directors, as President (Public Relations) of the Company, for period of five years with effect from October 1, 2012 at a remuneration of Rs. 2,50,000/- per month."

By Order of the Board of Directors

Chital Shah
Dy. Company Secretary

Mumbai, 6th August, 2013

Registered Office :
Dhrangadhara - 363 315
Gujarat.



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 3rd September, 2013 to Thursday, 12th September, 2013, both days inclusive.
4. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar & Share Transfer Agents, Bigshare Services Pvt. Ltd., (Unit: DCW Limited), E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
5. **In pursuance of the Green initiative taken by Ministry of Corporate Affairs regarding sending of Annual Report to the members of the Company as required under section 219 of the Companies Act, 1956 through electronic mode, members of the Company are requested to register their email addresses and changes therein from time to time with the Company or with the Depository.** However, if any member insists on physical copy of the Annual report, the same will be sent to them.
6. The unclaimed dividends upto the Company's financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have so far not claimed their dividend warrants for the said years are requested to claim the amount by submitting an application in prescribed Form No. II to the Registrar of Companies, Gujarat Housing Board Building, Opp. Rupal Park, Near Ankur Char Raste, Navrangpura, Ahmedabad 360 013.

Pursuant to Sections 205A and 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called 'Investor Education and Protection Fund' (the Fund) set up by the Central Government.

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

The dividend for the year ended 31st March, 2013 as recommended by the Board, if sanctioned at the meeting, will be paid on or before 17th September, 2013 to those members whose names appear in the Company's Register of Members as on 2nd September, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

Members who have not encashed their dividend warrants within the validity period may write to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 for obtaining payment in lieu of such warrants.
7. Payment of Dividend through ECS:
 - (a) Members holding shares in physical form are advised to submit particulars of their Bank Account viz. Name and address of the branch of the Bank, 9 digit MICR Code of the Branch, type of account and account number latest by 2nd September, 2013 to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.
 - (b) Members holding shares in demat form are advised to inform their particulars to their respective Depository Participant.
8. Members are requested to bring their copy of Annual Report to the Meeting.
9. Members desirous of obtaining any information concerning accounts of the Company are requested to address their questions to the Dy. Company Secretary, so as to reach at least 7 days before the date of meeting, to enable the information required to be made available at the Meeting, to the extent possible.



10. Re-appointment of Directors:

At the ensuing Annual General Meeting, Shri P.K. Jain, Shri R.V. Ruia and Shri S.K. Jalan, Directors, retire by rotation and being eligible, offer themselves for reappointment.

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

Profile of the Directors retiring by rotation and being eligible for re-appointment / proposed new Directors

Shri P.K. JAIN :-

Shri Pramod Kumar Jain is a Director of the Company since 1992. He is B.A. (Hon.) Economics and has an experience of 54 years in the industry. He was appointed as the Managing Director of the Company in the year 1996. He looks after the operations and working of the Soda Ash Division of the Company.

Shri Pramod Kumar Jain is a Director of Kishco Ltd. Sahu Brothers Pvt.Ltd., Vikrant Holdings & Trading Pvt. Ltd.,

Bhagwan Ram Investments & Leasing Pvt. Ltd. and Jain Sahu Brothers Properties Pvt. Ltd.

SHRI R.V. RUIA: -

Shri R. V. Ruia is a commerce graduate and having about 26 years experience in manufacturing industry. He is a Director of Bajaj Hindustan Ltd., Special Paints Ltd., Ravinay Trading Co. Ltd., Dawn Apparels Pvt. Ltd., Ruia Industries Pvt. Ltd. RNR Trading Pvt. Ltd. and Breezwell Homes and Holdings Pvt. Ltd., Innocent Infrastructure Pvt. Ltd. and Altamount Holdings & Trading Co. Pvt. Ltd. Shri R.V. Ruia is not holding any shares in the Company and he is not related to any other Director of the Company.

SHRI S.K. JALAN :-

Shri S. K. Jalan has vast knowledge and experience in the manufacturing industry. Shri S. K. Jalan is a Director of Acrastyle Swritchgear Ltd. England, Acrastyle Ltd., England, Acrastyle power (India) Ltd., Boistur Commercial Ltd., Bombay Gas Co. Ltd., Hamilton & Co. Ltd., The Indian Merchants Chamber, The United Provinces Sugar Co. Ltd., and RPIL Signalling Systems Ltd. Shri S.K. Jalan is not holding any shares in the

Company and he is not related to any other Director of the Company.

SMT. SUJATA RANGNEKAR

Smt. Sujata Rangnekar is B.Com., A.C.A., L.L.B. She is a Sales Tax consultant. She was the President of The Sales Tax Practitioners Association of Maharashtra in the year 1999-2000. She was also the President of the Sales Tax Tribunal Bar Association for a term 2002-2004. She is the regular column writer and contributor to leading journals on Sales Tax. Ms. Sujata Rangnekar is not holding any shares in the Company and she is not related to any other Director of the Company.

SHRI D. GANAPATHY

Shri D Ganapathy is M.A., LL.B. He held senior positions in the Human Resource Department of well known companies. Presently he is a Consultant for Human Resources. The Company will be benefited by the knowledge and experience of Mr. D. Ganapathy. Shri D. Ganapathy is Director of Crescent Finstock Ltd. and Doubledot Finance Ltd. Mr. D. Ganapathy is not holding any shares in the Company and he is not related to any other Director of the Company.



Annexure to the Notice

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

Item No. 5

Ms. Sujata Rangnekar was appointed as a Additional Director by the Board of Directors of the Company at their meeting held on 31st October, 2012. Ms. Sujata Rangnekar holds office upto the date of this Annual General Meeting. Smt. Sujata Rangnekar is B. Com., A.C.A., L.L.B. She is a Sales Tax consultant. She was the President of The Sales Tax Practitioners Association of Maharashtra in the year 1999-2000. She was also the President of the Sales Tax Tribunal Bar Association for a term 2002-2004. She is the regular column writer and contributor to leading journals on Sales Tax.

The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying her intention to propose the candidature of Ms. Sujata Rangnekar as Director at the forthcoming Annual General Meeting.

Ms. Sujata Rangnekar is concerned or interested in the resolution since it pertains to her appointment.

None of the other Directors are anyway concerned or interested in the Resolution.

Item No.6

Mr. D. Ganapathy was appointed as an Additional Director by the Board

of Directors of the Company at their meeting held on 7th November, 2012. Mr. D. Ganapathy holds office upto the date of this Annual General Meeting. Shri D Ganapathy is M.A., LL.B. He held senior positions in the Human Resource Department of well known companies.

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

Mr. D. Ganapathy is concerned or interested in the resolution since it pertains to his appointment.

None of the other Directors are anyway concerned or interested in the Resolution.

Item No. 7

The Company, in the previous Annual General Meeting held on 28.09.2012, had approved payment of remuneration to Ms. Malti Bhindi as President (Public relations) of the Company for period of five years with effect from 1st October, 2012 viz. a salary of Rs. 3,25,000 per month in grade of Rs. 3,25,000/- - 25,000/- - 4,25,000 together with perquisites and benefits subject to the approval of the Central Government. The Ministry of

Corporate Affairs has by their letter no. SRN B60683182/1/2013-CL.VII dated 14th June, 2013 directed the Company to pay remuneration to Ms. Malti Bhindi within the limits of Section 314(1B) of the Companies Act i.e. not exceeding Rs. 2,50,000 per month. As an abundant caution, a specific approval from the members of the company is now sought for payment of remuneration of Rs. 2,50,000 per month to Ms. Malti Bhindi as the earlier approval was for a higher amount.

Dr. Shashi Chand Jain, Shri Pramod Kumar Jain, Shri Bakul Jain, Managing Directors and Shri Mudit Jain, Executive Director of the Company, being related to Mrs. Malti Bhindi, are deemed to be concerned or interested in the said resolution.

None of the other Directors are in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Chital Shah
Dy. Company Secretary
Mumbai, 6th August, 2013

Registered Office :
Dhrangadhra - 363 315
Gujarat.



Corporate Directory

BOARD OF DIRECTORS

Dr. Shashi Chand Jain
Chairman and Managing Director

Shri. Pramod Kumar Jain
Managing Director

Shri. Bakul Jain
Managing Director

Shri Mudit Jain
Executive Director

Shri. F. H. Tapia

Shri. Sushil Kumar Jalan

Shri Sodhsal Singh Dev of Dhrangadhra

Shri Berjis Desai

Shri R. V. Ruia

Ms. Sujata Rangnekar

Shri D. Ganapathy

BANKERS

Punjab National Bank

State Bank of India

City Union Bank Ltd.

ING Vysya Bank Ltd.

AUDITORS

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

REGISTERED OFFICE

Dhrangadhra – 363 315, Gujarat.

HEAD OFFICE

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

BRANCH OFFICE

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

WORKS

Soda Ash Division : Dhrangadhra – 363 315,
Gujarat.

Caustic Soda Division : Arumuganeri P.O.,
Sahupuram – 628 202,
Tamil Nadu.

PVC Division : Arumuganeri P.O.,
Sahupuram – 628 202,
Tamil Nadu.

Salt Works : Kuda, Gujarat.
: Arumuganeri P.O.,
Sahupuram 628 202,
Tamil Nadu.

74th

Annual Report
2012 – 2013

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



TO THE MEMBERS

Your Directors present their 74th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2013 –

1. Financial Results

	31-322013 (Rs. in lacs)	31-3-2012 (Rs. in lacs)
Gross Sales	143730.66	128064.48
Gross Profit	21331.90	9663.18
Less : Provisions		
Depreciation	5290.88	5097.29
Profit Before Tax	16041.02	4565.88
Tax: Current Period	3255.00	900.00
Previous Period	12.67	-
MAT Credit available for set off / Utilized	371.00	(900.00)
	3638.67	-
Profit After Current Tax & Tax Adjustments	12402.35	4565.88
Deferred Tax	1913.50	1499.00
Profit after Tax	10488.85	3066.88
Add: Balance brought forward	2291.81	2074.70
Profit available for Appropriation	12780.66	5141.58
Appropriations:		
General Reserves	4000.00	2000.00
Proposed Dividend	755.25	731.16
Dividend	128.39	118.61
Distribution Tax		
Balance carried forward	7897.02	2291.81

2. Dividend:

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

3. Operations:

The sales for the year are Rs.1437.31 crores during the year compared to Rs. 1280.64 crores in the previous year, registering an increase of 12%. The Gross Profit for the year (before depreciation) is Rs. 213.31 crores against Rs. 96.63 crores in previous year. The profit before tax amounted to Rs.160.41 crores as against Rs. 45.66 crores in the previous year. The profit after provision of current tax is Rs. 124.02 crores against Rs. 45.66 crores, of last year and profit after deferred tax is Rs.104.89 crores against Rs.30.67 crores of last year, Deferred Tax is only a provision as per accounting guidelines and not an outflow. Better realization on export of

Directors' Report

Synthetic Rutile has largely helped in increase of profits

4. Exports:

The Company's exports are Rs.419.50 crores as compared to Rs. 255.82 crores in the previous year. On account of better realisation on Synthetic Rutile value of exports has gone up.

5. Divisionwise Performance:

a) PVC Division:

The turnover of the division is Rs.486.28 crores as compared to Rs. 524.15 crores in the previous year. The demand for PVC continues to show positive growth. The Government has identified irrigation, power and infrastructure, as thrust areas and increased activity in these sectors are likely to boost demand of PVC Resin.

b) Caustic Soda Division:

The turnover of the division is Rs. 725.34 crores as compared to Rs. 552.30 crores in the previous year, an increase of 31%. The turnover of the division has gone due to better realisation.

c) Soda Ash Division:

The turnover of the division is Rs.208.12 crores as compared to Rs. 194.79 crores in the previous year registering an increase of 7%. The increase in turnover is due to better

realization and increase in sale of both Soda Ash and Soda bicarbonate.

6. PROJECTS UNDER IMPLEMENTATION

6.1.1 Projects Under Implementation

6.1.1.1 CALCIUM CHLORIDE PLANT

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

6.1.2 SYNTHETIC IRON OXIDE PIGMENT AND CALCIUM CHLORIDE PROJECT :-

The work on Synthetic Iron Oxide Pigment (SIOP) project is in advanced stage of implementation. The company has appointed UDHE India Ltd., to provide engineering services. The mechanical completion of the plant is expected to be completed by the third quarter of 2013-14. The facility once established will enable the company to utilise its waste and produce a commercially viable product. This plant is expected to start commercial production by fourth quarter of 2013-14. Calcium Chloride will be produced from the effluent of Synthetic Iron Oxide Pigment Plant.

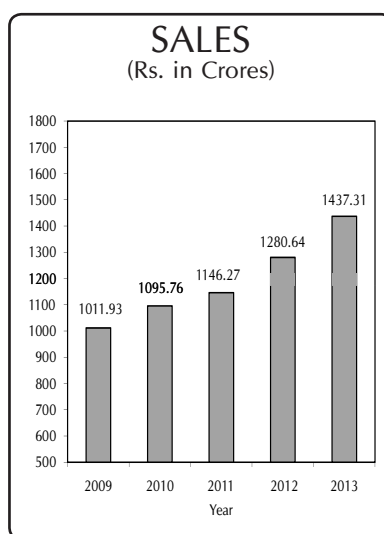
Both Synthetic Iron Oxide Pigment and Calcium Chloride facility have been given 100% EOU status.

Besides employing DCW's in-house developed technology, the company has made an agreement with Rockwood Italia (Group Company of Rockwood Pigments' USA) for manufacture of both yellow and red iron oxide pigment. Waste stream of Iron Oxide plant will produce Calcium Chloride and Pure Water.

An off take agreement has been signed with Rockwood Italia for sale of 50% Iron Oxide Pigment to them. Balance 50% of the product can be sold at company's option.

6.1.4 PVC Automation-Cum-Balancing Equipment Program

The company's PVC Automation-Cum-Balancing Equipment program is under progress, which will increase PVC capacity from





existing 90000 TPA to 140000 TPA. The expansion is expected to be completed by Third Quarter of 2013–14.

7. Corporate Governance

The report on Corporate Governance is annexed to this report.

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

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

9. Particulars of Employees:

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

10. Environment and Safety Measures

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

11. Directors:

Shri. P. K. Jain, Shri. S. K. Jalan and Shri R. V. Ruia, Directors, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

Smt. Vandana Jain, Executive Director of the Company, has resigned from the Board with effect from 6th August, 2012. Dr. V. H. Joshi, Director of the Company, has resigned from the Board with effect from 16th October, 2012. Smt. Vandana Jain has been with the Company since 2006 and Dr. V. H. Joshi has been with the Company since 1990. The Board has put on record its appreciation for the valuable service rendered by them during their tenure.

Mr. Mudit Jain has been appointed

as an Additional Director and also as Whole Time Director designated as 'Executive Director' with effect from 6th August, 2012.

Smt. Sujata Ranganekar and Shri. D. Ganapathy, were appointed as Additional Directors with effect from 31st October, 2012 and 7th November, 2012 respectively and will hold office upto the date of forth coming AGM. The company has received notices from members signifying their intention to propose their appointment as Directors.

Resolutions have been incorporated in the Notice convening the forthcoming Annual general Meeting for the appointment of Smt. Sujata Rangnekar and Shri D. Ganapathy.

12. Auditors and Auditors' Report:

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

13. Cost Audit:

In accordance with the directions received from the Department of Company Affairs, the company has appointed M/s. N. D. Birla & Company, Ahmedabad and M/s. R. Nanabhoy & Company, Mumbai for conducting the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions respectively for the financial year 2011–12. Their appointments

were approved by the Ministry of Corporate Affairs. They have conducted the cost audit for the financial year 2011–12 of respective divisions.

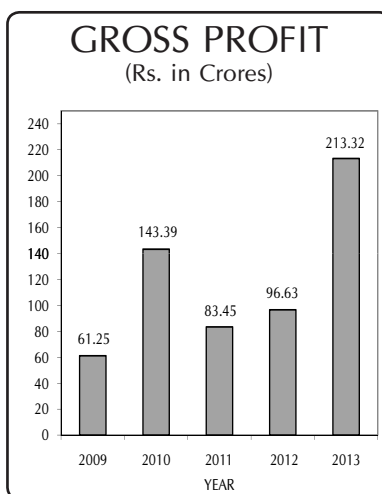
The due date for filing of consolidated cost audit report was 28th February, 2013 and the same has been filed on 14th June, 2013. The Company has reappointed M/s. N. D. Birla & Company, Ahmedabad and M/s. R. Nanabhoy & Company, Mumbai for conducting the cost audit of the Company's Soda Ash and Caustic Soda Divisions respectively for the financial year 2012 – 2013. Their appointments were approved by the Ministry of Corporate Affairs. They have conducted the cost audit for the financial year 2012 – 2013 of respective divisions and would file the cost audit reports with the Central Government before the due date. The due date for filing of cost audit report is 27th September, 2013.

