



September 3, 2022

To,

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

Dear Sir(s)/Madam,

Sub: Notice of Eighty Third (83rd) Annual General Meeting and Annual Report for Financial Year 2021-22 - Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

We wish to inform you that, the Eighty Third (83rd) Annual General Meeting ("AGM") of the Members of the DCW Limited ("the Company") is scheduled to be held on Tuesday, September 27, 2022 at 12.00 noon (IST) through Video Conferencing / Other Audio Visual Means ("VC/OAVM").

Pursuant to Regulation 30 and 34(1) of Listing Regulations, we are submitting herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice of the AGM, which is being sent through electronic mode to the Members.

The Annual Report for the Financial Year 2021-22 along with the Notice is also available on the website of the Company at www.dcwlimited.com.

Further, the Register of Members and Share Transfer Book of the Company will remain closed from Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive) for the purpose of AGM of the Company

This is for your information and records.

Thanking You,
Yours faithfully,

For DCW Limited

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



Encl :A/a

DCW LIMITED

HEAD OFFICE :

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

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

REGISTERED OFFICE : DHRANGADHRA - 363 315 (GUJRAT STATE)

Email: ho@dcwlimited.com, Website: www.dcwlimited.com, CIN-L24110GJ1939PLC000748



CC:-

1. Central Depository Services (India) Ltd., Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013
2. National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
3. Bigshare Services Private Limited, Office No S6 - 2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093

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ALIGNMENT. ACTIVATION. EXECUTION.

Taking positive transformation to growth



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Forward-looking Statements

Certain statements in this document constitute "forward-looking statements," which involve known and unknown risks and opportunities, other uncertainties, and important factors that could turn out to be materially different following the publication of actual results. These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events. We have tried, wherever possible, to identify such statements by using words such as 'estimates,' 'expects,' 'projects,' 'intends,' 'plans,' 'believes,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.



ALIGNMENT. ACTIVATION. EXECUTION.

Taking positive transformation to growth

Emerging strong out of the last two years of unprecedented disruptions, our resilience has demonstrated our unrelenting pursuit for value creation. This has paved the way to upscale our strategies from positive transformation - to positive growth. Converging our resources to produce essential and niche, value-added chemicals align us with a future that activates robust development. Today, our integrated business model has evolved a diversified portfolio of products, aptly catering to the demands of the marketplace. By maximising our operating leverage, we are firmly grounded to maximise our return on capital, and to withstand future market cycles.

With our proven management skills and exceptional product quality levels, we are looking forward to entering an era of post-Covid growth, gilded with opportunity. Our strong leadership is acutely aware of this moment, knowing how well-timed DCW's turnaround story is, to take advantage of buoyant market conditions to yield accelerated results. Today, we are well aligned to make the most of our resources: our people, our operating leverage, and our financial capital. We are also in an ideal position to heighten our value creation journey.

Join us on an exciting expedition of delivering scale and building growth.



To view Annual Report 2021-22 online, visit:
<http://www.dcwlimited.com/>



206.08

+3.48

1.549.62

+22.38

25,645.39

+329.15

8,342.59

+45.27

12,345.32

+129.84

26,343.98

+28.62

20,605.58

+854.24

96.80

+0.68

78.29

+1.80

1,218.38

456.60

2510.41

7,513.08

2,168.02

64%

76%

98%

65%

208.33

26.42

19.05

STRATEGIC REPORT

- At a Glance

- Chairman's Message

- Prioritising Health & Safety

- Manufacturing Excellence

- Our Responsibility To Society

- Our Portfolio

- Key Performance Indicators

- Corporate Information

- Board of Directors



At a Glance

Carrying Forward Upholding A Rich Legacy

The DCW story goes back to 1925 when the foundation stone of India's first Soda Ash factory at Dhrangadhra a small principality in the state of Gujarat in West India, was laid. The plant was taken over in 1939 and run under the name of Dhrangadhra Chemical Works.

We have now evolved into a diversified, business with a portfolio of over 12 products along with a strong exports clientele, with a major presence in the USA, Europe, Japan, Malaysia and Netherlands. Our Basic Chemistry product range provides key ingredients to the manufacturers of agricultural products, detergents, food, pharmaceuticals, pigments, fertilizers, alumina and other industrial products. Moreover, to maintain sustained economic growth and build an innovative product pipeline, we have established our R&D centre in Sahupuram, Tamil Nadu, which is home to world-class Research & Development capabilities in chemistry.