14. ISSUE OF CONVERTIBLE WARRANTS TO PROMOTER GROUP ON PREFERENTIAL BASIS:

Pursuant to the approval granted by the shareholders of the Company at their Annual General Meeting held on November 24, 2011, the Company had allotted on January 9, 2012, 1,36,36,363 convertible warrants on preferential basis to Promoter Group; each warrant convertible into one Equity Share of Rs. 2 each, at a premium of Rs. 9 per share, in one or more tranches, within a period of 18 months from the date of allotment of warrants. Out of these warrants 69,45,455 warrants were converted into Equity shares on January 31, 2012. 39,23,393 warrants were converted into Equity Shares on 23rd April, 2012. 12,36,363 warrants were converted into Equity Shares on 22nd October, 2012 and 15,31,152 warrants were converted into Equity Shares on 24th December, 2012. None of the warrants are now pending for conversion into Equity Shares.

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT OUTLOOK :

The Company has diversified operations with three business segments viz. PVC, Chloro Alkali





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

PVC Division:

The Company, one of the country's five producers of PVC resin, has maintained its market share of nearly 7%. On 10th May'13, the government has increased import duty on PVC from 5% to 7.5%. This will reduce competition from imported PVC.

Caustic Soda Division:

The Company continues to be a major player in South India with a market share of approximately 15%. The demand for caustic soda is expected to grow at a steady rate, specially with increased demand from alumina manufacturers. Use of HCL & Chlorine to maintain Caustic Production at full level is in place.

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. Imposition of Antidumping duty on import of Soda Ash from countries like Iran, Pakistan, China, Ukraine, Kenya, European Union and the US by Govt., of India, will protect the industry against dumping of Soda Ash from these countries.

16 PROPOSED PROJECT

16.1 Chlorinated Poly Vinyl Chloride (C-PVC)

The Company has signed Technology License agreement with Arkema of France for putting up Chlorinated Poly Vinyl Chloride (C-PVC) Plant at its Sahupuram Facility, in Tamilnadu. The UHDE India Ltd., will do detailed engineering for the project. This project is estimated to take 12–15 months for implementation.

16.2 Producer Gas Plant :-

The Producer Gas Plant to produce gas from coal is expected to be operational by June'2013. This will replace high cost Furnace Oil resulting in lower cost of heating in various units of the company.

17. Internal Control Systems:

The Company has an adequate internal control procedure

commensurate with the nature of its business and size of its operations. Internal Audit is conducted on a regular basis by a reputed firm of Chartered Accountants.

The reports of the internal audit along with comments from the management are placed for review before audit committee, to consider its adequacy.

18. Human Resources:

The Company has been following a standard procedure for recruitment of best personnel for all the departments and is making continuous efforts to retain and groom them to meet its present and future requirements. The current strength is 2174 employees. The Company sponsors employees for various seminars on finance, operations, marketing and human resource development to update their skills and develop close co-ordination with their counterparts in industries. This is basically done to enhance their skills in order to achieve an optimum output from them.

19. Cautionary Note:

Statement in this report describing the company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". Actual results could differ materially from those expressed or implied due to variation in prices of raw materials, demand and realization of finished goods, changes in Government regulations, tax regimes, economic developments

and other incidental factors.

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

21. Insurance

All the properties of the Company are adequately insured.

22. Industrial Relations:

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

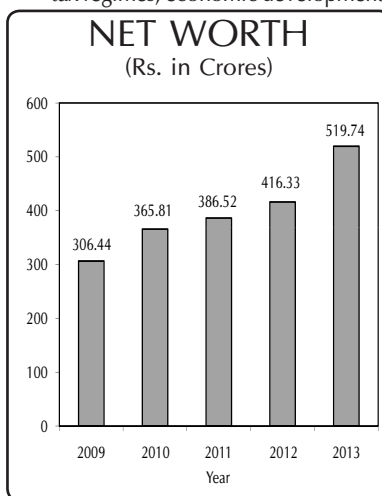
23. Acknowledgement:

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

On behalf of the
Board of Directors

Dr. Shashi Chand Jain
Chairman and
Managing Director

Mumbai, 14th May, 2013.





ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

A. MANDATORY REQUIREMENTS

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

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

2. Board of Directors:–

- **Size of the Board**

The Board of Directors of the Company consists of 11 Directors.

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

Category of Directorship	Name of the Director	Attendance Particulars at the		Other Directorships	Other Committee	
		Board Meetings	Last AGM			Chairman ships
Promoter/ Executive Directors	Dr. Shashi Chand Jain (Chairman & Managing Director)	5	No	4	1	–
	Shri Pramod Kumar Jain (Managing Director)	4	Yes	1	–	–
	Shri Bakul Jain (Managing Director)	5	Yes	2	–	1
	Smt. Vandana Jain* (Executive Director)	2	–	–	–	–
	Shri Mudit Jain** (Executive Director)	2	No	1	–	–
Non Executive and Independent Directors	Shri Sodhsal Singh Dev of Dhrangadhra	5	No	–	–	–
	Shri F.H. Tapia	5	No	–	–	–
	Dr. V.H. Joshi \$	0	Yes	–	–	–
	Shri Sushil K. Jalan	4	No	6	–	–
	Shri R. V. Ruia	3	No	3	–	–
	Shri Berjis Desai	4	No	9	14	3
	Ms. Sujata Rangnekar#	3	No	–	–	–
	Shri D. Ganapathy@	1	No	2	–	–

* Resigned from the Board w.e.f. 6th August, 2012

** Appointed as Whole Time Director designated as 'Executive Director' w.e.f. 6th August, 2012

\$ Resigned from the Board w.e.f. 16th October, 2012

Appointed as an Additional Director w.e.f. 31st October, 2012

@ Appointed as an Additional Director w.e.f. 7th November, 2012

Dr. S. C. Jain, Shri P. K. Jain, Shri Bakul Jain, Smt. Vandana Jain & Shri Mudit Jain are related to each other.



- No. of Board Meetings held during the year along with the dates of the meeting:
- During the year five Board Meetings were held on:
02.05.2012, 06.08.2012, 31.10.2012, 07.11.2012 and 11.02.2013.

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

3. Audit Committee

- **Terms of Reference :**

The terms of reference of this Committee cover the matters as specified for Audit Committees under Clause 49 of the Listing Agreement as well as per the provisions of Section 292 A of the Companies Act, 1956.

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

The Audit Committee comprises 3 Non-Executive Independent Directors. Shri Sodhsal Singh Dev of Dhrangadhra is the Chairman of this Committee. Shri F. H. Tapia and Ms. Sujata Rangnekar are the other members of the Committee. Dr. V. H. Joshi has resigned from the Board w.e.f from 16th October, 2012 and therefore ceased to be member of Audit Committee. Ms. Sujata Rangnekar has been appointed as an Additional Director and a member of Audit Committee of the Company w.e.f 31st October, 2012.

- **Meetings and Attendance during the year:**

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

Dates of Meetings	Dr. V. H. Joshi\$	Shri F.H.Tapia	Shri Sodhsal Singh Dev of Dhrangadhra	Ms. Sujata Rangnekar#
02.05.2012	No	Yes	Yes	—
06.08.2012	No	Yes	Yes	—
31.10.2012	—	Yes	Yes	—
11.02.2013	—	Yes	Yes	Yes

\$ Resigned from the Board w.e.f. 16th October, 2012

Appointed as an Additional Director and a member of Audit Committee w.e.f. 31st October, 2012

4. Remuneration Committee:

- **Terms of Reference :**

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

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

The Remuneration Committee comprises 3 Non-Executive Independent Directors. Shri F. H. Tapia is the Chairman of this Committee. Shri R. V. Ruia and Shri Sodhsal Singh Dev of Dhrangadhra are the other members of the Committee. Dr. V. H. Joshi has resigned from the Board w.e.f from 16th October, 2012 and therefore ceased to be member of Remuneration Committee. Mr. R. V. Ruia, Director of the Company, has been appointed a member of Remuneration Committee of the Company w.e.f 31st October, 2012.

- **Attendance during the year:**

The Committee met 1 time during the year and the attendance of the Members at that meeting was as follows:

Dates of Meetings	Dr. V. H. Joshi\$	Shri F.H.Tapia	Shri Sodhsal Singh Dev of Dhrangadhra
6.08.2012	No	Yes	Yes



• **Remuneration Policy:**

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

• **Details of the remuneration paid to the Directors for the Financial year 2012-2013 is given below:**

Directors	Salary (Rs.)	Benefits (Rs.)	Contri. to Provi. Fund & Other funds (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Dr. Shashi Chand Jain	36,00,000	7,60,000	10,81,440	3,25,00,000	–	3,79,41,440
Shri Pramod Kumar Jain	36,00,000	7,60,000	10,81,440	3,25,00,000	–	3,79,41,440
Shri Bakul Jain	36,00,000	7,60,000	10,81,440	3,25,00,000	–	3,79,41,440
Smt. Vandana Jain#	12,48,387	22,32,461	10,00,000	1,08,33,333	–	1,53,14,181
Shri Mudit Jain@	23,51,613	5,08,709	7,06,425	2,16,66,667	–	2,52,33,414
Shri F.H. Tapia*	–	–	–	–	95,000	95,000
Dr. V.H. Joshi\$	–	–	–	–	–	–
Shri Sodhsal Singh Dev of Dhrangadhra**	–	–	–	–	80,000	80,000
Shri Sushil K. Jalan	–	–	–	–	55,000	55,000
Shri R. V. Ruia	–	–	–	–	45,000	45,000
Shri Berjis Desai***	–	–	–	–	40,000	40,000
Ms. Sujata Rangnekar +	–	–	–	–	35,000	35,000
Shri D Ganapathy ++	–	–	–	–	10,000	10,000

Resigned w.e.f. 6th August, 2012

\$ Resigned w.e.f. 16th October, 2012

@ Appointed w.e.f. 6th August, 2012

+ Appointed w.e.f. 31st October, 2012

++ Appointed w.e.f. 7th November, 2012

*Shri F. H. Tapia is holding 5000 Equity Shares of the Company.

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

*** Shri Berjis Desai is holding 90,000 Equity Shares of the Company.

Sitting Fee also includes payment for Board level committee meetings.

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

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

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

No severance fee is payable on termination of appointment.

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

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



5. Shareholders' / Investors' Grievance Committee:

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

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

There were 112 complaints received from the shareholders during the year.

All the Complaints were resolved satisfactorily.

There were no pending complaints as on 31.03.2013

6. General Body Meetings

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

Year	Location	Date	Time	No. of Special Resolutions Passed
2009-10	Dhrangadhra, Gujarat	12.08.2010	10.00 a.m.	0
2010-11	Dhrangadhra, Gujarat	24.11.2011	10.00 a.m.	6
2011-12	Dhrangadhra, Gujarat	28.09.2012	10.00 a.m.	2

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

7. Disclosures

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

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

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

I hereby confirm that the Company has obtained from all the members of the Board and Sr. Management Personnel, affirmation that they have complied with the code of conduct for the Directors and Sr. Management Personnel in respect of the financial year 2012 – 2013.

Dr. S. C. Jain
Chairman & Managing Director.

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

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

4. Compliance with Mandatory Requirements:

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

Compliance with Non-Mandatory Requirements :

(1) The Board :

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



(2) Remuneration Committee:

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

(3) Shareholders' Rights:

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

(4) Audit qualification :

The Company move towards a regime of unqualified financial statements.

(5) Training of Board Members :

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

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

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

(7) Whistle Blower Policy:

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

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT/ETHICS:

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

8. Means of Communication

- The Quarterly results are published in 'Business Standard / Financial Express' in all editions in India including in the Gujarati edition published from Ahmedabad. These are not sent individually to the shareholders.
- The above results are also displayed on the Company's web-site viz. www.dcwlimited.com

- There were no presentations made to the institutional investors or to the analysts.

9. General Shareholders information

ANNUAL GENERAL MEETING:

- Day & Date – Thursday, 12th September, 2013.
- Time – 10.00 A.M.
- Venue – at the Registered Office (at Guest House No.2), Dhrangadhra, Gujarat – 363 315

Financial calendar : April 2012 – March 2013:

Date of Book closure : Tuesday, 3rd September, 2013 to Thursday, 12th September, 2013. (both days inclusive).

Dividend Payment Date: 17th September, 2013.

Listing on Stock Exchanges:

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

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

Annual Listing fees as prescribed has been paid to the above Stock Exchanges for the year 2013 – 2014.

GDRs of the Company are listed with the Luxembourg Stock Exchange

Stock Code : 500117 (BSE)
DCW (NSE)

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

Share Transfers and other Communications may be Addressed to Bigshare Services Pvt. Ltd., Unit DCW Ltd., E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072.



Tel.: 91- 22 - 28470652,
40430200, 28470653
Fax.: 91-22-28475207
Email : investor@bigshareonline.com

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

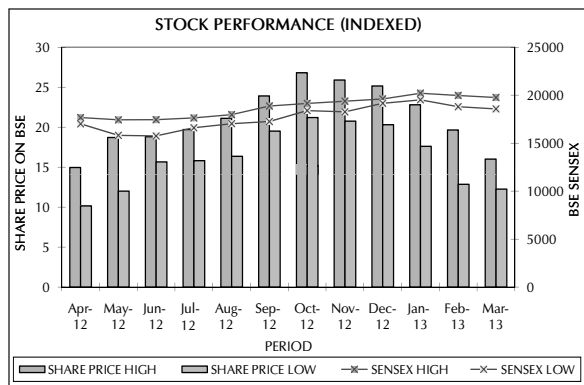
Market price data :

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

Month / Year	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2012	14.95	10.10	14.95	10.15
May, 2012	18.75	12.05	18.70	12.00
June, 2012	18.85	15.60	18.80	15.65
July, 2012	19.70	15.75	19.70	15.80
August, 2012	21.10	16.10	21.10	16.35
September, 2012	23.90	19.50	23.90	19.50
October, 2012	26.80	21.20	26.80	21.20
November, 2012	25.55	20.80	25.90	20.75
December, 2012	25.15	20.25	25.15	20.30
January, 2013	22.85	17.55	22.80	17.60
February, 2013	19.45	12.80	19.65	12.85
March, 2013	15.95	11.15	16.00	12.25

Stock Performance (Indexed) :

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



Registrar and Share Transfer Agents:

The Company has appointed Bigshare Services Pvt. Ltd., E/2& 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400072 as Registrars and Share Transfer Agents of the Company.

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

The Company's shares are traded in the Stock Exchanges compulsorily under demat mode. All the applications received for transfer of physical shares are approved by the Share Transfer Committee, which normally meets twice in a month depending on the volume of transfers. Share transfers are registered and returned normally within 20 days from the date of lodgement, if documents are complete in all respects.

Distribution of Shareholding as on 31.03.2013 :-

Range	No. of Share-holders	% of Share-holders	Total No. of Shares held	% of Total Capital
1 - 500	51610	92.44	23686978	11.29
501 - 1000	2280	4.08	8696129	4.15
1001 - 2000	966	1.73	7338454	3.50
2001 - 3000	309	0.55	3894430	1.86
3001 - 4000	179	0.32	3237728	1.54
4001 - 5000	81	0.15	1896926	0.90
5001 - 10000	193	0.35	7117647	3.39
10001 above	212	0.38	153922661	73.37
Total	55830	100	209790953	100.00



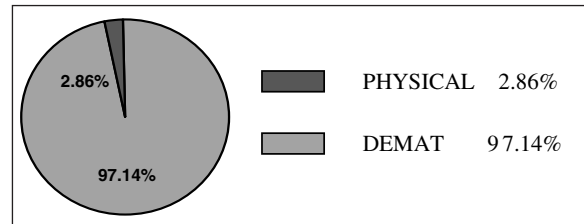
Shareholding Pattern as on 31.03.2013: –

Category of Shareholder	No. of Shares held	Percentage of Shareholding
(A) Shareholding of Promoter and Promoter Group		
1 Indian		
(a) Individuals/ Hindu Undivided Family	3,72,25,391	17.74
(b) Central Government/ State Government(s)	–	–
(c) Bodies Corporate	5,36,94,486	25.60
(d) Financial Institutions/ Banks	–	–
(e) Any Others (Specify)	–	–
Sub Total (A)(1)	9,09,19,877	43.34
2 Foreign		
(a) Individuals (Non-Residents Individuals / Foreign Individuals)	–	–
(b) Bodies Corporate	–	–
(c) Institutions	–	–
(d) Any Others (Specify)	–	–
Sub Total (A)(2)	–	–
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	9,09,19,877	43.34
(B) Public shareholding		
1 Institutions		
(a) Mutual Funds/ UTI	18,705	0.01
(b) Financial Institutions / Banks	1,57,839	0.08
(c) Central Government/ State Government(s)	–	–
(d) Venture Capital Funds	–	–
(e) Insurance Companies	85,16,415	4.06
(f) Foreign Institutional Investors	2,42,64,177	11.56
(g) Foreign Venture Capital Investors	–	–
(h) Any Other (specify)	–	–
(i) Foreign Banks	42,225	0.02
Sub-Total (B)(1)	3,29,99,361	15.73
B2 Non-institutions		
(a) Bodies Corporate	1,06,67,675	5.08
(b) Individuals	6,49,19,474	30.94

(c) Any Other (specify)		
(c-i) Clearing Member	3,47,929	0.17
(c-ii) NRI	13,15,819	0.63
(c-iii) OCBs	57,60,218	2.75
(c-iv) Trust	86,850	0.04
Sub-Total (B)(2)	8,30,97,965	39.61
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	11,60,97,326	55.34
TOTAL (A)+(B)	20,70,17,203	98.68
(C) Shares held by Custodians against which Depository Receipts have been issued	27,73,750	1.32
GRAND TOTAL (A)+(B)+(C)	20,97,90,953	100.00

Dematerialisation of shares:

20,37,82,960 Equity shares held by 49,480 Shareholders comprising 97.14% of the paid up Share Capital have been dematerialised as on 31st March, 2013.



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

1. Outstanding GDRs as on 31st March, 2013 represent 27,73,750 shares (1.32%).

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

Plant Location :

Given in the 1st page of this Annual Report

Address for correspondence :

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



CERTIFICATE ON CLAUSE 49 COMPLIANCE

To the Members of:

DCW LIMITED

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2013.

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

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

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

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

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

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

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

Place: Mumbai
Date: 14th May, 2013



ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

1. Re-membraning of electrolyzers

Re-membraning of all 6 Nos. Electrolyzers commenced during July, 2012. Recoating of some selective Cathodes also done to bring down Specific DC Power Consumption to the optimum level at Full load plant operations. The entire activity is expected to be completed by September, 2013.

2. Energy Audits

Comprehensive Energy Audit was carried in Chloralkali Plant was done by M/S TERI – Bangalore during October, 2012. This was essential since our operations are covered under PAT (PERFORM ACHIEVE TRADE) Policy as per the Guidelines of Bureau of Energy Efficiency– New Delhi.

3. Installation of supermisers

Supermisers, the electronic device to reduce the energy consumption in three phase induction motors are being used continuously in all plants to save energy. During the year, 166 Supermisers were in service resulting in annual saving of about 21 Lacs units.

4. Fan less cooling towers

6 Nos of cooling towers are in service and annual energy savings to a tune of 10 Lacs units has been achieved.

5. Energy Conservation activities

- Suggestion fortnight organized during December, 2012 in connection with National Energy Conservation Day celebrations. 14 suggestions were received from employees and implementation of the said proposals has resulted in savings to the tune of 1.3 Lacs units in 2012–13.
- 12 Energy Conservation projects have been implemented in 2012–13 resulting in an annual saving of 3,562 Million K Cals.

6. Cost Improvements Programmes

10 Nos. EnCON Projects implemented during the year under report resulting in annual saving of about Rs.30 Lacs.

7. QHSE system

ISO Certificates 9001– Quality, OHSAS 18001 – Health & Safety & 14001 – Environment for QHSE Management Systems were renewed in November, 2012 and are valid till December, 2015. Also we are awaiting ISO 28000 Supply Chain Security Management System Certificate after successfully clearing Stage II Audit & recommended in March, 2013

Under Companywide Objectives and Targets for 2012–13, following have been achieved:

- Overall 3.95 % reduction in specific power consumption
- Overall 12.95 % reduction in specific water consumption
- Overall 1.95 % reduction in specific steam consumption

8. Employees Participation

a. Quality Circles

- Participation of employees in Quality Circles implementing 28 projects in 2012–13 has resulting in annual saving of about Rs.75 Lacs.
- QC Team from BI plant Electrical section won Excellency Award (amongst 400 teams participated from various parts of the country) in Regional Convention.

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

650 Employees participated in shop floor involved in making improvements at their work place contributing 1,351 Kaizens, 1,211 Single Point Lessons, 1,956 Visual Control Sign Boards and eliminating 13,203 abnormalities in 2012–2013.



9. Energy conservation awards

For the 4th consecutive year, DCW Sahupuram unit has received "National Award for Excellence in Energy Management" during the year 2012, organized by Confederation of Indian Industries at National Level competition held in Hyderabad. We are amongst Top 20 in India.

B. TECHNOLOGY ABSORPTION

1. Researches and Development:

1.1. CHLOR ALKALI PLANT

- 1.1.1 An Un-interrupted Power Supply Source (UPS) was installed for 6 Nos. Polarisation Rectifiers to avoid damage of the Cathode Coating during eventuality of Total Power off /Black out Conditions
- 1.1.2 In-house analysis of Tri-ChloroEthylene through newly acquired Gas Chromatograph to satisfy Customer needs and Specifications for our Product

1.2. SYNTHETIC RUTILE

1.2.1 Process optimization to reduce cycle time and conserve energy

Single layer bricks with baffles in digesters have proved phenomenal benefits (life of bricks nearly twice that of two layers being adopted so far combined with 10 % reduction in cycle time). Implemented in 15 digesters during year under report. Load cells for accurate measurements of ore fed into digesters were also installed which has helped to optimize acid consumption.

1.2.2. Debottlenecking of UGI calciner operation

Table feeder arrangement was installed in one of the two UGI calciners as trial to ensure uniform feed. Consistent product quality combined with substantial energy savings could be achieved. Implementation of similar system for other calciner also in progress.

1.2.3. Improvising recovery systems

1.2.3.1 UTOX Recovery

To ensure solids free effluent and also to recover valuable UTOX from Leach Liquor & Wash Water streams, augmentation of UTOX section has been taken up during year under report. Engineering has been completed and all major equipments have been ordered. Commissioning targeted by December, 2013.

1.2.3.2 Acid Recovery

An in-house developed system at cost of Rs. 20 Lacs was installed to recover acid from scrubber water & use in process. This has resulted in substantial reduction in effluent & thus treatment cost.

1.3. PVC

- 1.3.1 Reactor cleaning and blow down activity was automated in all reactors as part of the expansion programme which has resulted in improved safety.
- 1.3.2 Automation of charging operation in one reactor was completed. Balance reactors automation is under progress.
- 1.3.3 For New Fluid Bed dryer and Stripping tower projects civil works are completed and equipment erection is underway and is expected to be completed by end of 2013.

2. Expenditure on Research & Development:

(i)	Capital	Rs.24.20 lacs
(ii)	Recurring	Rs.26.61 lacs
		Rs 50.81 lacs
(iii)	Total Research & Development Expenditure as a percentage of total turnover (Net of Excise) :0.04 percentage.	

Technology Absorption, Adaptation and Innovation :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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



REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION

(A) Power and Fuel Consumption

Particulars	Caustic Soda Unit		PVC Unit		Soda Ash Unit	
	Current	Previous	Current	Previous	Current	Previous
	Year 2012 – 2013	Year 2011 – 2012	Year 2012-2013	Year 2011 – 2012	Year 2012- 2013	Year 2011 – 2012
1. ELECTRICITY						
a) Purchased						
Unit (Lakh KWH)	51.72	53.89	2.94	5.28	18.01	35.95
Total Amount (Rs. in lakhs)	447.42	443.30	26.43	33.44	138.03	234.09
Rate/Unit (Rs.)	8.65	8.23	9.00	6.33	7.66	6.51
b) Own Generation						
(i) Through Diesel Generator						
Unit (Lakh KWH)	55.03	133.31	33.16	4.15	–	–
Unit/MT of Furnace Oil	4.32	4.39	4.32	4.39	–	–
Cost/Unit KWH (Rs.)	13.99	10.45	13.99	10.45	–	–
(ii) Through Steam Turbine Generator						
Unit (Lakh KWH)	2,671.35	2,925.75	–	–	246.93	230.24
Unit/MT of Coal	1,192.31	1,222.98	–	–	–	–
Cost/Unit KWH (Rs.)	6.25	5.75	–	–	–	–
2. COAL						
Quantity (MT)	2,23,951.86	2,39,231.06	–	–	53,369	43,459
Total cost (Rs. In Lakhs)	14,873.58	16,005.41	–	–	2,281.96	2,514.81
Average rate (Rs.)	6,641.42	6,690.36	–	–	4,276	5,775
3. FURNACE OIL / LSHS / LSFO						
Quantity (MT)	8,544.80	11,218.15	924.39	388.68	–	–
Total Amount (Rs. in Lakhs)	3,433.97	4,012.15	365.12	145.45	–	–
Average Rate (Rs.)	40,188	35,765	39,499	37,678	–	–
4. OTHERS						
(i) Hydrogen						
Quantity (MT)	75.20	88.47	–	–	–	–
Total Amount (Rs. in lakhs)	75.31	88.60	–	–	–	–
Avg. Rate (Rs.)	35,766	35,766	–	–	–	–
(ii) Lignite						
Quantity (MT)	–	–	–	–	54,723	68,065
Total Amount (Rs. in Lakhs)	–	–	–	–	1,634.29	1,971.15
Rate/Unit (Rs.)	–	–	–	–	2,986	2,896
(iii) HSD						
Quantity (KL)	33.19	62.78	3.51	3.49	–	–
Total Amount (Rs. in lakhs)	15.30	25.83	1.62	1.43	–	–
Avg. Rate (Rs.)	46,113	41,149	46154	40974	–	–



(B) Consumption per unit of Production

Particulars	Caustic Soda Unit		PVC Unit		Soda Ash Unit	
	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
1. Electricity (KWH)	2,562	2,606	293	269	237	224
2. Fuel Oil / Coal –Steam (MT)	1.192	1.350	1.585	1.483	—	—
3. Coal (MT)	0.154	0.152	—	—	0.368	0.397
4. Others						
(i) Hydrogen (Kgs)	0.0001	0.0001	—	—	—	—
(ii) Lignite (MT)	—	—	—	—	0.528	0.490
(iii) HSD (Litres)	0.0001	0.0001	—	—	—	—

Annexure to the Directors' Report

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

Sr. No.	Name	Designation/ Nature of duties	Remuneration (Rupees)	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Last employment held. Name of the Company, Designation and period of service
Employed for whole of the year								
1	Dr. Shashi Chand Jain	Chairman & Managing Director	3,79,41,440	Ph.D (Economics)	57	01.04.1969	80	Sahu Brothers Pvt. Ltd.– 12 years
2	Shri Pramod Kumar Jain	Managing Director	3,79,41,440	B.A. (Hon.) Economics	54	01.04.1969	75	Sahu Brothers Pvt. Ltd.
3	Shri Bakul Jain	Managing Director	3,79,41,440	B.Com., MBA	29	01.09.1984	58	—
4	Shri Amitabh Gupta	Sr. Vice President – Marketing	62,57,991	M.Sc.	40	15.07.1971	61	—
Employed for part of the year								
1	Smt. Vandana Jain	Executive Director	1,53,14,181	B.Com.	7	01.08.2006	77	—
2	Shri Mudit Jain	Executive Director	2,68,72,413	B. Com, MBA	23	01.04.1989	49	—
3	Shri R. Jeyakumar	Vice President (Manufacturing)	23,16,519	M.Tech	33	1.12.1979	58	—
4	Shri D. Sundaravel	Sr. Engineer (LCP)	7,62,938	B.Sc.	29	02.07.1983	58	—
5	Shri Iyer K Ganapathi	Manager	14,03,232	B.Com	23	01.09.1990	60	—

Notes :

- In case of Managing Directors and Executive Director the gross remuneration shown above (subject to tax) comprise salary, Perquisites, Commission, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund. Smt. Vandana Jain resigned as Executive Director effective from 6th August, 2012 and her remuneration includes leave encashment. Shri Mudit Jain has been appointed as Executive Director effective from 6th August, 2012.
- In case of other employees, the gross remuneration shown above (subject to tax) comprise salary, perquisites, Company's Contribution to Provident Fund and gratuity paid.
- The nature of employment of the Managing Directors & the Executive Director is contractual.
- Dr. Shashi Chand Jain, Shri Pramod Kumar Jain, Shri Bakul Jain – Managing Directors, Smt. Vandana Jain and Shri Mudit Jain, Executive Directors, are related to each other.



Balance Sheet

AS AT 31ST MARCH, 2013

	As at 31.03.2013 US\$ in Millions *	As at 31.03.2012 US\$ in Millions #
EQUITY AND LIABILITIES :		
Shareholders funds :		
Capital	7.73	7.99
Reserves & surplus	91.14	75.50
Money received against share warrants	–	0.36
Non-current liabilities		
Long-term borrowings	71.43	58.91
Deffered tax liabilities (Net)	20.44	18.04
Long-term provisions	1.58	1.28
Current liabilities		
Short-term borrowings	13.48	14.39
Trade payable	39.26	41.15
Other current liabilities	38.22	31.52
Short-term provisions	1.91	1.84
TOTAL	285.19	250.98
ASSETS :		
Non-current assets		
Fixed Assets		
Tangible assets	122.25	135.03
Capital work in progress	81.37	42.12
Intangible assets	–	0.38
Non-current investments	0.06	0.06
Long-term loans and advances	2.33	6.53
Other non-current assets	2.04	3.41
Current Assets		
Inventories	42.57	31.10
Trade receivables	17.09	14.50
Cash and Bank balances	0.96	1.26
Short-term loans and advances	16.27	16.33
Other Current Assets	0.25	0.26
TOTAL	285.19	250.98
* One US\$= Rs. 54.28		
# One US\$= Rs. 50.87		



Profit & Loss Account FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 US\$ in Millions *	As at 31.03.2012 US\$ in Millions #
Revenue from operations	264.79	251.75
Less : Excise Duty	20.17	18.97
Revenue from operations (net)	244.62	232.78
Other Income	0.53	1.14
Total Revenue	245.15	233.92
Expenses :		
Cost of Material consumed	111.79	115.99
Purchase of stock-in-trade	0.04	0.10
Changes in inventories of finished goods, work-in progress and stock- in- trade	(6.46)	(0.21)
Excise duty on inventory differential	(0.29)	(0.09)
Employee benefits expense	16.41	11.83
Finance costs	5.92	6.67
Depreciation	9.75	10.02
Other Expenses	77.35	80.63
Total Expenses	214.51	224.94
Profit before exceptional and extraordinary items and tax	30.64	8.98
Exceptional Items	—	—
Profit before extraordinary items and tax	30.64	8.98
Extraordinary Items	—	—
Profit before tax	30.64	8.98
Tax Expense :		
Current tax	6.00	1.77
Mat credit available for setoff	(0.68)	(1.77)
Deferred tax	3.53	2.95
Profit for the period from continuing operations	21.79	6.03
Profit from discontinuing operations	—	—
Tax expense of discontinuing operations	—	—
Profit from discontinuing operations after tax	—	—
Profit for the period from continuing operations	21.79	6.03

* One US\$= Rs. 54.28

One US\$= Rs. 50.87



Key Financial Data

	2012 – 2013		2011 – 2012	
	Rs. In Millions	US \$ in Millions*	Rs. In Millions	US \$ in Millions#
Gross Sales	14,373.07	264.79	12,806.45	251.75
Fixed Assets – Gross Block	11,133.94	205.12	11,298.24	222.10
Net Block	6,635.80	122.25	6,868.97	135.03
Export Earnings	4,176.15	76.94	2,558.19	50.29
Earning Before Depreciation and Interest	2,454.47	45.22	1,305.84	25.67
Interest	321.28	5.92	339.52	6.67
Earnings Before Depreciation	2,133.19	39.30	966.32	19.00
Depreciation	529.09	9.75	509.73	10.02
Earnings Before Tax	1,604.10	29.55	456.59	8.98
Taxation				
Current	325.50	6.00	90.00	1.77
MAT Credit available for set off / utilized	37.10	0.68	(90.00)	(1.77)
Excess Provision of Income Tax Written Back	–	–	–	–
Deferred Tax	191.35	3.53	149.90	2.95
Tax Adjustments in respect of earlier years	1.27	0.02	–	–
Earnings After Tax	1,048.88	19.32	306.69	6.03
No. of shares of Rs.2/- each (Million Nos.) @	209.80	209.80	203.10	203.10
Earnings per Shares (Rs. / US \$)	5.05	0.09	1.55	0.03
Net Worth (Excl.Revaluation Reserve)	5,197.41	95.75	4,163.29	81.84
Book value per share	24.77	0.46	20.50	0.40
Gross profit to sales (%)	14.84	14.84	7.55	7.55
(Earnings Before Depreciation)				
Interest coverage Ratio	7.64	7.64	3.85	3.85
Debt / Equity	1.03:1	1.03:1	1.05:1	1.05:1
Current Assets / Current Liabilities	0.83	0.83	0.72	0.72

* 1 US \$ = Rs. 54.28

1 US \$ = Rs.50.87



INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2013

TO THE SHAREHOLDERS OF
DCW LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of DCW LIMITED (the company) which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Mumbai
Dated: 14th May, 2013

[S. Venkatraman]
Partner
Membership No. 34319



ANNEXURE REFERRED TO AUDITOR'S REPORT TO THE SHAREHOLDERS OF DCW LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013.