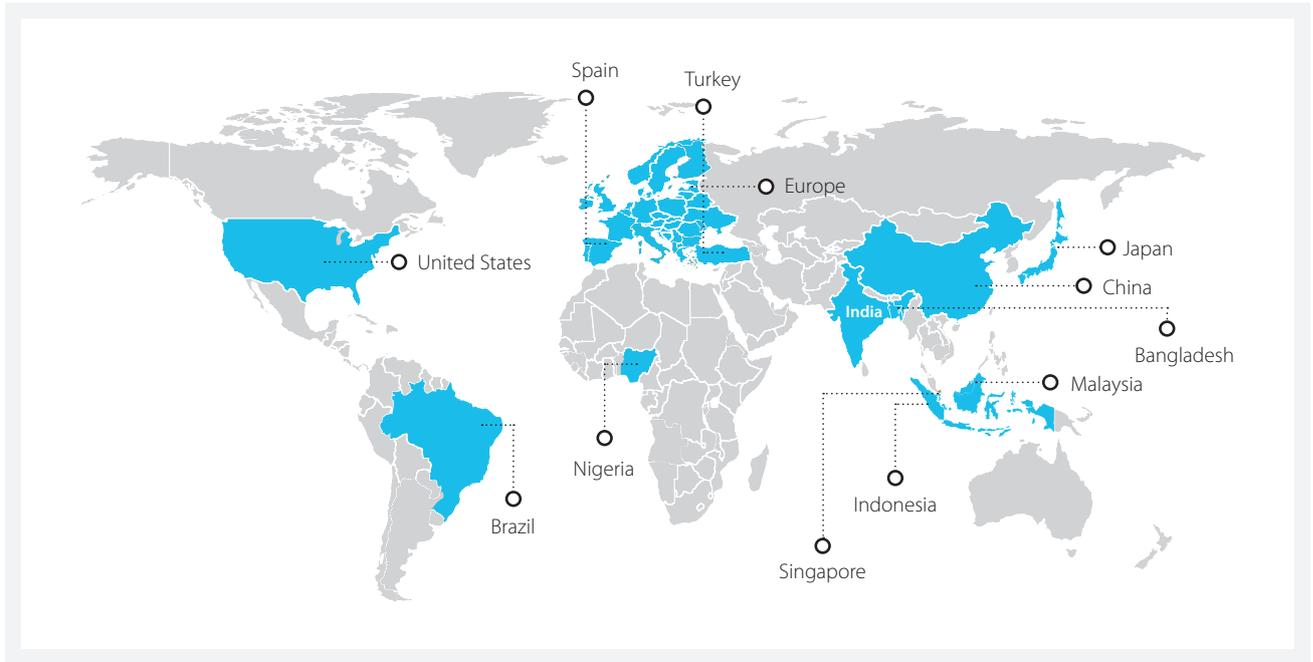


Dhrangadhra, Gujarat



Sahupuram, Tamil Nadu

Markets We Serve



12+

Countries

13.5%

EBITDA

100+

Customers Globally

₹ 24,547 million

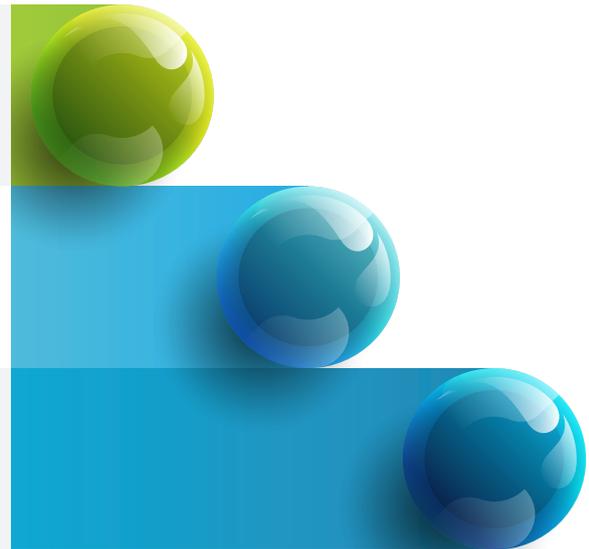
Revenue from Operations

60%

Revenue CAGR growth in specialty chemicals since FY17

70_{MW}

Captive Power capacity



Chairman's Message



Mr. Pramod Kumar Jain
Chairman & Managing Director



The prospect of accelerated growth in the present is a testament to our resilience in the recent past.

Dear Shareholders,

Over the last two years, the novel coronavirus has presented an unprecedented health crisis. The challenges we have all faced as a global economy and as a society have been amongst the most testing in over a century. I share my deep condolences with those of you that have lost dear ones to this global malaise.

It is also with profound grief that we remember Dr. Shashi Chand Jain, the Chairman Emeritus of DCW Limited, who sadly passed away on August 6, 2021. Over the years, the Company benefitted immensely from more than six decades of his service through various leadership roles. His dynamic leadership helped DCW at different stages of its evolution. We are all deeply indebted to him and hold it upon ourselves to carry forth his vision.

Our fiscal year 2022 has seen a significant turnaround in post-Covid market conditions. The prospect of accelerated growth in the present is a testament to our resilience in the recent past. We responded proactively to support our people and sustain our operations through the restrictions and pressures of multiple national lockdowns. Apart from setting up stringent SOPs at our operations for protecting the health and safety of our staff and workers, we organised numerous vaccination drives without charge for all our employees and their family members. We were committed to comprehensively supporting our people in combatting the second wave of the global Pandemic.

Positioned for Growth

Throughout the Pandemic, our priority has been the well-being of our people. In addition to extending a hybrid model of work culture, the Company rolled out its operations with the minimum workforce to continue delivering the committed output to its customer. We have worked diligently to foster employee engagement through online resources to create a culture of support and understanding where everyone can access the assistance they need. Our employee-led staff networks were a valuable source of advice and practical support and played a crucial role in preserving the culture of our business while we worked from home. The Board admires the resilience imbibed by everyone for their vigorous work and commitment throughout this time.

As with most industries, DCW, too, faced several challenges from the less than exuberant domestic and global demand for its products. Nevertheless, we are fortunate to belong to an industry that has shown remarkable resilience through these two years. The Indian chemical industry remains one of the fastest-growing industries in the world. Demonstrating reliability while treading the beaten path is part of DCW's business model. By ensuring the consistent generation of free cash flows combined with the efficient use of capital and prudent decision-making, we have carefully curated our business, keeping in mind a turbulent world business environment.



The Indian chemical industry remains one of the fastest-growing industries in the world, and demonstrating reliability while treading the beaten path is part of DCW's business model.

Thankfully, our dispersed market presence across multiple countries and diversified product portfolios has kept us resilient through challenging market conditions. Today, we have evolved into an enduring specialty chemicals business, with an extensive portfolio of over a dozen products serving more than 100 customers globally.

Over the last five years, DCW has been on a steady journey of building a bigger and better high-margin specialty chemicals business to provide consistency to the bottom line. The EBITDA mix between Commodity Chemicals: Specialty Chemicals for FY2022 stood at 72:28. Your Company continues to focus on increasing the volume share from specialty chemicals, which will help DCW to boost its margin profile and return ratios. Today, the Company has various products in its specialty chemicals portfolio like C-PVC, SIOP and Synthetic Rutile. The Company is one of the few large-scale synthetic iron oxide manufacturers for red and yellow pigments and the only C-PVC manufacturer in India.

Considering our prospects for the near-term future, I can firmly say that we are positioned for growth in FY2023. Emerging strong out of the last two years

Chairman's Message

of unprecedented disruptions, our resilience has demonstrated our unrelenting pursuit of value creation. This has paved the way to upscale our strategies from positive transformation - to positive growth. Converging our resources to produce essential and niche, value-added chemicals aligns us with a future that foreshadows robust development. By maximising our operating leverage, we are firmly grounded to maximise our return on capital and withstand future market cycles. From this activated position, I am pleased to share with you our performance for FY2022.

Performance by Numbers

Our revenue from operations for FY2022 stood at ₹ 24,547 Million, compared to ₹ 14,643 Million in FY2021, giving us growth of 67.6% YoY. The overall revenue growth in specialty chemicals was driven by 79.9% and 44.9% YoY growth in our SIOP and C-PVC businesses, respectively. The overall demand for our products rebounded stronger on the back of a revitalising economy, especially for PVC, CPVC & SIOP, giving us the window to exploit our operating leverage.

For FY2022, our EBITDA grew by 49.9% YoY to ₹ 3,309.4 million, compared to ₹ 2,207.2 million in FY2021. As part of our value-added portfolio, PVC and CPVC contributed to the higher share in our overall EBITDA. EBITDA margin for FY2022 stood at 13.5 %, softer by (160) bps on a YoY basis. Our navigation on raw material inflation and tight-fisted oversight of operational overheads contributed to minimal margins erosion despite significant disruption in the global supply chain.