- | | | |
|--|---|--|
| <p>i. (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets.</p> | <p>(c) In our opinion, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the record of inventories.</p> | <p>our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.</p> |
| <p>(b) We are informed that the fixed assets have been physically verified by the Management with the assistance of external agencies during the year. In our opinion the frequency of verification is reasonable. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of the fixed assets verified during the year.</p> | <p>iii. Based on the audit procedures applied by us and according to the information and explanations given to us; the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.</p> | <p>(b) Sub clause (b) of sub-para (v) of para 4 of the Order is not applicable as there are no such transactions exceeding the value of Rupees Five Lacs in respect of any party in the financial year.</p> |
| <p>(c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.</p> | <p>iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that for purchase of certain raw materials, stores, components, and fixed assets, alternative sources of supply are limited with reference to quality, delivery schedules, credit period and some of the items purchased are of special nature, and hence comparable alternative quotations are not available for these, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.</p> | <p>vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the para 4 of the Order are not applicable to the company.</p> |
| <p>ii. (a) The inventories of finished goods (except goods lying with consignees and in transit), stores, spare parts and raw materials (except coal stock lying with outside party and stocks in transit) have been physically verified by the management with the help of external agencies. In our opinion, the frequency of physical verification is reasonable.</p> | <p>v. (a) Based on the audit procedures applied by us, to the best of</p> | <p>vii. The Company has, in general, an internal audit system commensurate with the size and nature of the Company's business.</p> |
| <p>(b) In our opinion, the procedures in respect of Inventories physically verified are reasonable and adequate in relation to the size of the company and the nature of its business.</p> | | <p>viii. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of certain products manufactured in the company. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have</p> |



been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.

- ix. (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales

tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues that are required to be deposited regularly with authorities, have generally been regularly deposited with the appropriate authorities.

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

as at 31st March, 2013, for a period of more than six months from the date they became payable.

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

(Amount in Rs. lacs)

Name of the Statute / Nature of Dues	Period	From where dispute is pending					
		Supreme Court	High Court	Appellate Tribunal*	Appellate Authority**	State Government	Grand Total
Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable)	1997 to 2013	–	32.56	127.05	–	–	159.61
Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1997 to 2013	0.24	85.48	157.20	5.80	–	248.72
Sales Tax legislations (sales tax, including penalty & interest wherever applicable)	1982 to 2013	–	2.57	207.10	1,981.26	–	2,190.93
Service Tax	–	–	–	–	39.17	–	39.17
Local cess, local cess surcharge (land revenue including penalty and interest wherever applicable)	1989 to 2013	–	–	–	–	12.49	12.49
GRAND TOTAL		0.24	120.61	491.35	2,026.23	12.49	2,650.92

*Appellate Tribunal includes STAT, CESTAT & ITAT

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



x.	The company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.		entries have been made therein. All the investments are held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.		shares during the year to the promoters and a promoter group company covered in the register maintained under section 301 of the Companies Act, 1956 and the price at which the shares have been issued is not prejudicial to the interest of the company.
xi.	On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions / Banks or Debenture holders.	xv.	According to the information and explanations given to us, the Company has not given any guarantee for any loans taken by others from any bank or financial institution.	xix.	The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
xii.	The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	xvi.	In our opinion, the term loans taken during the year have, prima facie, been applied for the purpose for which they were raised.	xx.	The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end-use of money raised by any public issue does not arise.
xiii.	The Company is not a chit fund or a niche or a mutual benefit society. Therefore the provisions of sub para (xiii) of para 4 of the Order are not applicable to the Company.	xvii.	According to the information and explanations given to us, based on an overall examination of the balance sheet of the Company, related information made available to us and as represented to us by the Management, funds raised on short term basis of Rs. 1,146.92 lacs, have been used during the year for long term purposes.	xxi.	Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.
xiv.	In respect of shares, securities and other investments dealt in or traded by the Company, proper records have been maintained of the transactions and contracts and timely	xviii.	The Company has made preferential allotment of		

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

[**S. Venkatraman**]
Partner
Membership No. 34319

Place: Mumbai
Dated: 14th May, 2013



Balance Sheet

AS AT 31ST MARCH, 2013

	Note	As at 31.03.2013 Rs. in lacs	As at 31.03.2012 Rs. in lacs
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	4,195.82	4,062.00
Reserves and Surplus	3	48,587.38	38,405.85
Money received against share warrants		—	184.00
Non-current liabilities			
Long-term borrowings	4	38,771.76	29,970.10
Deferred tax liabilities (net)	5	11,095.22	9,181.72
Long-term provisions	6	860.01	649.12
Current liabilities			
Short-term borrowings	7	7,317.20	7,318.01
Trade payable	8	21,308.03	20,932.06
Other current liabilities	9	20,748.02	16,034.95
Short-term provisions	10	1,920.34	936.55
TOTAL		1,54,803.78	1,27,674.36
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	11	66,358.02	68,689.63
Capital work in progress		44,166.99	21,426.80
Intangible assets under development		—	193.02
Non-current investments	12	32.39	32.39
Long-term loans and advances	13	1,264.57	3,322.26
Other non-current assets	14	1,109.00	1,865.39
Current assets			
Inventories	15	23,106.00	15,819.13
Trade receivables	16	9,279.74	7,376.74
Cash and bank balances	17	523.19	642.31
Short-term loans and advances	18	8,829.06	8,306.69
Other current assets	19	134.82	—
TOTAL		1,54,803.78	1,27,674.36
Summary of Significant Accounting Policies other Notes to the Financial Statements	1 30 to 44		

As per our Report attached

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

Place : Mumbai
Dated : 14th May, 2013

Chital V. Shah
Dy. Company Secretary

For and on behalf of the Board

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

Mudit Jain
Executive Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	For the year ended 31.03.2013 Rs. in lacs	For the year ended 31.03.2012 Rs. in lacs
Revenue from Operations	20	1,43,730.66	1,28,064.48
Less : Excise Duty		10,950.70	9,652.52
Revenue from Operations (net)		1,32,779.96	1,18,411.96
Other Income	21	288.83	580.03
Total Revenue		1,33,068.79	1,18,991.99
Expenses:			
Cost of materials consumed	22	60,680.89	59,005.65
Purchase of stock-in-trade	23	23.44	49.30
Changes in inventories of finished goods, work-in progress and stock-in-trade	24	(3,505.56)	(106.64)
Excise duty on inventory differential	25	(158.47)	(46.75)
Employee benefits expense	26	8,908.48	6,017.57
Finance costs	27	3,212.76	3,395.19
Depreciation	28	5,290.88	5,097.29
Other expenses	29	41,985.15	41,014.51
Total Expenses		1,16,437.57	1,14,426.12
Profit before exceptional and extraordinary items and tax		16,631.22	4,565.87
Exceptional Items – Loss on Sale of Asset		590.20	–
Profit before extraordinary items and tax		16,041.02	4,565.87
Extraordinary Items		–	–
Profit before tax		16,041.02	4,565.87
Tax expense:			
Current Tax		3,255.00	900.00
MAT Credit Utilised/(Available for setoff)		371.00	(900.00)
Deferred tax		1,913.50	1,499.00
Tax Adjustments in respect of earlier years.		12.67	–
Profit / (Loss) for the period from continuing operations		10,488.85	3,066.87
Profit / (Loss) from discountinuing operations		–	–
Tax expense of discountinuing operations		–	–
Profit / (Loss) for the period		10,488.85	3,066.87
Earning per equity share:			
Basic (Face Value of Rs. 2/- each)		5.05	1.55
Diluted (Face Value of Rs. 2/- each)		5.05	1.55
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	30 to 44		

As per our Report attached

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

Place : Mumbai
Dated : 14th May, 2013

Chital V. Shah
Dy. Company Secretary

For and on behalf of the Board

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

Mudit Jain
Executive Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-13 Rs in Lacs	2011-12 Rs in Lacs
A. Cash flow from operating Activities		
Net profit before tax	16,041.01	4,565.88
Adjustments for :		
Non-cash items		
Depreciation	5,290.88	5,097.29
Unrealised foreign exchange loss/ (gain) (net)	—	497.65
Finance Costs	3,212.76	3,395.19
Interest income	(59.46)	(55.23)
(Profit) / Loss on Sale of Asset	608.55	37.20
Dividend income	(48.53)	(15.32)
Operating profit before working capital changes	9,004.20	8,956.78
Adjustments for :	25,045.21	13,522.66
Trade and other receivables	(176.07)	(2,121.59)
Inventories	(7,286.87)	(3,093.51)
Trade and other payables	5,314.38	1,976.54
Cash generation from operations	22,896.65	10,284.10
Direct taxes paid	(2,258.75)	(1,112.41)
Net cash flow from operating Activities	20,637.90	9,171.69
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(26,686.26)	(16,141.52)
Sale of Fixed Assets	545.38	53.00
Purchase / Sales of Investments	—	—
Investment in Fixed Deposits pledged towards Margin Money	(55.01)	(93.47)
Dividend Income	48.53	15.32
Interest income	59.46	55.19
Net cash used in investing Activities	(26,087.90)	(16,111.48)
C. Cash from financing activities		
Proceeds from issue of share capital	552.00	764.00
Money received against share warrants	—	184.00
Proceeds from Long-Term Borrowings	16,231.58	12,245.60
Repayment of Long Term Borrowings	(7,429.92)	(7,351.00)
Short Term Borrowings (Net)	(0.81)	5,484.92
Finance Costs	(3,227.21)	(3,209.07)
Dividend paid	(731.16)	(706.16)
Tax on dividend	(118.61)	(114.56)
Net cash used in financing Activities	5,275.87	7,297.73
Net increase in Cash and Cash equivalents	(174.13)	357.94
Cash & Cash Equivalents as at 1st April 2012	487.24	129.30
Cash & Cash Equivalents as at 31st March 2013	313.11	487.24
	174.13	(357.94)

As per our Report attached

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

Place : Mumbai
Dated : 14th May, 2013

Chital V. Shah
Dy. Company Secretary

For and on behalf of the Board

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

Mudit Jain
Executive Director



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013:

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING

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

2. USE OF ESTIMATES.

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

3. FIXED ASSETS AND DEPRECIATION :

A) Fixed Assets

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

B) Depreciation and Amortisation

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

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

4. REVENUE RECOGNITION

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

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

5. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS

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

6. INVESTMENTS

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



7. INVENTORIES

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

8. ACCOUNTING FOR CENVAT AND SERVICE TAX CREDITS

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

9. FOREIGN CURRENCY TRANSACTIONS

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

10. RESEARCH & DEVELOPMENT EXPENDITURE

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

11. BORROWING COSTS

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

12. EMPLOYEE BENEFITS

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

13. PROVISIONS & CONTINGENCIES

- a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated



- b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.

14. TAXES ON INCOME

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

15. IMPAIRMENT OF ASSET

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

NOTE "2"

SHARE CAPITAL

Authorised Capital

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

TOTAL

Issued, Subscribed and Fully paid up
20,97,90,953 Equity Shares of Rs. 2/- each
(Previous Year 20,31,00,450 shares of Rs. 2/- each)
Par value per share

TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
6,500.00	6,500.00
6,500.00	6,500.00
4,195.82	4,062.00
Rs. 2/-	Rs. 2/-
4,195.82	4,062.00

- b) 2,36,10,000 Shares were issued and allotted on preferential basis to the Promoters of the company and FII's during 2007-2008.
- c) 1,36,36,363 Shares were issued and allotted to the promoters on conversion of warrants issued on preferential basis to Promoters group during 2011-2012 (P. Y. 69,45,455)

Name of Shareholder	As at 31.3.2013		As at 31.3.2012	
	No. of Shares	% held	No. of Shares	% held
Sahu Brothers P. Ltd	5,01,48,156	23.90	4,89,11,793	22.32

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

Particulars	As at 31.3.2013	As at 31.3.2012
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	20,31,00,045	19,61,54,590
Add : Shares issued on conversion of warrants to Promoters on preferential basis	66,90,908	69,45,455
Equity Shares at the end of the Year	20,97,90,953	20,31,00,045



NOTES

FORMING PART OF THE BALANCE SHEET

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
406.88	406.88
406.88	406.88
5.30	5.30
5.30	5.30
10,065.79	9,440.70
602.18	625.09
10,667.97	10,065.79
835.04	860.87
25.88	25.83
809.16	835.04
24,801.04	22,801.04
4,000.00	2,000.00
28,801.04	24,801.04
2,291.82	2,074.70
10,488.85	3,066.87
4,000.00	2,000.00
755.25	731.16
128.39	118.61
7,897.03	2,291.80
48,587.38	38,405.85
21,791.77	17,518.96
16,978.69	12,447.64
1.30	3.50
38,771.76	29,970.10

21,791.77	17,518.96
16,978.69	12,447.64
1.30	3.50
38,771.76	29,970.10



NOTES
FORMING PART OF THE BALANCE SHEET

Rs. in lacs

SR NO	PARTICULARS	31.3.2013	31.3.2013	31.3.2012	31.3.2012
		Non Current	Current Maturities	Non Current	Current Maturities
	TERM LOANS – SECURED				
A	FROM BANKS :				
1	TERM LOANS FROM STATE BANK OF INDIA SYNDICATION (Repayble in 24 equal quarterly installments, last installment falling due in August 2015)	877.63	1,748.00	2,625.49	1,750.00
2	TERM LOAN FROM STATE BANK OF PATIALA (Repayble in 24 equal quarterly installments, last installment falling due in September 2015)	625.00	1,250.00	1,875.00	1,250.00
3	TERM LOAN FROM STATE BANK OF TRAVANCORE (Repayble in 8 equal quarterly installments, last installment falling due in June 2013)	–	312.50	312.50	1,250.00
5	TERM LOAN FROM ING VYSYA BANK LTD (Repayble in 24 equal quarterly installments, last installment falling due on June 2015)	966.41	342.59	1,087.70	208.00
6	ECB FROM ICICI BANK (Repayble in 24 equal quarterly installments, last installment falling due in December, 2015)	3,618.66	1,809.33	5,445.67	1,337.00
7	TERM LOAN FROM ICICI BANK LTD (Repayble in 28 equal quarterly installments, last installment falling due in June, 2022)	5,507.08	–	2,100.00	–
8	TERM LOAN FROM LAXMI VILAS BANK (Repayble in 16 equal quarterly installments, last installment falling due in June 2016)	3,000.00	1,000.00	4,000.00	–
9	Term Loan from PNB (Repayble in 16 equal quarterly installments, last installment falling due in June 2016)	7,125.00	–	–	–
10	Car Loans from Bank (Repayable in monthly installments, last installment is due in Dec 2014)	71.99	104.29	76.11	111.92
	TOTAL – A	21,791.77	6,566.71	17,522.46	5,906.92
B	FROM INSTITUTIONS :				
11	TERM LOAN FROM IREDA (Repayble in 44 equal quarterly installments, last installment falling due in March 2016)	6,555.05	729.56	7,467.17	547.00
12	TERM LOAN FROM EXIM BANK (Repayble in 24 equal quarterly installments, last installment falling due in March 2016)	1,219.47	976.00	2,195.47	976.00
13	TERM LOAN FROM EXIM BANK (Repayble in 28 equal quarterly installments, last installment falling due in in Sept 2020)	9,204.17	–	2785.00	–
	TOTAL – B	16,978.69	1,705.56	12,447.64	1,523.00
C	FROM NBFC				
14	Term Loan – NBFC	1.30	1.62		
	TOTAL – C	1.30	1.62	–	–
	Amount taken to current maturities of long term debts under other current liabilities (vide Note No.9)	–	8,273.89	–	7,429.92
	TOTAL (A+B+C)	38,771.76	–	29,970.10	7,429.92



NOTES

FORMING PART OF THE BALANCE SHEET

LOANS – Security :

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

Institutions:

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

NBFC:

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

NOTE “5”

Deferred tax liabilities (net)

Deferred Tax Liability
Less: Deferred Tax Asset
TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
12,564.80	10,651.30
1,469.58	1,469.58
11,095.22	9,181.72

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

(Rs. in lacs)

Nature of timing difference	Deferred Tax Liability / (Asset) as at 1st April, 2012	(Debit/Credit) for the year	Deferred Tax Liability/ (Assets) as at 31st March, 2013
(a) Deferred tax liabilities	10651.30	770.31	11,421.61
Difference between accounting and tax Depreciation			
Sub-total	10651.30	770.31	11,421.61
(b) Deferred Tax assets			
Expenses allowed on payment basis	273.09	168.21	441.30
Unabsorbed depreciation	1196.49	(1,311.40)	(114.91)
Sub – total	1469.58	(1,143.19)	326.39
	9181.72	1,913.50	11,095.22

NOTE “6”