Our revenue from our bulk portfolio, including the Soda Ash business, stayed steady at ₹ 2,024 million in FY2022 from ₹ 1,787 million in the previous fiscal period, and our Caustic Soda business did well to generate ₹ 6,702 million in Revenues as compared to ₹ 3,557 million in the previous fiscal period.

Our PVC segment reported a revenue of ₹ 12,434 million in FY2022; 76% growth YoY. Firm PVC prices, coupled with better capacity utilisation, continued to characterise the performance of this division. Our

49.9 % YoY
EBITDA growth FY2022

67.6 % YoY
Revenue from operations FY2022

79.9 % YoY
SIOP overall revenue growth 2022

C-PVC revenues increased by 45% YoY and stood at ₹ 2,153 million in FY2022 as against ₹ 1,486 Million in FY2021. The growth was primarily driven by higher capacity utilisation and firm domestic prices. Our SIOP business continued to sustain its turnaround story from last year, producing revenue growth of 80% YoY and stood at ₹ 1,075 Million for FY2022.

The Future Beckons

The outbreak of the COVID-19 Pandemic had put the Indian government's resolve to the test. Overall, the period had been a challenging year for the Indian economy, with an 8% contraction in CY2021. However, there was a lot of relief following the announcement of the Union Budget for FY2021-22. It focused on strengthening the Nation First Vow, which included, among other things doubling farmer income, supporting infrastructure, making India healthier, better governance, improving opportunities for youth, universal education, women empowerment, and inclusive growth. In addition, the government's prompt

vaccination efforts have resulted in more than 1.9 billion inoculations. From a comparative perspective, India is expected to do well in the short-to-medium-term, with projected growth in FY2023 at 8.2% per IMF. The ADB has forecasted India's growth at 7.5% in FY2023, increasing to 8% in FY2024 based on the continued momentum of infrastructure investment. Based on these prospects, India is set to become a global growth leader among major world economies. As consumers and industry regain confidence, industrial consumption and output increases will positively impact our business.

However, one must remain cautious of several headwinds. For starters, the ongoing Eastern European war has incited global inflation, a food and oil crisis, and resulting fear of global recession. As we witness a long-drawn conflict in Eastern Europe persist into FY2023, these headwinds may take longer to subside. Despite these headwinds, we remain cautiously optimistic. We believe in the ability of the Indian economy to deliver a formidable showing.

Today we are stronger and more focused on the foundation required to achieve our vision of becoming the premier specialty chemicals company. We are well invested in our manufacturing capital and have sufficient capacity to see through demand growth in the medium term. Going forward, we are focused on maximising our operating leverage and our return on capital. We are already beginning to see strength reflected in our numbers.



Going forward, we are focused on maximising our operating leverage and our return on capital. We are already beginning to see strength reflected in our numbers.

I would like to express the Board's sincere gratitude to all our stakeholders for your support and faith in DCW Limited. With our positive transformation in progress, we are aligned and activated to execute towards new milestones by chasing scale and quality growth. We look forward to being a sustainable and responsible value creator for society's benefit.

Yours sincerely,

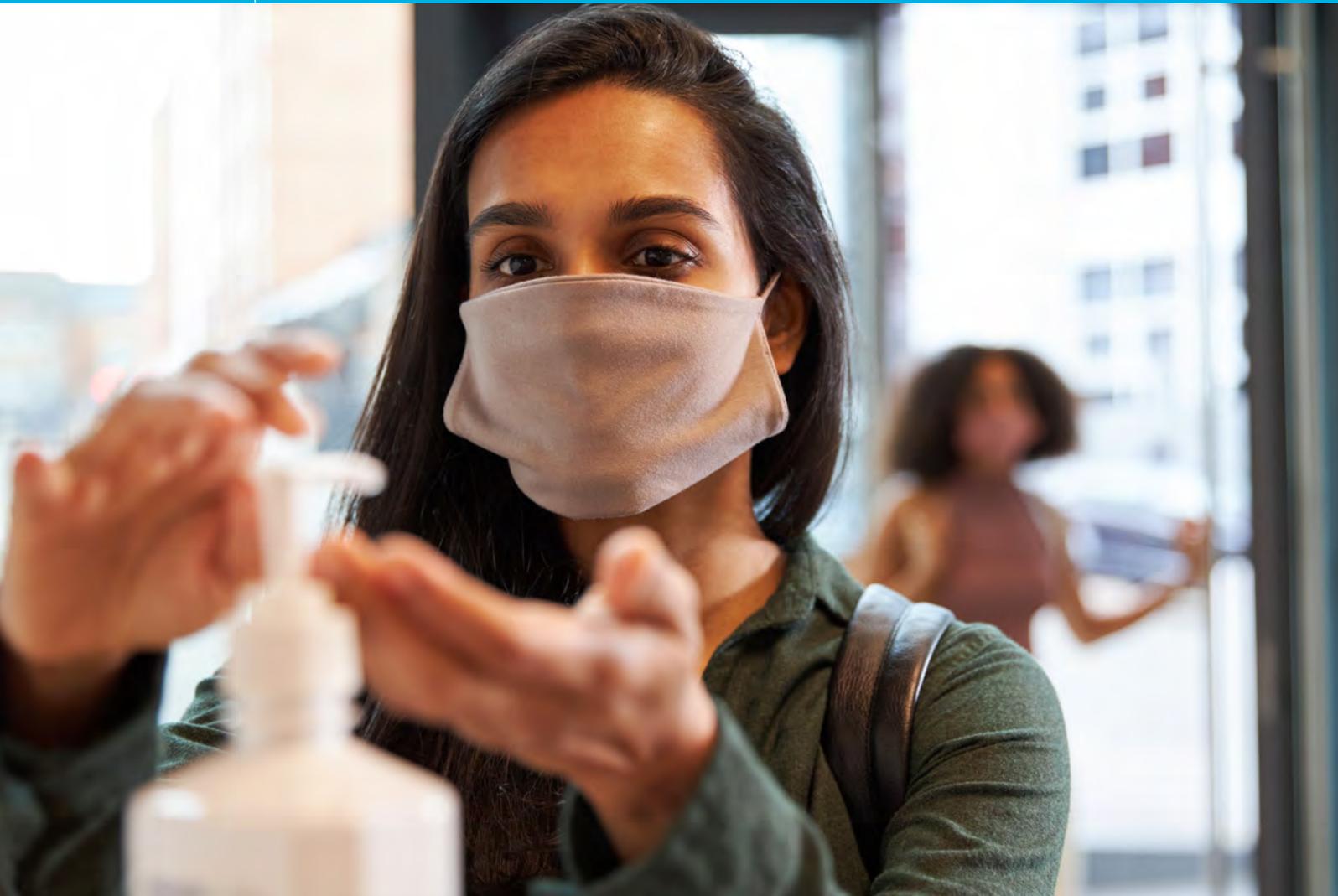
Mr. Pramod Kumar Jain
Chairman & Managing Director



Prioritising Health & Safety

Our contribution to battling the Covid-19 pandemic

Applying a people-first mindset to ensure the safety of our people and the continuity of our operations.



Despite the Omicron variant's arrival, we maintained a safe working environment during FY2022. We have maintained a focus on public safety through a variety of workplace practices and protocols. We are pleased to announce that no fatalities occurred at any DCW locations during FY2022. We are also grateful for the collaborative effort from our people towards this outcome.

Vaccinating ourselves protects us, our families, friends and society. As a responsible employer, we are also providing vaccine access to all our employees in a timely manner while always respecting the local and national regulations. In addition, we have established on-site vaccination programmes wherever feasible and possible.

DCW is also extending support to our local community in the adjoining villages around our plants in Dhrangadhra, Arumuganeri and Sahupuram through various ground measures to contain the spread of COVID-19. These initiatives included various preventive measures deployed in and around our works to help keep our employees and the local community safe during these challenging times.

As a well-being measure for our employees, we tied up with private hospitals to ensure the availability of beds and oxygen to our infected employees. Furthermore, we organised seminars on holistic health issues with renovated specialists in the medical field and conducted health camps to benefit our employees in association with our allied hospitals.

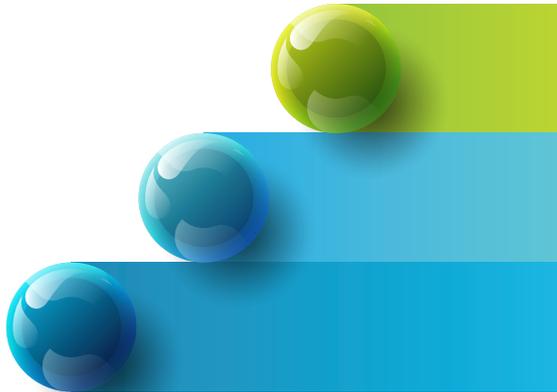
The COVID-19 preventive vaccine hit the market in March 2021 and was initially available only in Private hospitals and was later introduced in PHCs. We have conducted workplace vaccination camps with most of our employees now inoculated. To fast-track the vaccination drive, we have made the vaccine available by tying up with hospitals. We intend to ensure that 100% of our employees are vaccinated in the immediate future. At DCW, we have accepted working under new normal and the impact of the pandemic on business operations continuity was at a minimum during FY2022.

Manufacturing Excellence

An accelerated approach toward sustained progress

We want to accelerate and sustain progress by using our knowledge in manufacturing processes, human dynamics, and automation.





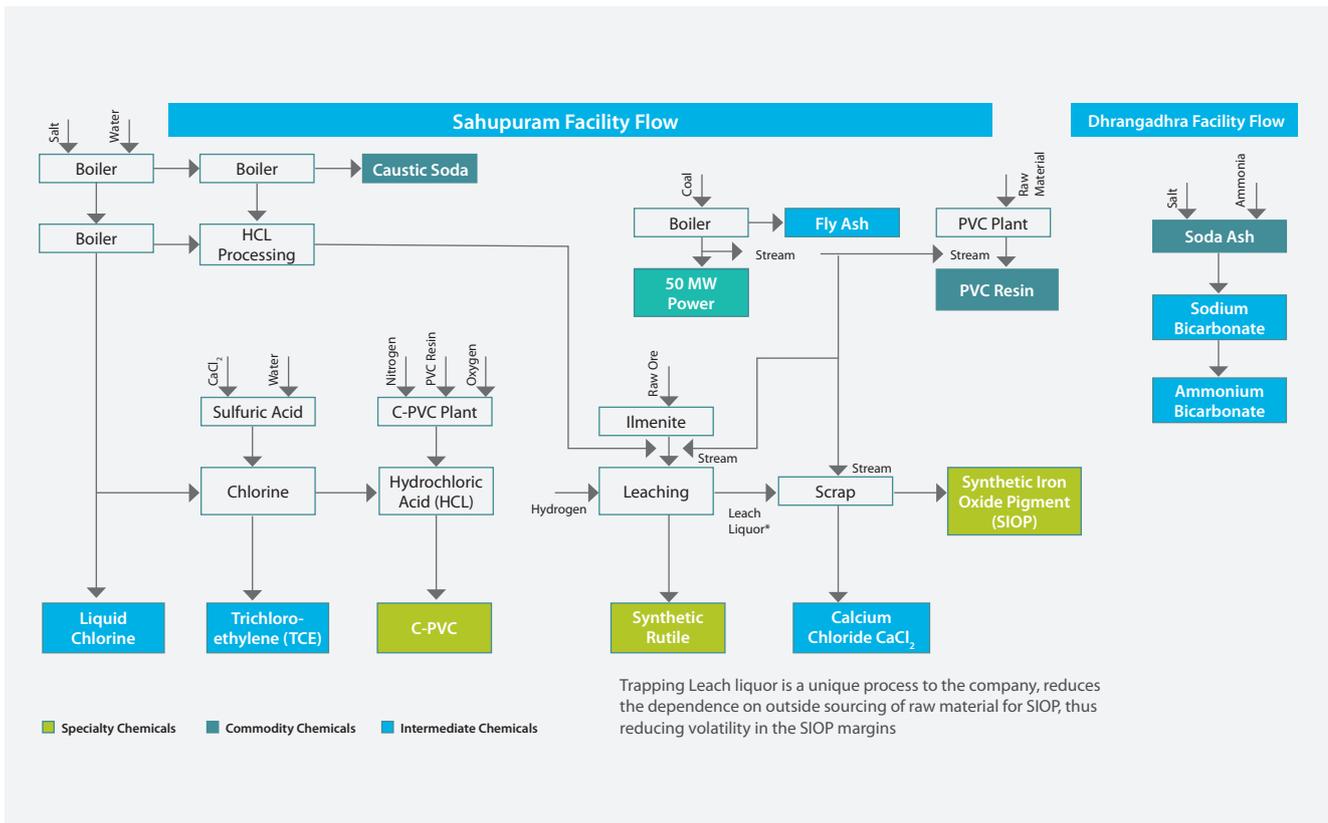
For DCW, manufacturing excellence represents much more than a production benchmark. Ensuring safety while maximising machine performance and plant capacity is only the first step of our overall programme towards operational excellence. The second step imbibes employee training and satisfaction for esteemed customer service as an outcome of profound organisational efficiency.