Long term provisions

Provision for Leave Encashment
TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
860.01	649.12
860.01	649.12

NOTE “7”

Short-term borrowings

Loans repayable on demand (Secured)
Working Capital
Line of Credit
TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
3,560.90	3,521.32
3,756.30	3,796.69
7,317.20	7,318.01

NOTES

FORMING PART OF THE BALANCE SHEET

LOANS – Security

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

NOTE “8”

Trade Payables

Acceptances against Letters of Credit
Dues of Micro and Small Enterprises
Sundry Creditors other than dues of Micro and Small Enterprises *
* Includes Rs. 39.47 lacs (Rs. 8.70 lacs) due to Micro and Small Enterprises (Refer Note No.39)

TOTAL

NOTE “9”

Other current liabilities

Current maturities of long term borrowings
– From banks
– From Financial Institutions
– From NBFC
Interest accrued but not due on borrowings
Unclaimed dividends #
Unpaid matured deposits and interest accrued thereon #
Advance received from customers
Statutory Liabilities
Employee related liabilities
Trade and Other Deposits
Creditors for Capital Goods
Do not include any amount due & outstanding to be credited to investor education & protection fund

TOTAL

NOTE “10”

Short-term provisions

Proposed Dividend – Equity
Tax on Dividend
Provision for taxation (Net of Advance Tax)

TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
16,263.13	17,514.63
39.48	32.05
5,005.42	3,385.38
21,308.03	20,932.06
6,566.71	5,813.93
1,705.56	1,589.68
1.62	26.30
171.67	186.12
69.60	64.04
0.04	0.04
6,670.69	4,990.25
1,087.57	653.65
1,713.77	594.06
529.99	439.78
2,230.80	1,677.10
20,748.02	16,034.95
755.25	731.16
128.39	118.61
1,036.70	86.78
1,920.34	936.55

NOTES FORMING PART OF THE BALANCE SHEET

NOTE "11"

Fixed Asset

DESCRIPTION	GROSS BLOCK As at 1/4/2012	Additions during the year	Deductions/ Adjustments during the year	As at 31/3/2013	Depreciation As at 1/4/2012	Additions during the year	Deductions/ Adjustments during the year	As at 31/3/2013	Net Block As at 31/3/2013	As at 31/3/2012
Land	532.05	(0.62)	-	531.43	-	-	-	-	531.43	532.05
Buildings	8,993.19	506.87	-	9,500.06	2,495.50	228.37	-	2,723.87	6,776.19	6,497.69
Plant and Machinery	88,801.73	3,318.93	5,699.77	86,420.89	39,790.18	4,255.61	4,585.50	39,460.29	46,960.60	49,011.56
Wind Mill	12,080.41	-	-	12,080.41	652.68	637.85	-	1,290.53	10,789.88	11,427.73
Furniture & Fittings	614.45	35.39	3.01	646.83	412.75	32.54	2.76	442.53	204.29	201.69
Office Equipments	494.74	71.43	7.91	558.26	297.07	31.01	4.74	323.34	234.92	197.67
Vehicles	1,465.77	207.10	71.37	1,601.50	644.56	131.39	35.14	740.80	860.69	821.21
Total	112,982.35	4,139.09	5,782.06	111,339.38	44,292.74	5,316.76	4,628.14	44,981.37	66,358.01	68,689.60
Previous Year	100,023.48	13,217.12	258.26	112,982.34	39,337.69	5,122.91	167.87	44,292.74	68,689.59	60,685.78

Notes :

- 11.1 The Depreciation charge on the assets revalued on 31-03-1993 is more by Rs 25.88 Lacs (previous year Rs 25.82 Lacs) than the depreciation charge thereon under section 205(2) (b) of the Companies Act, 1956 and the same is met by drawing from Revaluation Reserve. The Uplift on revalued assets discarded amounting to Nil (Previous Year Rs 0.01 Lacs) has also been met by drawing from Revaluation Reserve.
- 11.2 The Company opted for accounting foreign exchange difference on realignment of long term foreign currency loan related to acquisition of depreciable capital asset, as per AS 11 amended by the Companies (Accounting Standard) Amendment Rules 2009. Accordingly exchange difference of Rs 376.67 lacs, (Previous Year Rs 910.33 Lacs) relating to current year has been reduced from the cost of fixed assets and depreciation charged to Profit and Loss Account.
- 11.3 Building Include Rs 523.06 Lacs being cost of ownership flats and office accommodation in Co-operative Societies and a Limited Company against which the company holds shares of the face value of Rs 0.77 lacs in Co-operative Societies and the Limited Company.
- 11.4 Assignment deeds in respect of 9.13 acres of land at Caustic Soda Division, transferred by Central Government to the State Government, are yet to be executed by the State Government in favour of the company.
- 11.5 Land, Building and Plant & Machinery located at Sahapuram Works (other than PVC Division) were revalued on 31st March 1993.
- 11.6 The Company exercised the option to purchase 793.39 acres of land leased by the State Government at Sahapuram works. Assignment deeds in respect of the said land yet to be executed by the State Government in favour of the Company.
- 11.7 Encroachers have occupied some portion of the land belonging to the company at Sahapuram. Efforts are being made to evict them.
- 11.8 Previous Periods' figures have been regrouped / rearranged to match with current year.



NOTES
FORMING PART OF THE BALANCE SHEET

NOTE "12"

INVESTMENTS (AT COST, UNLESS OTHERWISE SPECIFIED) :

INVESTMENTS IN EQUITY INSTRUMENTS :

Rs. in lacs

	FACE VALUE (RUPEES) UNIT	31.03.2013		31.03.2012	
		LONG TERM		LONG TERM	
		NOS.	RUPEES	NOS.	RUPEES
TRADE INVESTMENTS					
UNQUOTED :					
EQUITY SHARES IN SUBSIDIARY COMPANY :					
DCW PIGMENT LIMITED	10	50,000	5.00	50,000	5.00
NON-TRADE INVESTMENTS :					
UNQUOTED :					
(i) INVESTMENTS IN GOVERNMENT/ TRUST SECURITIES :					
7 YEARS NATIONAL SAVINGS CERTIFICATES	1000	10	0.10	10	0.10
(ii) INVESTMENT IN EQUITY SHARES OF THE DHRANGADHRA PEOPLES CO-OP. BANK LTD.,*	25	10	0.250	10	0.250
(iii) INVESTMENT IN EQUITY SHARES IN COMPANIES :					
GLOBAL TRUST BANK	10	19,000	1.90	19,000	1.90
LESS : PROVISION FOR DEMINUTION OF VALUE IN SHARES		19,000	1.90	19,000	1.90
QUOTED :					
INVESTMENTS IN EQUITY SHARES OF THE COMPANIES :					
LIC HOUSING FINANCE LIMITED	2	87,000	10.44	87,000	10.44
TATA CONSULTANCY SERVICES	1	12	0.03	12	0.03
RELIANCE INDUSTRIES LIMITED	10	3,504	16.82	3,504	16.82
			27.29		27.29
TOTAL LONG TERM INVESTMENT			32.39		32.39
.* Figures Denote Amount in Rupees					
OTHER DISCLOSURES :					
(i) Aggregate value of quoted investments (Gross)			27.29		27.29
Market value of quoted investments			223.01		255.21
(ii) Aggregate value of unquoted investments (Gross)			7.00		7.00
(iii) Aggregate value of dimunition in value of investments			1.90		1.90



NOTES

FORMING PART OF THE BALANCE SHEET

NOTE "13"

Long-term loans and advances

Capital Advances	949.02	3,042.15
Security Deposits	278.14	242.08
Loans and advances to related parties *	5.64	5.64
(Refer Note No.33)		
Staff Loans & Advances	19.56	21.95
Vat Refund Receivable A/C	12.21	10.44

TOTAL

* Represents due from a company in which a director of the company is a Director.

NOTE "14"

Other non-current assets

Receivable under Forward Cover Contracts	580.00	773.33
Mat Credit Entitlement	529.00	959.00
Other contractual Receivables	—	133.06

TOTAL

NOTE "15"

Inventories (As Certified by the Management)

Raw materials	13,737.28	10,138.82
Work-in-process	33.18	75.80
Finished goods	6,197.61	2,456.16
Stores , Spares and Fuel	3,040.32	3,000.50
Packing Materials	50.85	66.29
Packing Drums & Scrap	2.66	20.74
Coke dust, Gypsum	35.52	52.24
Shares	8.58	8.58

TOTAL

Investments in shares

	Face Value Per Share (Rs.)	AS AT 31.03.2013		AS AT 31.03.2012	
		No of Shares	Amount Rupees in lacs	No of Shares	Amount Rupees in lacs
Quoted					
Reliance Industries Ltd	10	1,122	0.44	1,122	0.44
Reliance Communication Ltd.,	5	553	—	553	—
Reliance Infrastructure Ltd.,	10	41	—	41	—
Reliance Power Ltd.,	10	138	—	553	—
Reliance Capital Ltd.,	10	27	—	27	—
Grasim Industries Ltd	10	700	2.01	700	2.01
Ultratech Cements Ltd.,	10	400	—	400	—
Ranbaxy Laboratories Ltd	5	5,426	5.60	5,426	5.60
Reliance Industrial Infrastructure Ltd.,	10	1,900	0.19	1,900	0.19
Indian Telephone Industries Ltd.,	10	3,400	0.34	3,400	0.34
TOTAL			8.58		8.58

NOTES
FORMING PART OF THE BALANCE SHEET

NOTE "16"

Trade Receivables

Trade Receivable outstanding for a period exceeding six months

- Secured, considered good
- Unsecured considered good
- Doubtful

Less: Provision for doubtful debts

Other Trade Receivables

- Unsecured, considered good

TOTAL

NOTE "17"

Cash and Cash Equivalents

Balances with Banks in current account

Cheques, drafts on hand

Cash on hand

Other Bank Balances

Fixed Deposit pledged towards Margin Money

(Include Deposit of Rs. 1.03 lacs (PY Rs.0.29 lacs) with maturity of less than 12 months)

TOTAL

NOTE "18"

Short-term loans and advances

Advance recoverable in cash or in kind or for value to be received

Staff Loans

Prepaid Expenses

Balances with Customs, Central Excise, etc,

TOTAL

NOTE "19"

Other current assets

Other current assets

Other Contractual Receivable

TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
30.00	30.00
640.34	372.71
261.25	261.25
261.25	261.25
8,609.40	6,974.03
9,279.74	7,376.74
303.07	473.50
0.06	0.06
9.98	13.68
313.11	487.24
210.08	155.07
523.19	642.31
2,092.56	1,265.48
71.67	72.68
116.82	139.21
6,548.01	6,829.32
8,829.06	8,306.69
1.76	–
133.06	–
134.82	–



NOTES

FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
NOTE “20”		
Revenue from Operations		
Sale of products		
–Direct sales of manufactured products	74,520.51	72,201.67
–Consignment sales of manufactured products	25,834.76	29,562.37
–Export sales of manufactured products	41,949.66	25,581.89
–Sales of traded goods	–	50.00
Sale of Scrap and other materials	538.67	406.96
Other Operating Income		
Sale of DEPB Licence	887.06	261.59
	1,43,730.66	1,28,064.48
Less : Excise duty	10,950.70	9,652.52
TOTAL	1,32,779.96	1,18,411.96
NOTE “21”		
Other Income		
Interest Income	59.46	55.23
TDS Rs. 3.88 lacs (PY Rs. 3.96 lacs)		
Dividend Income on long–term investments	3.79	3.76
Dividend Income on current investments	44.74	11.56
Profit on Sale of Fixed Assets	0.24	13.44
Unclaimed balance written back	1.79	134.87
Bad debts recovered	–	4.88
Insurance claims received	93.52	84.13
Other Non–operating Income	85.29	272.16
TOTAL	288.83	580.03
NOTE “22”		
Cost of Material consumed		
Opening stock in hand and in process	4,777.04	5,321.70
Add: Purchase of Raw materials	65,657.57	58,460.99
Less: Closing stock in hand and in process	9,753.72	4,777.04
TOTAL	60,680.89	59,005.65
NOTE “23”		
Purchase of stock–in–trade		
Purchase of stock–in–trade	23.44	49.30
TOTAL	23.44	49.30
NOTE “24”		
Changes in inventories of finished goods, work–in–progress and stock–in–trade		
Closing stock:		
Finished Goods	(5,784.60)	(2,201.62)
Work–in–process	(33.18)	(75.80)
Packing Drums and Scrap	(2.66)	(20.74)
Coke dust, Gypsum	(35.52)	(52.24)
Traded Shares	(8.58)	(8.58)
	(5,864.54)	(2,358.98)

NOTES
FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
NOTE "24"(Contd...)		
Less : Drawn from Revaluation Reserve		
Opening Stock:		
Finished Goods	2,201.62	2,090.22
Work-in-process	75.80	83.91
Packing Drums and Scrap	20.74	28.50
Coke dust, Gypsum	52.24	41.13
Traded Shares	8.58	8.58
	2,358.98	2,252.34
TOTAL	(3,505.56)	(106.64)
NOTE "25"		
Excise duty on inventory differential		
Excise Duty in Closing Stock	(413.01)	(254.54)
Excise Duty in Opening Stock	254.54	207.79
TOTAL	(158.47)	(46.75)
NOTE "26"		
Employee benefits expense		
Salaries and wages	6,063.82	4,514.12
Contributions to provident and other funds	729.03	635.85
Staff Welfare Expenses	624.04	487.78
Directors Remuneration	1,491.59	379.82
Net of Capitalisation of Rs. 48.12 lacs (PY. Rs. 48.12 lacs)		
TOTAL	8,908.48	6,017.57
NOTE "27"		
Finance costs		
Interest expense	2,726.58	2,886.34
Other borrowing costs	26.88	0.37
Bank Charges	459.30	508.48
TOTAL	3,212.76	3,395.19
NOTE "28"		
Depreciation		
Depreciation provided on fixed assets	5,316.76	5,123.11
Less: Drawn from Revaluation Reserve	(25.88)	(25.82)
TOTAL	5,290.88	5,097.29
NOTE "29"		
Other expenses		
Packing charges	1,470.20	1,650.65
Power and fuel	23,755.54	25,187.01
Operating and maintenance expenses	3,722.90	1,492.12
Rent	64.95	49.27



NOTES
FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
Repairs to building	806.98	560.56
Repairs to machinery	4,460.51	3,921.53
Repairs to other assets	231.22	162.45
Insurance	287.53	235.21
Rates and Taxes	148.01	71.17
Licence feed paid	54.72	53.09
	35,002.56	33,383.06
Payments to auditors		
– as auditors	10.00	8.00
– for taxation matters (Includes Tax Audit Fees Rs. 2.50 lacs (Previous Year Rs. 2 lacs))	6.10	5.60
– for other services	4.42	2.50
– for reimbursement of expenses	2.20	2.23
	22.72	18.33
Travelling expenses	365.72	202.56
Conveyance expenses	180.73	155.61
Advertisement expenses	21.34	21.02
Professional fees	538.95	276.36
Directors Sitting Fees	3.60	2.20
Assets Sold or Written off	18.59	50.64
Wealth tax paid	6.03	5.79
Donation	8.21	2.57
Freight, Transportation, Loading and other charges (net)	2,253.38	1,981.81
Commission to wholesalers / others	607.30	669.77
Cash discount	92.65	117.35
Vehicle expenses	104.75	99.87
Exchange Difference (Net)	1,688.14	3,421.54
Miscellaneous Expenses	1,070.48	606.03
	6,959.87	7,613.12
TOTAL	41,985.15	41,014.51
NOTE “30”		
CONTINGENT LIABILITIES NOT PROVIDED FOR :		
Disputed Sales Tax Demands	2,192.02	860.03
Disputed Excise / Service tax Demands	344.51	344.51
Disputed Customs Demands	159.61	159.61
Company’s contribution to ESI not made pursuant to petitions for exemption pending before High Court.	86.08	85.84
Lease Rent, Local Cess, Octroi, Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty.	2,911.25	3,068.57
Disputed Industrial relations matters	518.74	495.92
Claims not acknowledged as debts :	—	—
TOTAL	6,212.21	5,014.48
GUARANTEE AS A MEMBER OF THE ALKALI MFG. ASSN. (A Company Limited by Guarantee)	Rs. 500	Rs. 500



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 31 :

Commitments

- a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is Rs. 28,594 lacs (previous year Rs. 32,998.53 lacs).
- b) In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2013 amount to Rs. 58.64 lacs (previous year Rs. 55.28 lacs).
- c) The company does not have any other commitments.

NOTE NO. 32 :

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

NOTE NO. 33 :

RELATED PARTY INFORMATION :

(i) Relationships:

(a) Subsidiary Companies

DCW Pigments Ltd.

(b) Where control exists

Double Dot Finance Ltd.
Crescent Finstock Ltd.
Sahu Brothers Pvt. Ltd.
Jain Sahu Brothers Properties Pvt. Ltd.
Dhrangadhra Trading Company Pvt. Ltd.
Kishco Ltd.
Crescent Holdings Pvt. Ltd.