Our plant facilities include one in Dhragandhra and one in Sahupuram, Tamil Nadu, which is multi-purpose and self-sufficient. We have invested heavily in cutting-edge technology at our Sahupuram manufacturing facility, spread across 2,500 acres of land, to ensure the highest level of safety, product quality, productivity, efficiency, and consistency in the end product. The plant can produce new products quickly and scale up in response to client demand. The plant's proximity to the Tuticorin port gives it an advantage over competitors' exports to international markets. The plant also has a captive power plant with an installed power generation capacity of 70 MW (12 MW oil-based CPP and 58 MW coal-based co-gen) to meet the plant's power consumption demand.

| Strategic Location | Captive Power Plant | Exclusive Technological Tie-ups for Specialty Chemicals | Higher Investments |
|--|--|--|---|
| <ul style="list-style-type: none"> » Sahupuram facility situated in the vicinity of the port provides logistical advantage for the export markets and tactical raw material procurement | <ul style="list-style-type: none"> » 58 MW Cogen Power Plant + 12 MW DG sets for backup at Sahupuram, Tamil Nadu facility reduces dependency on external power supply | <ul style="list-style-type: none"> » India's sole manufacturer of C-PVC with licensed technology from Arkema (one of the four companies in the world to hold the IP for C-PVC) to manufacture 10,000 TPA of CPVC Resin & 12,000 TPA CPVC Compound » One of the world's largest commercial scale plants to produce 27,000 TPA SIOF along with 50,000 TPA Calcium Chloride with technology from Rockwood Pigments and patented technology for Yellow Pigment | <ul style="list-style-type: none"> » Over 2,000-acre land at Sahupuram facility provides easy scale-up opportunity for specialty chemicals and PVC without incurring additional capex for land |



Manufacturing Excellence *contd...*



Our manufacturing facilities are also outfitted with amenities that aid in the recovery, recycling, preservation, and reduction of water consumption, demonstrating our commitment to environmental initiatives. Our manufacturing facilities have received numerous awards over the years, including the energy-efficient unit award (name of the party giving the award), the expert recognition award from the Ministry of Commerce & Industry, and the safety award for the most prolonged accident-free period.

Our Manufacturing Facilities

| Chemicals | C-PVC | SIOP | PVC | CAUSTIC SODA | SODA ASH |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| City | Situated at Sahupuram | Situated at Sahupuram | Situated at Sahupuram | Situated at Sahupuram | Situated at Dhrangadhra |
| Capacity | 10,800 TPA | 27,000 TPA | 90,000 TPA | 96,000 TPA | 1,08,000 TPA |
| Production | 11,472 | 14,678 | 94,706 | 72,035 | 90,697 |
| Capacity Utilisation (%) | 106% | 54% | 105% | 75% | 84% |
| Revenue (₹ Million) | 2,153 | 1,075 | 12,434 | 6,702 | 2,024 |

Intermediate chemicals ensure self-sufficiency and an additional source of revenue. The intermediate chemicals are either used to make other products or are sold in the open market based on prevailing market demand and supply. The focus is to create value-added, high-margin products by using intermediate chemicals. At DCW, we take great pride in our plant asset management so that we are always in the best condition to maximise our bottom-line potential.



Intermediate Chemicals – Product Overview

| Intermediate Chemical | Capacity (TPA) | Application |
|-----------------------|----------------|--|
| Liquid Chlorine | 36,000 | Captive Consumption - C-PVC |
| Hydrochloric Acid | 90,000 | Captive Consumption – Synthetic Rutile |
| Trichloroethylene | 7,200 | Sold in the open market |
| Ferric Chloride | 6,000 | Captive Consumption – SIOP |
| Utox | 1,800 | Sold in the open market |
| Sodium Bicarbonate | 21000 | Sold in the open market |
| Ammonium Bicarbonate | 5000 | Sold in the open market |

Our Company aims to increase the revenue contribution from PVC and speciality chemicals while keeping the production and utilisation of Caustic Soda and Soda Ash at its optimum level. We remain committed to long-term performance improvement and the potential of speciality chemicals in driving sustainable growth into the future.

Strengthening Our Financial Capital

Entering a virtuous cycle of maximising operating leverage and free-cash-flow generation

A strong balance sheet and better working capital availability are enabling DCW to fund the execution of its growing order book and deliver quality earnings.

Our Approach to Financial Performance

At DCW, our primary objective is to facilitate growth with resilient financial performance for the long term. We aim to generate earnings for our shareholders and deliver value for our customers by optimally maximising our operating leverage while reacting to market dynamics with agility. Our emphasis on steadily improving our working capital availability ensures that we can run our manufacturing processes as a well-oiled machine, entering a virtuous cycle of maximising output leverage and free cash flow generation.



As we provide a robust portfolio of niche and value-added speciality chemicals, we are focused on ensuring our manufacturing capital is positioned to yield maximum free cashflows. This, in turn, allows us to bolster our working capital and translate our operating leverage into wider bottom-line contributions. Through this rotation of financial and manufacturing capitals, we are determined to be on a journey of continuous value creation for our shareowners by improving our ROE and EPS.

Financial Strategy

How we approach growing our working capital availability is at the core of our financial strategy. Overall, our decision-making process aims to:

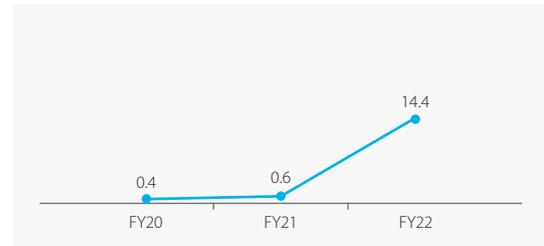
- Maximise long-term shareholder value through a diversified, risk-adjusted portfolio
- Utilise our manufacturing capital to competitive advantage and maximum value to customers
- Maximise our operating leverage to improve financial capital availability and bottom-line contributions
- Optimise our business performance relative to the outlook for our markets on a long-term basis
- Provide financial strength to execute our strategy, maintain an investment-grade credit rating, and maintain capacity levels to both absorb and respond to market dynamics

At DCW, we continually review these objectives in conjunction with our overall strategic review.

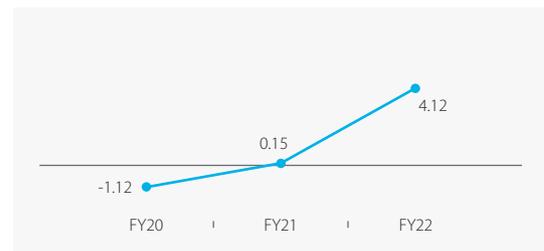
How we measure Financial Performance

When measuring financial performance, we focus on the Net Debt-to-EBITDA ratio, Return on Equity and Earnings per Share to measure our ability to pay debts and the returns we achieve for our shareholders.

ROE (%)

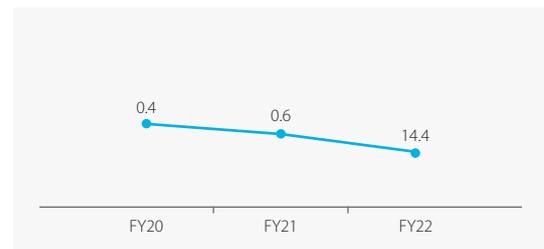


EPS

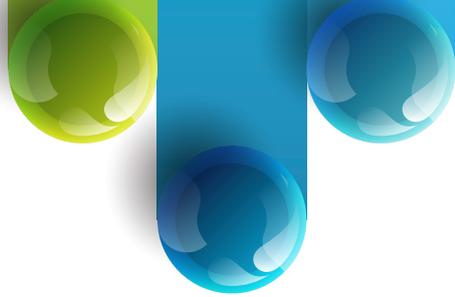
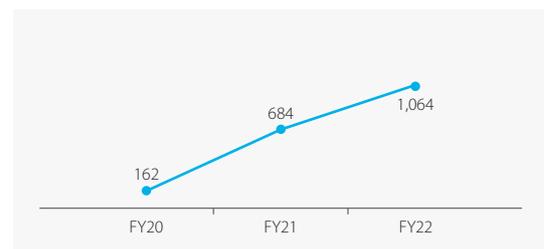


Net Debt/ EBITDA

The net debt-to-EBITDA ratio demonstrates DCW's ability to generate funds and maintain debt at optimum levels. The reduction of the Net Debt / EBITDA ratio from 0.82 in FY2020 to 0.55 in FY2022 demonstrates DCW's ability to service its debt comfortably.



Market Capitalisation (Crore)



Our Responsibility To Society

Our contribution to battling the Covid-19 pandemic

Our values underscore our duty to the environment and society. We are not just onlookers but duty-bound to participate and be part of solutions.





At DCW, this means we observe, join the conversation and work to make things better. It underpins how we govern our Company and helps foster an empathetic working culture. We continuously look for and implement innovative ways and solutions to address social and environmental challenges in our markets, and to help our communities achieve growth, prosperity and fulfilment through our various CSR initiatives. Such initiatives enable us to contribute to India's advancement and earn the trust of our stakeholders.

Our CSR initiatives have aimed to empower our rural communities with improvements in infrastructure, investments in water and agricultural welfare, provisions of health and safety resources during Covid-19, and the enrichment of educational and communal ecosystems for the next generation.



The longevity of our communities depends on how we care for our farmers, our land, and our environment. From desilting initiatives to aiding in the protection of natural resources through the formation of earthen bunds, we are actively involved in improving livelihoods and nurturing a culture of sustainable agricultural protection.



The Covid-19 pandemic demanded proactive support and preventative care. Alongside the distribution of masks and donations of oxygen concentrators, we hosted comprehensive awareness campaigns amongst community members and school children.

Places to grow, play, and gather are vital to fostering positivity and a sense of belonging in our communities. DCW is part of translating this ideal into reality through improving resources that catalyze community enrichment; from hosting village sporting events to donating printers and computers to local schools.



Our Portfolio

| SODA ASH | CAUSTIC SODA | PVC |
|--|---|--|
| <p>Soda Ash, also known as Sodium Carbonate, is a white, anhydrous, powdered or granular substance with the chemical formula Na_2CO_3. It is made from salt and lime stone as basic raw material. Soda Ash is an essential raw material used in the manufacturing of glass, detergent chemicals, dye-stuffs, petrochemicals and other industrial products.</p> | <p>Caustic Soda (Sodium Hydroxide) is a versatile alkaline chemical. Its main applications are in the manufacture of pulp and paper, alumina, soap and detergents, petroleum products, and chemical production. Other applications include water treatment, food, textiles, metal processing, mining and glass making.</p> | <p>PVC resin is produced by Polymerization of Vinyl Chloride Monomer (VCM) Polyvinyl Chloride is a high strength thermoplastic material widely used in applications, such as pipes, medical devices, wire and cable insulation...the list is endless. It is the world's third-most widely produced synthetic plastic polymer.</p> |
| <p>Growth drivers and Usage:</p> <ul style="list-style-type: none"> • Our product mainly goes into Detergents and other chemical industry. • Demand for soaps and detergents, especially in developing nations, is increasing due to rising standard of living and hygiene consciousness. • Further, there is an increase in demand due to use of waste-water treatment by the governments of several countries in the past few years. | <p>Growth Drivers and Usage:</p> <ul style="list-style-type: none"> • Caustic Soda is increasingly used in the production of alumina, pulp and paper industry and textile industry. These sectors contribute to the largest market share of Caustic Soda consumption market. • With general increase in awareness for water conservations, waste management, and the general scarcity of potable water, Caustic Soda is also expected to see a growth in water purification and waste management Industry. | <p>Growth Drivers and Usage:</p> <ul style="list-style-type: none"> • The construction sector is the principal driver of PVC demand, globally. Low per capita consumption of PVC and greater economic development in the fast growing developing countries of China, India and Brazil are driving the global demand for PVC in construction applications. • Pipes & tubes and profiles account for the bulk PVC demand from this sector, with pipes & tubes accounting for nearly half the demand for PVC from construction applications. • The primary growth drivers of the PVC pipes and fittings market in India have been rising government investments in irrigation, housing and sanitation through schemes such as Housing for All, AMRUT and PMKSY. |
| <p>Segment Performance:</p> <ul style="list-style-type: none"> • Situated at Dhragandhra, Gujarat. • Total revenue from the Soda Ash business for FY2022 stood at ₹ 2,024 million, a growth of 13.3% on a YoY basis. | <p>Segment Performance:</p> <ul style="list-style-type: none"> • Situated at Sahupuram, Tamil Nadu. • Total revenue from the Caustic Soda business for FY2022 stood at ₹ 6,702 million, registering a growth of 88.4% on a YoY basis. | <p>Segment Performance:</p> <ul style="list-style-type: none"> • Situated at Sahupuram, Tamil Nadu. • Total revenue from the PVC business for FY2022 stood at ₹ 12,434 million, compared to ₹ 7,082 million in FY2021. • The growth in the revenue is attributed to higher sales coupled with better realization on product manufactured by the division during the year. |

SIOP

Synthetic Iron Oxides are one of the most important part of the Inorganic Pigments family and also the second highest selling pigments in the world after Titanium Dioxide. The reason of their popularity is their highly stable nature and good strength. They are resistant to UV rays, salty weather and all different kind of atmospheric conditions. Due to these reasons they are used in a wide variety of applications, the major being coatings and construction.