(c) Key Management Personnel

Dr.S.C.Jain	Chairman & Managing Director
Shri P.K. Jain	Managing Director
Shri Bakul Jain	Managing Director
Shri Mudit Jain	Whole Time Director
Shri Vivek Jain	Sr. President
Shri Ashish Jain	President
Smt. Paulomi Jain	President
Smt. Malti Bhindi	President

Note:

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



NOTES

FORMING PART OF THE BALANCE SHEET

ii) DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31ST MARCH, 2013. (Rs. In lacs)

Particulars	Enterprises where control exists	Key Management Personnel
Money Received against Share Capital	102.00 (564.00)	450.00 (200.00)
Money Received against share warrants	– (34.00)	– (150.00)
Remuneration paid	– (–)	1732.63 (617.28)
Purchases	2.05 (2.96)	– (–)
Balances as on 31 st March, 2013 (Net)	0.90 (0.90)	– (–)

NOTE NO. 34 :

Sales Tax Assessments of Dhrangadhra Unit are pending for 1994–95, 1995–96, 1997–98 and 2004–05, 2005–06 and 2009–10 to 2011–12 (except for 1996–97, 1998–99 to 2003–04 and 2006–07, 2007–08 and 2008–09 which have been completed). In respect of Sahupuram Unit Central Sales Tax Assessments and Tamilnadu General Sales tax assessment are completed up to 2008–09.

NOTE NO. 35 :

Financial Derivative Instruments

- a. Derivative contracts entered into by the Company and outstanding as on 31st March, 2013. For Hedging currency and interest related risks

Nominal amount of derivative contracts entered by the company and outstanding as on 31st March, 2013 amount to US\$ 10.98 mn. (Previous year US\$ 15.02 mn.) Category wise break up is given below:

Sr. No.	Particulars	31st March, 2013 US\$ Mn.	31st March, 2012 US\$ Mn.
1	Interest Rate Swaps	0.98	1.69
2	Currency Swaps	10.00	13.33

- b. Foreign Currency payables that are not hedged by derivative instruments as on 31st March, 2013, amount to US\$ 36.88 mn. (Previous year US\$ 49.84 mn.)

NOTE NO. 36 :

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

NOTE NO. 37 :

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



NOTES

FORMING PART OF THE BALANCE SHEET

NOTE NO. 38 :

- The Tamilnadu Government had passed fresh legislation imposing Electricity Tax on captive power generated with retrospective effect from 2003. The Honourable Supreme Court has admitted the SLP filed by the Company along with other captive power producers against the order of the Madras High Court upholding the validity of the legislation. The company has been legally advised that the company has a fair chance of succeeding in the Supreme Court and hence, no provision is considered necessary.
- The Commercial tax officer, Dhurangdhara has raised a demand of Rs 1120.77 lacs under the Central Sales Tax Act, pertaining to the Assessment Year 2008–09 on account of error in the forms obtained from a customer. The company has filed appeal with the appellate authorities and is confident of obtaining the corrected forms from the customer and therefore does not expect any liability on the account.
- In the matter of leasehold land in respect of the salt works at Kuda, Dhurangadhra, the Honourable Supreme Court has admitted the SLP filed by the Company against the Order of the Gujarat High Court upholding that the lease of the aforesaid land is not permanent and hence is terminable. The Company is confident of succeeding in the Supreme Court.

NOTE NO. 39 :

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under: (Rs. In Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Principal amount due and remaining unpaid	39.47	8.70
Interest due on above and the unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in	—	—

NOTE NO. 40 :

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

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

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

Particulars	Rs. In Lacs
Provident Fund	358.56
Superannuation Fund	104.99
Employees Pension Scheme, 1995	124.11

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 to Employees Provident Fund by the Government under the Employees Provident Fund Scheme, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.



NOTES
FORMING PART OF THE BALANCE SHEET

c. Defined Benefit Plans

		Gratuity Funded Rs. lacs	Leave Wages Non-Funded Rs. lacs
1	Change in Benefit Obligation		
	Liability at the beginning of the year 1 st April' 2012	2016.54 (1912.36)	649.12 (592.55)
	Interest cost	171.41 (152.99)	55.17 (47.40)
	Current Service Cost	91.99 (107.40)	71.05 (59.43)
	Benefit Paid	(-) 15.23 (-) (8.12)	(-) 41.81 (-) (27.20)
	Actuarial (gain) / Loss on obligation	112.50 (-) (148.09)	74.38 (-) (23.07)
	Liability at the end of the year	2377.22 (2016.54)	807.91 (649.12)
	Changes in the Fair Value of Plan Assets		
	Present Value of Plan Assets as at 1 st April, 2012	2139.71 (1962.62)	– (–)
	Expected Return on Plan Assets	184.01 (157.01)	– (–)
	Actuarial (Gain)/Loss	16.62 (27.29)	– (–)
	Employers' Contributions	– (0.91)	– (–)
	Benefits Paid	(-) 15.23 (-) (8.12)	– (–)
	Present Value of Planned Assets as at 31 st March, 2013	2,325.12 (2,139.71)	– (–)
	Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
	Present Value of Defined Benefit Obligation as at 31st March, 2013	(-) 2,377.22 (-) (2016.54)	(-) 807.91 (-) (649.12)
	Fair Value of Plan Assets as at 31st March, 2013	2,325.12 (2139.71)	– (–)
	Net Liability recognized in the Balance Sheet as at 31st March, 2013	52.10 (–)	(-) 807.91 (-) (649.12)
	Expenses Recognized in the Profit and Loss Account		
a)	Service Cost	91.99 (107.40)	71.05 (59.43)

NOTES
FORMING PART OF THE BALANCE SHEET

b)	Interest Cost	181.88 (152.99)	55.17 (47.40)
c)	Expected Return on Plan Assets	(-) 184.02 (-) (157.01)	- (-)
d)	Curtailment Cost/(Credit)	- (-)	- (-)
e)	Settlement Cost/(Credit)	- (-)	- (-)
f)	Net Actuarial (Gain)/Loss	(-) 37.75 (-) (175.38)	74.38 (-) (23.07)
g)	Total Expenses recognized in the Profit and Loss A/c	52.10 (-)	200.61 (83.76)
	Actual Return on Plan Assets		
	Estimated Contribution to be made in the next annual year		
	The Composition of Plan Assets : i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31st March,2013		
a)	Govt of India Securities	- (-)	- (-)
b)	Corporate Bonds	- (-)	- (-)
c)	Special Deposit Scheme	- (-)	- (-)
d)	Equity Shares of Listed Companies	- (-)	- (-)
e)	Property	- (-)	- (-)
f)	Insurance Managed Funds	2,325.12 (2,139.71)	- (-)
g)	Others	- (-)	- (-)
h)	Total	2,325.12 (2,139.71)	- (-)
	Actuarial Assumptions		
	Retirement age	58 (58)	58 (58)
	Discount rate	8% (8.50%)	8% (8.50%)
	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
	Withdrawal rate	2% (2%)	-
	Salary escalation	4% (4%)	



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 41 :

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

PARTICULARS	Opening Stock	Closing Stock	Sales
	Value – Rs. In lacs	Value – Rs. In lacs	Value – Rs. In lacs
	As on 01.04.2012	As on 31.03.2013	2012-13
DHARANGADHRA UNIT			
Soda Ash	39	258	14,029
	(39)	(39)	(12,275)
Soda Bicarbonate	118	127	3,795
	(134)	(118)	(3292)
Amonium Bicarbonate	2	3	66
	(3)	(2)	(26)
Detergent – Green	11	12	572
	(52)	(11)	(2,446)
Detergent – Active	45	9	2,187
	(18)	(45)	(1,298)
Salt Finished Goods	22	22	–
	(24)	(22)	–
SAHUPURAM UNIT			
Caustic Soda Lye	831	1,069	17,010
	(124)	(831)	(16378)
Caustic Soda Solid	8	8	49
	(1)	(8)	(24)
Caustic Soda Flakes	43	16	4,841
	(103)	(43)	(4,770)
Sodium Hypochlorine	–	–	112
	–	–	(105)
Hydrochloric Acid 100%	3	4	190
	(10)	(3)	(477)
Liquid Chlorine	2	2	203
	(5)	(2)	(502)
Trichloroethylene	330	249	2,842
	(51)	(330)	(4,735)
Upgraded Ilmenite	440	2,933	40,848
	(544)	(440)	(24,062)
Utox	39	108	1,501
	(184)	(39)	(1,550)
Ferrie Chloride	4	8	355
	(4)	(4)	(222)
Yellow Iron oxide	3	12	147
	(5)	(3)	(166)
PVC Resin	516	1,371	48,582
	(996)	(516)	(52,407)
Barium Carbonate	–	–	50
(Traded Goods)	–	–	(50)
Sale of Power – Windmill	–	–	1,756
	–	–	(2,612)
	–	–	–
TOTAL	2,456	6,203	139,134
Previous Year	(2,298)	(2,456)	(127,397)

NOTES
FORMING PART OF THE BALANCE SHEET

b) Expenditure in Foreign Currency	
i) Know-how fees	2,246.75 (2,049.92)
ii) Consultant fees	212.39 (8.50)
iii) Others	996.57 (951.60)
c) Earnings in Foreign Exchange	
i) Export on f.o.b. basis	41,761.48 (25,328.87)
ii) Others	11.99 (24.70)
d) Consumption of imported/indigeneous Raw Materials, Stores and Spares at Landed Cost	
Raw Material Imported	63,992.02 (61,909.53)
Indigeneous	12,963.48 (13,040.76)
Stores and Spare parts (Including Consumption for Capital jobs & fuel Oil/Coal)	
Imported	16,098.78 (16,113.39)
Indigeneous	8,120.88 (7,094.53)
e) Value of Imports on c.i.f. basis	
i) Raw Materials	62,829.42 (43,468.40)
ii) Fuel Oil/ Coal	15,066.88 (17,560.70)
iii) Stores and Spare parts	819.52 (535.44)
iii) Capital Goods	3,925.17 (41.27)



NOTES
FORMING PART OF THE BALANCE SHEET

	Value Rs. in lacs
f) Raw Materials consumed :	
Salt	1,539 (1,462)
Ilmenite Sand	13,615 (7,543)
Calcium Carbide	1,517 (2,219)
Vinyl Chloride Monomer	37,210 (39,492)
Lauryl Peroxide	75 (66)
Limestone	1,887 (1,707)
Coke	3,028 (2,944)
Coal	15,081 (15,885)
Ammonia	267 (240)
Charcoal	– (–)
Others	3,698 (4,601)
Consumption of own manufactured products and Intermediates	957 (76)
TOTAL	76,956 (74,950)

NOTE NO. 42 :

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

	2012–13	2011–12
	Rs. Lacs	Rs. Lacs
Profit after Tax	10,488.85	3,066.88
No. of Equity shares of Rs.2 each outstanding as on 31.3.2013	20,97,90,953	20,31,00,045
Weighted Average Number of Equity Shares Outstanding during the year		
For Basic	20,77,43,418	19,73,15,337
For Diluted	20,77,43,418	19,73,15,337
EPS (Rs)Basic	5.05	1.55
EPS (Rs) Diluted	5.05	1.55

Note: The weighted average number of equity shares has been calculated taking into consideration the shares issued on preferential basis to promoters/promoter group during the year.



NOTES
FORMING PART OF THE BALANCE SHEET

NOTE NO. 43 :

Segment Information for the year 2012–2013 :

	CAUSTIC	PVC	SODA ASH	OTHERS	TOTAL
Segment Revenue					
External Revenue	69,779.79	43,129.09	18,355.32	1,756.06	133,020.26
	(52,717.52)	(47,609.91)	(17,599.75)	(1,064.82)	(118,976.68)
Segment Result	19,076.07	(1,971.01)	1,029.50	1,070.69	19,205.25
	(8,992.64)	(–2,799.60)	(1,109.37)	(643.35)	(7,945.76)
Add : Unallocated Corporate	–	–	–	–	48.53
	–	–	–	–	(15.32)
Less:					
Finance charges	–	–	–	–	3,212.76
	–	–	–	–	(3,395.19)
Current Tax	–	–	–	–	3,638.67
	–	–	–	–	–
Deffered Tax	–	–	–	–	1,913.50
	–	–	–	–	(1,499.00)
Net Profit	–	–	–	–	10,488.85
	–	–	–	–	(3,066.89)
Segment Assets	96,901.25	23,534.22	21,081.01	13,246.31	154,762.79
	(77,774.50)	(15,965.09)	(19,780.77)	(14,262.89)	(127,783.25)
Add :Unallocated Corporate Assets	–	–	–	–	40.97
	–	–	–	–	(40.97)
Total	96,901.25	23,534.22	21,081.01	13,246.31	154,803.76
	(77,774.50)	(15,965.09)	(19,780.77)	(14,262.89)	(127,824.22)
Segment Liabilities	46,477.56	24,128.28	3,098.94	15,300.23	89,005.01
	(38,501.45)	(22,098.09)	(2,270.22)	(12,184.35)	(75,054.11)
Add : Unallocated Corporate liabilities	–	–	–	–	13,015.55
	–	–	–	–	(10,118.25)
Total	46,477.56	24,128.28	3,098.94	15,300.23	102,020.56
	(38,501.45)	(22,098.09)	(2,270.22)	(12,184.35)	(85,172.36)
Capital Expenditure	–	–	–	–	26,879.28
	–	–	–	–	(–16,141.52)
Depreciation	3,786.05	361.11	505.87	637.85	5,290.88
	(3,800.99)	(361.18)	(548.72)	(386.40)	(5,097.29)

NOTE NO. 44 :

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



As per our Report attached		For and on behalf of the Board	
For V. Sankar Aiyar & Co.		Dr. Shashi Chand Jain	
Chartered Accountants		Chairman & Managing Director	Mudit Jain
S. Venkatraman		Pramod Kumar Jain	Executive Director
Partner		Bakul Jain	
		Managing Directors	
Place : Mumbai	Chital V. Shah	Vimal Jain	
Dated : 14 th May, 2013	Dy. Company Secretary	Sr. Vice President (Finance)	

DCW Pigments Ltd.

DIRECTORS' REPORT

To the Shareholders

Your Directors present the 6th Annual Report of your Company together with the Audited Accounts for the year ended 31.03.2013.

Operations

The Company has not yet commenced its operations.

Directors

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

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

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

Particular of Employees.

During the year, no employee received remuneration in excess of the limits prescribed under section 217(2A) of

the Companies Act, 1956 and the Rules made thereunder.

Directors' Responsibility Statement

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

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

irregularities to the best of their knowledge and ability;

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

Auditors

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

For and on behalf of the Board

Bakul Jain
Chairman

Place : Mumbai
Date : 13th May, 2013

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

DCW Pigments Ltd.

AUDITOR'S REPORT

To,
The Members,
DCW Pigments Ltd,
Mumbai

- 1) We have audited the attached Balance Sheet of M/s. DCW Pigments Limited as at March 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) In our opinion the Companies (Auditor's Report) Order, 2003 issued by the Central government in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, is not applicable to the Company.

4) Further to our comments in the Annexure referred to in paragraph 3, above we report that :

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examinations of such books.
- (iii) The Balance sheet dealt with by this Report is in agreement with the books of account.
- (iv) In our opinion, the attached Balance Sheet dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of The Companies Act, 1956.
- (v) On the basis of written representations, received from the Directors and taken on record by the Board of Directors, we report that none of the Directors disqualified as on 31st March, 2013 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
- (vi) In our opinion and to the best of our information and

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

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2013.
- (ii) The Company is yet to commence its commercial operations and hence all expenses incurred in the current year are shown under the head miscellaneous expenditure in the Balance Sheet due to which the Statement of Profit and Loss has not been prepared.

For R A V & Co
Chartered Accountants

C.A. Ashok R. Shetty
Partner
M.No. 102524
Firm Reg.No. 007532S

Place : Mumbai
Date : 13th May, 2013

DCW Pigments Ltd.

Balance Sheet AS AT 31ST MARCH, 2013

	Note	Figures as at the end of Current reporting period 31/03/2013	Figures as at the end of Previous reporting period 31/03/2012
I EQUITY & LIABILITIES			
(1) Shareholder's Funds			
Authorized Share Capital	2	1,000,000	1,000,000
100000 Equity Shares of Rs 10/- each			
(a) Share Capital			
50000 Equity Shares of Rs 10/- each	3	500,000	500,000
(b) Reserve & Surplus		—	—
(2) Non-current Liabilities		—	—
(3) Current Liabilities			
(a) Other Current Liabilities		12,136	5,618
(b) Short Term Provisions		—	—
Total Equity & Liabilities		512,136	505,618
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets		—	—
(b) Other Non-Current Assets	4	110,020	101,666
(2) Current Assets			
(a) Trade Receivables		—	—
(b) Cash & Cash equivalents	5	402,116	403,952
Total Assets		512,136	505,618

Significant Accounting Policies 1
The notes forming an integral part of Financial Statement.