Growth drivers and Usage:

- Iron Oxide Powders are most widely used in coloured inorganic pigments in concrete products, paints, plastics, and other material.
- The demand from the construction industry coupled with increasing urbanization are likely to be major drivers for the global iron oxide market.

Segment Performance:

- Situated at Sahupuram, Tamil Nadu.
- Total revenue from the SIOP business for FY2022 stood at
- ₹ 1,075 million, registering a growth of 80% on a YoY basis.
- Between FY2016-FY2022, SIOP revenue grew at a CAGR of 56.6%.
- The growth in the revenue is largely attributed improved working of the division and , higher sales coupled with better realization on the product.

C-PVC

Conceptually, C-PVC is a PVC homopolymer that has been subjected to a chlorination reaction. C-PVC is inherently inert to acids, bases, salts, and aliphatic hydrocarbons, all of which tend to eat away the metals.

It is this inherent chemical resistance, coupled with its temperature and pressure resistance, that enables its use in a variety of industrial and commercial applications.

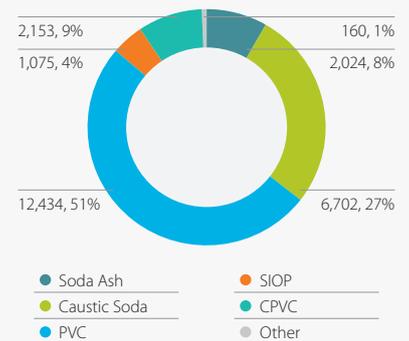
Growth Drivers and Usage:

- C-PVC is used in a variety of industries, including construction, chemical, healthcare, and material handling equipment.
- Never-ending and ever-growing demand for safe and reliable pipe & fitting solutions in commercial and residential buildings.
- Rising product applications in residential and commercial spaces, firefighting sprinkler devices, home heating devices, and piping products shall positively influence product demand in the coming years.

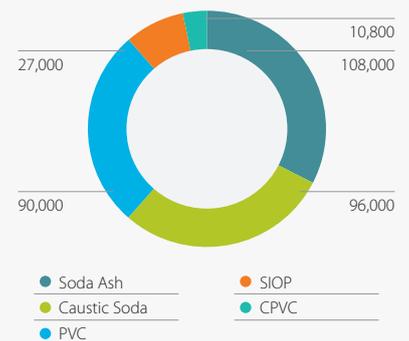
Segment Performance:

- Situated at Sahupuram, Tamil Nadu.
- Total revenue from the C-PVC business for FY2022 stood at ₹ 2,153 million, compared to ₹ 1,486 million, registering a growth of 45%.
- This growth is attributed to stable working of the division and higher sales coupled with better realization on the product.

Segment-Wise Revenue (₹ in Million)

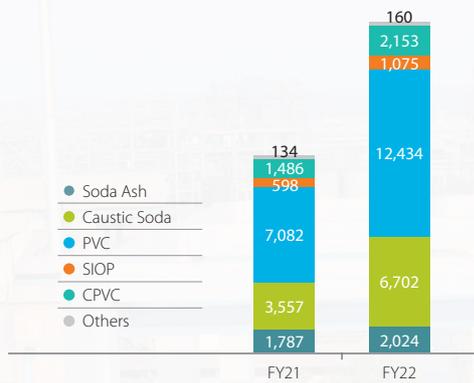


Installed Capacity (MTPA)

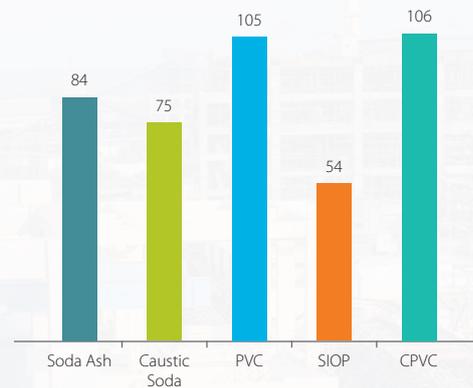


Key Performance Indicators

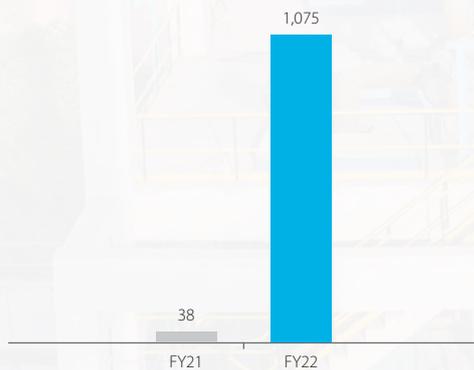
Segment-Wise Revenue (₹ in Million)



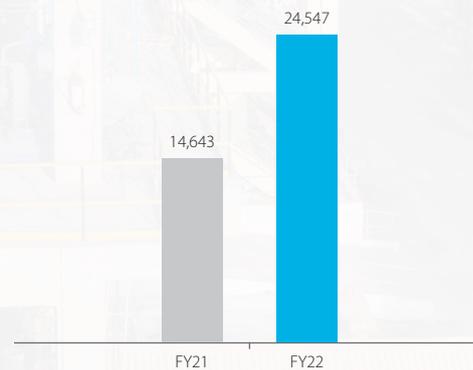
Capacity Utilisation (%)



PAT (₹ in Million)



Revenue From Operations (₹ in Million)



Corporate Information

Board of Directors

Dr. Shashi Chand Jain – *Chairman Emeritus*
(Demised on August 6, 2021)

Mr. Pramodkumar Jain – *Chairman and Managing Director*

Mr. Bakul Jain – *Managing Director*

Mr. Vivek Jain – *Managing Director*

Mr. Mudit Jain – *Managing Director*

Resigned w.e.f. October 8, 2021

Independent Directors

Ms. Sujata Rangnekar

Mr. Krishnamoorthy Krishnan

Mr. Mahesh Vennelkanti

Mr. Salil Kapoor – Resigned w.e.f. March 22, 2022

Chief Financial Officer

Mr. Vimal Jain – Retired w.e.f. June 30, 2022

Mr. Pradipto Mukherjee – Appointed w.e.f. July 1, 2022

Chief Executive Officer

Mr. Amitabh Gupta

Company Secretary & Compliance Officer

Mr. Dilip Darji

Bankers

Punjab National Bank

State Bank of India

City Union Bank Ltd.