As per our report of even date

For R. A. V. & CO
Chartered Accountants

Ashok R. Shetty
Partner
Membership No. 102524
Firm Reg. No. 007532S

Place : Mumbai
Date : 13th May, 2013

For and on behalf of the Board of Directors

Bakul Jain
Chairman

Mudit Jain
Director

Vivek Jain
Director

DCW Pigments Ltd.

NOTES FORMING INTEGRAL PARTS OF FINANCIAL STATEMENTS AS ON 31ST MARCH, 2013

Note "1"

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1. The Company is yet to commence its commercial operations.
2. Previous years figures were regrouped wherever necessary.
3. Pending allocation of preliminary & pre-operative expenses like filing fees, registration charges, stamp duty etc. are shown under miscellaneous expenditure in Balance Sheet

Note No.2

Share Capital

Particulars	Curent Year ended 31-03-2013	Previous Year ended 31-03-2012
Authorized Capital		
1,00,000 Equity Shares of Rs 10/- each	1,000,000	1,000,000
	1,000,000	1,000,000

Note No.3

Issued, Subscribed & paid Up Capital

50000 Equity Shares of Rs. 10/- each fully paid-up	500,000	500,000
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Note No.4

Miscellaneous Expenditure

Preliminary Expenses	67,567	67,531
Pre-Operative Expenses		
Opening Balances	34,135	26,663
Add: For the year	8,318	7,472
Total	42,453	34,135
Grand Total	110,020	101,666

Note No.5

Cash & Cash Equivalents

Cash in Hand	—	—
Bank Balance	402,116	403,952
	402,116	403,952



Consolidated Accounts

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of DCW Limited

We have audited the accompanying consolidated financial statements of DCW Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Consolidated Profit and Loss Account, of the profit / loss for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of Rs. 5.12 lacs as at March 31, 2013, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.01 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter

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

S.Venkatraman
Partner
Membership No. 34319

Place : Mumbai
Dated : 14th May 2013



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2013

	Note	As at 31.03.2013 Rs. in lacs	As at 31.03.2012 Rs. in lacs
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	4,195.82	4,062.00
Reserves and Surplus	3	48,587.38	38,405.85
Money received against share warrants		—	184.00
Non-current liabilities			
Long-term borrowings	4	38,771.76	29,970.10
Deferred tax liabilities (net)	5	11,095.22	9,181.72
Long-term provisions	6	860.01	649.12
Current liabilities			
Short-term borrowings	7	7,317.20	7,318.01
Trade payable	8	21,308.03	20,932.06
Other current liabilities	9	20,748.14	16,035.01
Short-term provisions	10	1,920.34	936.55
TOTAL		1,54,803.90	1,27,674.42
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	11	66,358.02	68,689.63
Capital work in progress		44,166.99	21,426.80
Intangible assets under development		—	193.02
Non-current investments	12	27.39	27.39
Long-term loans and advances	13	1,264.57	3,322.26
Other non-current assets	14	1,110.10	1,866.41
Current assets			
Inventories	15	23,106.00	15,819.13
Trade receivables	16	9,279.74	7,376.74
Cash and bank balances	17	527.21	646.35
Short-term loans and advances	18	8,829.06	8,306.69
Other current assets	19	134.82	—
TOTAL		1,54,803.90	1,27,674.42
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	30 to 44		

As per our Report attached

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

Place : Mumbai
Dated : 14th May, 2013

Chital V. Shah
Dy. Company Secretary

For and on behalf of the Board

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

Mudit Jain
Executive Director



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	For the year ended 31.03.2013 Rs. in lacs	For the year ended 31.03.2012 Rs. in lacs
Revenue from Operations	20	1,43,730.66	1,28,064.48
Less : Excise Duty		10,950.70	9,652.52
Revenue from Operations (net)		1,32,779.96	1,18,411.96
Other Income	21	288.83	580.03
Total Revenue		1,33,068.79	1,18,991.99
Expenses:			
Cost of materials consumed	22	60,680.89	59,005.65
Purchase of stock-in-trade	23	23.44	49.30
Changes in inventories of finished goods, work-in progress and stock-in-trade	24	(3,505.56)	(106.64)
Excise duty on inventory differential	25	(158.47)	(46.75)
Employee benefits expense	26	8,908.48	6,017.57
Finance costs	27	3,212.76	3,395.19
Depreciation	28	5,290.88	5,097.29
Other expenses	29	41,985.15	41,014.51
Total Expenses		1,16,437.57	1,14,426.12
Profit before exceptional and extraordinary items and tax		16,631.22	4,565.87
Exceptional Items – Loss on Sale of Asset		590.20	–
Profit before extraordinary items and tax		16,041.02	4,565.87
Extraordinary Items			
Profit before tax		16,041.02	4,565.87
Tax expense:			
Current Tax		3,255.00	900.00
MAT Credit Utilised/(Available for setoff)		371.00	(900.00)
Deferred tax		1,913.50	1,499.00
Tax Adjustments in respect of earlier years.		12.67	–
Profit / (Loss) for the period from continuing operations		10,488.85	3,066.87
Profit / (Loss) from discountinuing operations			
Tax expense of discountinuing operations			
Profit / (Loss) for the period		10,488.85	3,066.87
Earning per equity share:			
Basic (Face Value of Rs. 2/- each)		5.05	1.55
Diluted (Face Value of Rs. 2/- each)		5.05	1.55
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	30 to 44		

As per our Report attached

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

Place : Mumbai
Dated : 14th May, 2013

Chital V. Shah
Dy. Company Secretary

For and on behalf of the Board

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

Mudit Jain
Executive Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-13 Rs in Lacs	2011-12 Rs in Lacs
A. Cash flow from operating Activities		
Net profit before tax and extraordinary items	16,041.01	4,565.88
Adjustments for :		
Non-cash items		
Depreciation	5,290.88	5,097.29
Unrealised foreign exchange loss/ (gain) (net)	-	497.65
Finance Costs	3,212.76	3,395.19
Interest income	(59.46)	(55.23)
(Profit) / Loss on Sale of Asset	608.55	37.20
Dividend income	(48.53)	(15.32)
	<u>9,004.20</u>	<u>8,956.78</u>
Operating profit before working capital changes	25,045.21	13,522.66
Adjustments for :		
Trade and other receivables	(176.16)	(2,121.84)
Inventories	(7,286.87)	(3,093.51)
Trade and other payables	<u>5,314.45</u>	<u>1,976.49</u>
Cash generation from operations	<u>22,896.63</u>	<u>10,283.80</u>
Direct taxes paid	(2,258.75)	(1,112.41)
Net cash flow from operating Activities	<u>20,637.88</u>	<u>9,171.39</u>
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(26,686.26)	(16,141.52)
Sale of Fixed Assets	545.38	53.00
Purchase / Sales of Investments	-	-
Preliminary Expenses Incurred		
Investment in Fixed Deposits pledged towards		
Margin Money	(55.01)	(93.47)
Dividend Income	48.53	15.32
Interest income	59.46	55.19
Net cash used in investing Activities	<u>(26,087.90)</u>	<u>(16,111.48)</u>
C. Cash from financing activities		
Proceeds from issue of share capital	552.00	764.00
Money received against share warrants	-	184.00
Proceeds from Long-Term Borrowings	16,231.58	12,245.60
Repayment of Long Term Borrowings	(7,429.92)	(7,351.00)
Short Term Borrowings (Net)	(0.81)	5,484.92
Finance Costs	(3,227.21)	(3,209.07)
Dividend paid	(731.16)	(706.16)
Tax on dividend	(118.61)	(114.56)
Net cash used in financing Activities	<u>5,275.87</u>	<u>7,297.73</u>
Net increase in Cash and Cash equivalents	<u>(174.15)</u>	<u>357.64</u>
Cash & Cash Equivalents as at 1st April 2012	<u>491.28</u>	<u>133.64</u>
Cash & Cash Equivalents as at 31st March 2013	<u>317.13</u>	<u>491.28</u>
	<u>174.15</u>	<u>(357.64)</u>

As per our Report attached

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

Place : Mumbai
Dated : 14th May, 2013

Chital V. Shah
Dy. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Mudit Jain
Executive Director
Pramod Kumar Jain
Bakul Jain
Managing Directors
Vimal Jain
Sr. Vice President (Finance)



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013:

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PRESENTATION

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under subsection [1] (a) of section 642 and the relevant provisions of the Companies Act, 1956 [the 'Act']. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

3. PRINCIPLES OF CONSOLIDATION

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

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

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

4. SYSTEM OF ACCOUNTING

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

5. USE OF ESTIMATES.

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

6. FIXED ASSETS AND DEPRECIATION :

A) Fixed Assets

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

B) Depreciation and Amortisation

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

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

7. REVENUE RECOGNITION

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



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

8. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS

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

9. INVESTMENTS

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

10. INVENTORIES

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

11. ACCOUNTING FOR CENVAT AND SERVICE TAX CREDITS

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

12. FOREIGN CURRENCY TRANSACTIONS

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

13. RESEARCH & DEVELOPMENT EXPENDITURE

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

14. BORROWING COSTS

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

15. EMPLOYEE BENEFITS

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



16. PROVISIONS & CONTINGENCIES

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

17. TAXES ON INCOME

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

18. IMPAIRMENT OF ASSET

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

NOTE "2"

SHARE CAPITAL

Authorised Capital

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

TOTAL

Issued, Subscribed and Fully paid up
20,97,90,953 Equity Shares of Rs. 2/- each
(Previous Year 20,31,00,450 shares of Rs. 2/- each)
Par value per share

TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
6,500.00	6,500.00
6,500.00	6,500.00
4,195.82	4,062.00
Rs. 2/-	Rs. 2/-
4,195.82	4,062.00

- 2,36,10,000 Shares were issued and allotted on preferential basis to the Promoters of the company and FII's during 2007-2008.
- 1,36,36,363 Shares were issued and allotted to the promoters on conversion of warrants issued on preferential basis to Promoters group during 2011-2012 (P Y 69,45,455)

Name of Shareholder	As at 31.3.2013		As at 31.3.2012	
	No. of Shares	% held	No. of Shares	% held
Sahu Brothers P. Ltd	5,01,48,156	23.90	4,89,11,793	22.32

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

Particulars	As at 31.3.2013 No. of Shares	As at 31.3.2012 No. of Shares
Equity Shares at the beginning of the year	20,31,00,045	19,61,54,590
Add :Shares issued on conversion of warrants to Promoters on preferential basis	66,90,908	69,45,455
Equity Shares at the end of the Year	20,97,90,953	20,31,00,045

62 DCW Limited • Annual Report 2012-2013



CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

Rs. in lacs

SR NO	PARTICULARS	31.3.2013	31.3.2013	31.3.2012	31.3.2012
		Non Current	Current Maturities	Non Current	Current Maturities
	TERM LOANS – SECURED				
A	FROM BANKS :				
1	TERM LOANS FROM STATE BANK OF INDIA SYNDICATION (Repayble in 24 equal quarterly installments, last installment falling due in August 2015)	877.63	1,748.00	2,625.49	1,750.00
2	TERM LOAN FROM STATE BANK OF PATIALA (Repayble in 24 equal quarterly installments, last installment falling due in September 2015)	625.00	1,250.00	1,875.00	1,250.00
3	TERM LOAN FROM STATE BANK OF TRAVANCORE (Repayble in 8 equal quarterly installments, last installment falling due in June 2013)	–	312.50	312.50	1,250.00
5	TERM LOAN FROM ING VYSYA BANK LTD (Repayble in 24 equal quarterly installments, last installment falling due on June 2015)	966.41	342.59	1,087.70	208.00
6	ECB FROM ICICI BANK (Repayble in 24 equal quarterly installments, last installment falling due in December, 2015)	3,618.66	1,809.33	5,445.67	1,337.00
7	TERM LOAN FROM ICICI BANK LTD (Repayble in 28 equal quarterly installments, last installment falling due in June, 2022)	5,507.08	–	2,100.00	–
8	TERM LOAN FROM LAXMI VILAS BANK (Repayble in 16 equal quarterly installments, last installment falling due in June 2016)	3,000.00	1,000.00	4,000.00	–
9	Term Loan from PNB (Repayble in 16 equal quarterly installments, last installment falling due in June 2016)	7,125.00	–	–	–
10	Car Loans from Bank (Repayable in monthly installments, last installment is due in Dec 2014)	71.99	104.29	76.11	111.92
	TOTAL – A	21,791.77	6,566.71	17,522.46	5,906.92
B	FROM INSTITUTIONS :				
11	TERM LOAN FROM IREDA (Repayble in 44 equal quarterly installments, last installment falling due in March 2016)	6,555.05	729.56	7,467.17	547.00
12	TERM LOAN FROM EXIM BANK (Repayble in 24 equal quarterly installments, last installment falling due in March 2016)	1,219.47	976.00	2,195.47	976.00
13	TERM LOAN FROM EXIM BANK (Repayble in 28 equal quarterly installments, last installment falling due in in Sept 2020)	9,204.17	–	2785.00	–
	TOTAL – B	16,978.69	1,705.56	12,447.64	1,523.00
C	FROM NBFC				
14	Term Loan – NBFC	1.30	1.62		
	TOTAL – C	1.30	1.62	–	–
	Amount taken to current maturities of long term debts under other current liabilities (vide Note No.9)	–	8,273.89	–	7,429.92
	TOTAL (A+B+C)	38,771.76	–	29,970.10	7,429.92



CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET

LOANS – Security :

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

Institutions:

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

NBFC:

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

NOTE “5”

Deferred tax liabilities (net)

Deferred Tax Liability
Less: Deferred Tax Asset
TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
12,564.80	10,651.30
1,469.58	1,469.58
11,095.22	9,181.72

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

(Rs. in lacs)

Nature of timing difference	Deferred Tax Liability / (Asset) as at 1st April, 2012	(Debit/Credit) for the year	Deferred Tax Liability/ (Assets) as at 31st March, 2013
(a) Deferred tax liabilities	10651.30	770.31	11,421.61
Difference between accounting and tax Depreciation			
Sub-total	10651.30	770.31	11,421.61
(b) Deferred Tax assets			
Expenses allowed on payment basis	273.09	168.21	441.30
Unabsorbed depreciation	1196.49	(1,311.40)	(114.91)
Sub – total	1469.58	(1,143.19)	326.39
	9181.72	1,913.50	11,095.22

NOTE “6”

Long term provisions

Provision for Leave Encashment
TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
860.01	649.12
860.01	649.12

NOTE “7”

Short-term borrowings

Loans repayable on demand (Secured)
Working Capital
Line of Credit
TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
3,560.90	3,521.32
3,756.30	3,796.69
7,317.20	7,318.01

CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

LOANS – Security

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

NOTE “8”

Trade Payables

Acceptances against Letters of Credit
Dues of Micro and Small Enterprises
Sundry Creditors other than dues of Micro and Small Enterprises *
* Includes Rs. 39.47 lacs (Rs. 8.70 lacs) due to Micro and Small Enterprises (Refer Note No. 39)

TOTAL

NOTE “9”

Other current liabilities

Current maturities of long term borrowings
– From banks
– From Financial Institutions
– From NBFC
Interest accrued but not due on borrowings
Unclaimed dividends #
Unpaid matured deposits and interest accrued thereon #
Advance received from customers
Statutory Liabilities
Employee related liabilities
Trade and Other Deposits
Creditors for Capital Goods
Do not include any amount due & outstanding to be credited to investor education & protection fund

TOTAL

NOTE “10”

Short-term provisions

Proposed Dividend – Equity
Tax on Dividend
Provision for taxation (Net of Advance Tax)

TOTAL

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
16,263.13	17,514.63
39.48	32.05
5,005.42	3,385.38
21,308.03	20,932.06
6,566.71	5,813.93
1,705.56	1,589.68
1.62	26.30
171.67	186.12
69.60	64.04
0.04	0.04
6,670.69	4,990.25
1,087.57	653.65
1,713.77	594.06
530.11	439.84
2,230.80	1,677.10
20,748.14	16,035.01
755.25	731.16
128.39	118.61
1,036.70	86.78
1,920.34	936.55

NOTES FORMING PART OF THE BALANCE SHEET

NOTE "11"

Fixed Asset

DESCRIPTION	GROSS BLOCK As at 1/4/2012	Additions during the year	Deductions/ Adjustments during the year	As at 31/3/2013	Depreciation As at 1/4/2012	Additions during the year	Deductions/ Adjustments during the year	As at 31/3/2013	Net Block As at 31/3/2013	As at 31/3/2012
Land	532.05	(0.62)	-	531.43	-	-	-	-	531.43	532.05
Buildings	8,993.19	506.87	-	9,500.06	2,495.50	228.37	-	2,723.87	6,776.19	6,497.69
Plant and Machinery	88,801.73	3,318.93	5,699.77	86,420.89	39,790.18	4,255.61	4,585.50	39,460.29	46,960.60	49,011.56
Wind Mill	12,080.41	-	-	12,080.41	652.68	637.85	-	1,290.53	10,789.88	11,427.73
Furniture & Fittings	614.45	35.39	3.01	646.83	412.75	32.54	2.76	442.53	204.29	201.69
Office Equipments	494.74	71.43	7.91	558.26	297.07	31.01	4.74	323.34	234.92	197.67
Vehicles	1,465.77	207.10	71.37	1,601.50	644.56	131.39	35.14	740.80	860.69	821.21
Total	112,982.35	4,139.09	5,782.06	111,339.38	44,292.74	5,316.76	4,628.14	44,981.37	66,358.01	68,689.60
Previous Year	100,023.48	13,217.12	258.26	112,982.34	39,337.69	5,122.91	167.87	44,292.74	68,689.59	60,685.78

Notes :

- 11.1 The Depreciation charge on the assets revalued on 31-03-1993 is more by Rs 25.88 Lacs (previous year Rs 25.82 Lacs) than the depreciation charge thereon under section 205(2) (b) of the Companies Act, 1956 and the same is met by drawing from Revaluation Reserve. The Uplift on revalued assets discarded amounting to Nil (Previous Year Rs 0.01 Lacs) has also been met by drawing from Revaluation Reserve.
- 11.2 The Company opted for accounting foreign exchange difference on realignment of long term foreign currency loan related to acquisition of depreciable capital asset, as per AS 11 amended by the Companies (Accounting Standard) Amendment Rules 2009. Accordingly exchange difference of Rs 376.67 lacs, (Previous Year Rs 910.33 Lacs) relating to current year has been reduced from the cost of fixed assets and depreciation charged to Profit and Loss Account.
- 11.3 Building Include Rs 523.06 Lacs being cost of ownership flats and office accommodation in Co-operative Societies and a Limited Company against which the company holds shares of the face value of Rs 0.77 lacs in Co-operative Societies and the Limited Company.
- 11.4 Assignment deeds in respect of 9.13 acres of land at Caustic Soda Division, transferred by Central Government to the State Government, are yet to be executed by the State Government in favour of the company.
- 11.5 Land, Building and Plant & Machinery located at Sahapuram Works (other than PVC Division) were revalued on 31st March 1993.
- 11.6 The Company exercised the option to purchase 793.39 acres of land leased by the State Government at Sahapuram works. Assignment deeds in respect of the said land yet to be executed by the State Government in favour of the Company.
- 11.7 Encroachers have occupied some portion of the land belonging to the company at Sahapuram. Efforts are being made to evict them.
- 11.8 Previous Periods' figures have been regrouped / rearranged to match with current year.



CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

NOTE "12"

INVESTMENTS (AT COST, UNLESS OTHERWISE SPECIFIED) :

INVESTMENTS IN EQUITY INSTRUMENTS :

Rs. in Lacs

	FACE VALUE (RUPEES) Per UNIT	31.03.2013		31.03.2012	
		LONG TERM		LONG TERM	
		NOS.	RUPEES	NOS.	RUPEES
NON-TRADE INVESTMENTS :					
UNQUOTED :					
(i) INVESTMENTS IN GOVERNMENT/ TRUST SECURITIES :					
7 YEARS NATIONAL SAVINGS CERTIFICATES	1000	10	0.10	10	0.10
(ii) INVESTMENT IN EQUITY SHARES OF THE DHRANGADHRA PEOPLES CO-OP. BANK LTD.,*	25	10	0.250	10	0.250
(iii) INVESTMENT IN EQUITY SHARES IN COMPANIES :					
GLOBAL TRUST BANK	10	19,000	1.90	19,000	1.90
LESS : PROVISION FOR DEMINITION OF VALUE IN SHARES		19,000	1.90	19,000	1.90
QUOTED :					
INVESTMENTS IN EQUITY SHARES OF THE COMPANIES :					
LIC HOUSING FINANCE LIMITED	2	87,000	10.44	87,000	10.44
TATA CONSULTANCY SERVICES	1	12	0.03	12	0.03
RELIANCE INDUSTRIES LIMITED	10	3,504	16.82	3,504	16.82
			27.29		27.29
TOTAL LONG TERM INVESTMENT			27.39		27.39
.* Figures Denote Amount in Rupees					
OTHER DISCLOSURES :					
(I) Aggregate value of quoted investments (Gross)			27.29		27.29
Market value of quoted investments			223.01		255.21
(II) Aggregate value of unquoted investments (Gross)			7.00		7.00
(III) Aggregate value of dimunition in value of investments			1.90		1.90



CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

NOTE "13"

Long-term loans and advances

Capital Advances	
Security Deposits	
Loans and advances to related parties *	
(Refer Note No.33)	
Staff Loans & Advances	
Vat Refund Receivable A/C	

TOTAL

* Represents due from a company in which a director of the company is a Director.

NOTE "14"

Other non-current assets

Receivable under Forward Cover Contracts	
Mat Credit Entitlement	
Other contractual Receivables	
Pre operative Expenses	

TOTAL

NOTE "15"

Inventories (As Certified by the Management)

Raw materials	
Work-in-process	
Finished goods	
Stores , Spares and Fuel	
Packing Materials	
Packing Drums & Scrap	
Coke dust, Gypsum	
Shares	

TOTAL

Investments in shares

AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
949.02	3,042.15
278.14	242.08
5.64	5.64
19.56	21.95
12.21	10.44
1,264.57	3,322.26
580.00	773.33
529.00	959.00
—	133.06
1.10	1.02
1110.10	1866.41
13,737.28	10,138.82
33.18	75.80
6,197.61	2,456.16
3,040.32	3,000.50
50.85	66.29
2.66	20.74
35.52	52.24
8.58	8.58
23,106.00	15,819.13

	Face Value per Share Rs	AS AT 31.03.2013		AS AT 31.03.2012	
		No of Shares	Amount Rupees in lacs	No of Shares	Amount Rupees in lacs
Quoted					
Reliance Industries Ltd	10	1,122	0.44	1,122	0.44
Reliance Communication Ltd.,	5	553	—	553	—
Reliance Infrastructure Ltd.,	10	41	—	41	—
Reliance Power Ltd.,	10	138	—	553	—
Reliance Capital Ltd.,	10	27	—	27	—
Grasim Industries Ltd	10	700	2.01	700	2.01
Ultratech Cements Ltd.,	10	400	—	400	—
Ranbaxy Laboratories Ltd	5	5,426	5.60	5,426	5.60
Reliance Industrial Infrastructure Ltd.,	10	1,900	0.19	1,900	0.19
Indian Telephone Industries Ltd.,	10	3,400	0.34	3,400	0.34
TOTAL			8.58		8.58

CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

NOTE "16"

Trade Receivables

Trade Receivable outstanding for a period exceeding six months

– Secured, considered good

– Unsecured considered good

– Doubtful

Less: Provision for doubtful debts

Other Trade Receivables

– Unsecured, considered good

TOTAL

NOTE "17"

Cash and Cash Equivalents

Balances with Banks in current account

Cheques, drafts on hand

Cash on hand

Other Bank Balances

Fixed Deposit pledged towards Margin Money

(Include Deposit of Rs. 1.03 lacs (PY Rs.0.29 lacs) with maturity of less than 12 months)

TOTAL

NOTE "18"

Short-term loans and advances

Advance recoverable in cash or in kind or for value to be received

Staff Loans

Prepaid Expenses

Balances with Customs, Central Excise, etc,

TOTAL

NOTE "19"

Other current assets

Other current assets

Other Contractual Receivable

TOTAL

NOTE "20"

Revenue from Operations Sale of products

–Direct sales of manufactured products

–Consignment sales of manufactured products

–Export sales of manufactured products

–Sales of traded goods

Sale of Scrap and other materials

Other Operating Income

Sale of DEPB Licence

Less : Excise duty

TOTAL

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
NOTE "16"		
Trade Receivables		
Trade Receivable outstanding for a period exceeding six months		
– Secured, considered good	30.00	30.00
– Unsecured considered good	640.34	372.71
– Doubtful	261.25	261.25
Less: Provision for doubtful debts	261.25	261.25
Other Trade Receivables		
– Unsecured, considered good	8,609.40	6,974.03
TOTAL	9,279.74	7,376.74
NOTE "17"		
Cash and Cash Equivalents		
Balances with Banks in current account	307.09	477.54
Cheques, drafts on hand	0.06	0.06
Cash on hand	9.98	13.68
Other Bank Balances	317.13	491.28
Fixed Deposit pledged towards Margin Money	210.08	155.07
(Include Deposit of Rs. 1.03 lacs (PY Rs.0.29 lacs) with maturity of less than 12 months)		
TOTAL	527.21	646.35
NOTE "18"		
Short-term loans and advances		
Advance recoverable in cash or in kind or for value to be received	2,092.56	1,265.48
Staff Loans	71.67	72.68
Prepaid Expenses	116.82	139.21
Balances with Customs, Central Excise, etc,	6,548.01	6,829.32
TOTAL	8,829.06	8,306.69
NOTE "19"		
Other current assets		
Other current assets	1.76	–
Other Contractual Receivable	133.06	–
TOTAL	134.82	–
NOTE "20"		
Revenue from Operations Sale of products		
–Direct sales of manufactured products	74,520.51	72,201.67
–Consignment sales of manufactured products	25,834.76	29,562.37
–Export sales of manufactured products	41,949.66	25,581.89
–Sales of traded goods	–	50.00
Sale of Scrap and other materials	538.67	406.96
Other Operating Income		
Sale of DEPB Licence	887.06	261.59
	1,43,730.66	1,28,064.48
Less : Excise duty	10,950.70	9,652.52
TOTAL	1,32,779.96	1,18,411.96



CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
NOTE "21"		
Other Income		
Interest Income	59.46	55.23
TDS Rs. 3.88 lacs (PY Rs. 3.96 lacs)		
Dividend Income on long-term investments	3.79	3.76
Dividend Income on current investments	44.74	11.56
Profit on Sale of Fixed Assets	0.24	13.44
Unclaimed balance written back	1.79	134.87
Bad debts recovered	–	4.88
Insurance claims received	93.52	84.13
Other Non-operating Income	85.29	272.16
TOTAL	288.83	580.03
NOTE "22"		
Cost of Material consumed		
Opening stock in hand and in process	4,777.04	5,321.70
Add: Purchase of Raw materials	65,657.57	58,460.99
Less: Closing stock in hand and in process	9,753.72	4,777.04
TOTAL	60,680.89	59,005.65
NOTE "23"		
Purchase of stock-in-trade		
Purchase of stock-in-trade	23.44	49.30
TOTAL	23.44	49.30
NOTE "24"		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing stock:		
Finished Goods	(5,784.60)	(2,201.62)
Work-in-process	(33.18)	(75.80)
Packing Drums and Scrap	(2.66)	(20.74)
Coke dust, Gypsum	(35.52)	(52.24)
Traded Shares	(8.58)	(8.58)
	(5,864.54)	(2,358.98)
Less : Drawn from Revaluation Reserve		
Opening Stock:		
Finished Goods	2,201.62	2,090.22
Work-in-process	75.80	83.91
Packing Drums and Scrap	20.74	28.50
Coke dust, Gypsum	52.24	41.13
Traded Shares	8.58	8.58
	2,358.98	2,252.34
TOTAL	(3,505.56)	(106.64)



CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
NOTE "25"		
Excise duty on inventory differential		
Excise duty on inventory differential		
Excise Duty in Closing Stock	(413.01)	(254.54)
Excise Duty in Opening Stock	254.54	207.79
TOTAL	(158.47)	(46.75)
NOTE "26"		
Employee benefits expense		
Salaries and wages	6,063.82	4,514.12
Contributions to provident and other funds	729.03	635.85
Staff Welfare Expenses	624.04	487.78
Directors Remuneration Net of Capitalisation of Rs. 48.12 lacs (PY. Rs. 48.12 lacs))	1,491.59	379.82
TOTAL	8,908.48	6,017.57
NOTE "27"		
Finance costs		
Interest expense	2,726.58	2,886.34
Other borrowing costs	26.88	0.37
Bank Charges	459.30	508.48
TOTAL	3,212.76	3,395.19
NOTE "28"		
Depreciation		
Depreciation provided on fixed assets	5,316.76	5,123.11
Less: Drawn from Revaluation Reserve	(25.88)	(25.82)
TOTAL	5,290.88	5,097.29
NOTE "29"		
Other expenses		
Packing charges	1,470.20	1,650.65
Power and fuel	23,755.54	25,187.01
Operating and maintenance expenses	3,722.90	1,492.12
Rent	64.95	49.27
Repairs to building	806.98	560.56
Repairs to machinery	4,460.51	3,921.53
Repairs to other assets	231.22	162.45
Insurance	287.53	235.21
Rates and Taxes	148.01	71.17
Licence feed paid	54.72	53.09
	35,002.56	33,383.06



CONSOLIDATED NOTES
FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2013 Rs. in lacs	AS AT 31/03/2012 Rs. in lacs
Payments to auditors		
– as auditors	1	8.00
– for taxation matters (Includes Tax Audit Fees Rs. 2.50 lacs (Previous Year Rs. 2 lacs))	6.10	5.60
– for other services	4.42	2.50
– for reimbursement of expenses	2.20	2.23
	22.72	18.33
Travelling expenses	365.72	202.56
Conveyance expenses	180.73	155.61
Advertisement expenses	21.34	21.02
Professional fees	538.95	276.36
Directors Sitting Fees	3.60	2.20
Assets Sold or Written off	18.59	50.64
Wealth tax paid	6.03	5.79
Donation	8.21	2.57
Freight, Transportation, Loading and other charges(net)	2,253.38	1,981.81
Commission to wholesales / others	607.30	669.77
Cash discount	92.65	117.35
Vehicle expenses	104.75	99.87
Exchange Difference (Net)	1,688.14	3,421.54
Miscellaneous Expenses	1,070.48	606.03
	6,959.87	7,613.12
TOTAL	41,985.15	41,014.51
NOTE “30”		
CONTINGENT LIABILITIES NOT PROVIDED FOR :		
Disputed Sales Tax Demands	2,192.02	860.03
Disputed Excise / Service tax Demands	344.51	344.51
Disputed Customs Demands	159.61	159.61
Company’s contribution to ESI not made pursuant to petitions for exemption pending before High Court.	86.08	85.84
Lease Rent, Local Cess, Octroi, Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty.	2,911.25	3,068.57
Disputed Industrial relations matters	518.74	495.92
Claims not acknowledged as debts :	–	–
TOTAL	6,212.21	5,014.48
GUARANTEE AS A MEMBER OF THE ALKALI MFG. ASSN. (A Company Limited by Guarantee)	Rs. 500	Rs. 500

Note No. 31 to 43 Please refer to standalone accounts of DCW Limited.

Note No.44

Previous figures are regrouped to match with Current Years grouping.



Registered Office : Dhrangadhara – 363 315, Gujarat State

ATTENDANCE SLIP

74th Annual General Meeting at 10.00 A.M. on Thursday, 12th September, 2013.

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

I hereby record my presence at the Seventy-Fourth Annual General Meeting of the Company held at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhara – 363 315, Gujarat State at 10.00 A.M. on Thursday, 12th September, 2013.

Proxy's Name

Member's / Proxy's Signature

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

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



Registered Office: Dhrangadhara - 363 315, Gujarat State

PROXY FORM

I/We _____
of _____ being a Member/Members of
DCW Ltd., hereby appoint Shri. / Smt. _____
of _____ or failing him / her Shri. / Smt. _____
of _____ or failing him / her Shri. / Smt. _____
of _____ as my/our proxy in my / our absence, to attend and vote for me / us and on my/our behalf at
the Annual General Meeting of the Company to be held at 10.00 A.M. on Thursday, 12th September, 2013 at the Registered Office
of the Company at Dhrangadhara – 363 315, Gujarat State and at any adjournment thereof.

Signed this _____ day of _____ 2013.

DP Id* _____

Client Id.* _____

Regd. Folio No. _____

No. of Shares held _____

Signature _____

Affix

Re. 0.15

Revenue

Stamp

* Applicable if shares are held in electronic form.

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





FORM A

(under clause 31(a) of the Listing Agreement)

Covering letter of the annual audit report to be filed with the stock exchanges

- | | |
|---|--------------|
| 1. Name of the Company : | DCW Limited |
| 2. Annual financial statements for the year ended | 31.3.2013 |
| 3. Type of Audit Observation | Un-qualified |
| 4. Frequency of observation | - |

For DCW Ltd.

Shri Bakul Jain, Managing Director

Bakul Jain

Vimal Jain, Sr. V. P. (Finance)

For DCW Limited

Vimal Jain
Sr. V. P. (Finance)

Auditor of the Company

FOR V. SANKAR AIYAR & CO.

S. Venkatesh
PARTNER



Chairman of Audit Committee

Shri Venkatesh

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)