Auditors

Chhaged & Doshi

Chartered Accountants, Mumbai

Secretarial Auditors

S. K. Jain & Co.

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

PVC Division

PVC Division

SIOP Division

Arumuganeri P.O.,
Sahapuram – 628 202,
Tamil Nadu

Salt Works

Kuda, Gujarat

Arumuganeri P.O.,
Sahapuram – 628 202,
Tamil Nadu

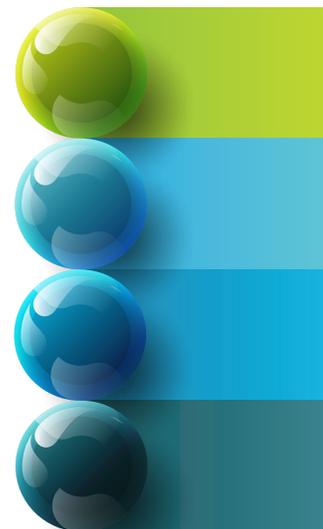
Registrar

Bigshare Services Private Limited

Office No. S6-2, 6th floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road, Andheri (East)
Mumbai - 400 093

Tel.: 022 – 626368200, **Fax No.:** 022- 62638299.

E-mail: investor@bigshareonline.com



Board of Directors



Mr. Pramod Kumar Jain
Chairman & Managing Director

Mr. Pramod Kumar Jain joined the service of the Company as President in 1969. He was appointed as the Director in the year 1992 and became the Managing Director in the year 1996 and was in-charge of the Soda Ash division of the Company. He has more than 50 years of wide experience in the Industry. Under his leadership, the capacity of Soda Ash Plant at Dhrangadhra has been increased from 65,000 TPA to 96,000 TPA in the year 1992-93. Presently, he is also Chairman of the Board and oversees the entire operations of the Company.



Mr. Bakul Jain
Managing Director

Mr. Bakul Jain joined the service of the Company as the Vice President in Caustic Soda Division in the year 1982. He was appointed as the Managing Director of the Company in the year 2006. He has an overall 40 years of wide experience in the Industry and presently looks after the overall general management including strategic planning and financial functions of the Company. He is in charge of new projects and diversifications. Under his leadership, the Company has also set-up a 2 x 25 MW. Thermal Co-generation plant at its Works at Sahapuram, Tamil Nadu, making the Company not only self-sufficient units power requirements but also having surplus power to sell to Electricity Boards/third parties.



Mr. Vivek Jain
Managing Director

Mr. Vivek Jain is in-charge of the PVC division of the Company. He is with the Company since 1984 and prior to his appointment as Managing Director in the year 2014, he was Sr. President of the Company. He has an overall 38 years of wide experience in the Industry. He was instrumental in the expansion of the PVC capacity. Under his leadership, the Company has set up Chlorinated Poly Vinyl Chloride Project in its Sahapuram Works.



Mr. Mahesh Vennelkanti
Independent Director

Mr. Mahesh Vennelkanti has more than 40 years of experience in leading and shaping Indian and multinational organisations across situations as a growth leader, turnaround leader and in entrepreneurial ventures. He has served as a CEO and Managing Directors of various Indian and multinational organisations.



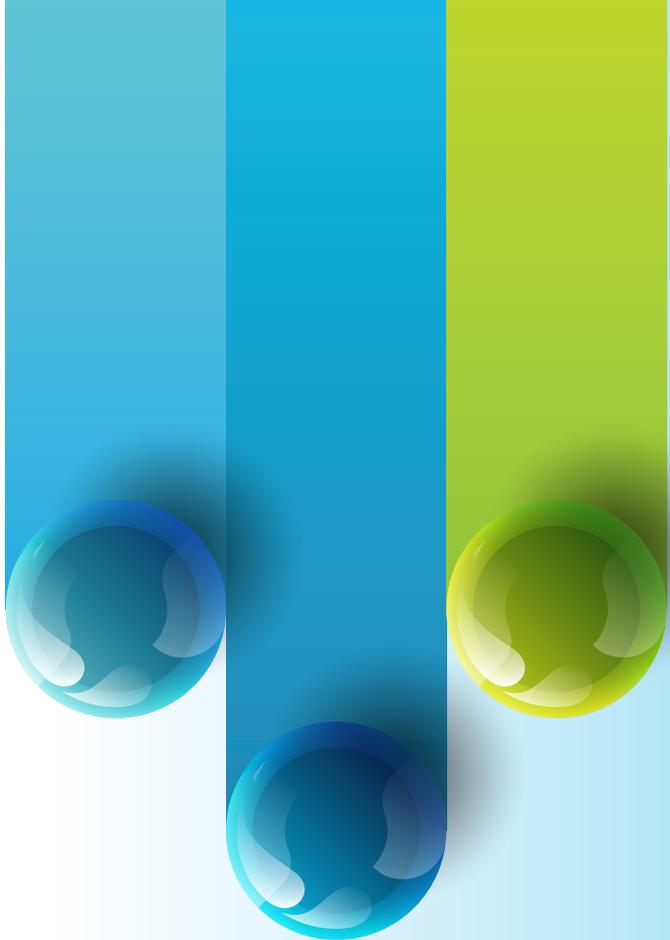
Ms. Sujata Rangnekar
Independent Director

Ms. Sujata Rangnekar is a practising Chartered Accountant and has an overall 30 years of rich experience in the field of Indirect Taxation. She was the President of the Sales Tax Practitioners Association of Maharashtra in the year 1999-2000. She was also the President of the Sales Tax Tribunal Bar Association for a term 2002-2004. She is a regular column writer and contributor to leading journals on Sales Tax.



Mr. Krishnamoorthy Krishnan
Independent Director

Mr. Krishnamoorthy Krishnan is a practising Chartered Accountant having more than 25 years practice in Sales Tax, Income Tax, Service Tax, and GST. He was pursuing the profession of teaching in the subjects of Finance – Basics, Advanced and Management and was in the onsite faculty for Champlaine College, Vermont, USA.

A decorative graphic on the left side of the page. It features three vertical bars: a light blue bar on the left, a medium blue bar in the middle, and a lime green bar on the right. At the bottom of each bar is a glossy, 3D sphere. The light blue bar has one sphere, the medium blue bar has two spheres, and the lime green bar has one sphere. The background is a light blue gradient with faint, blurred elements of a data dashboard on the right, including a line graph and some text boxes.

MANAGEMENT DISCUSSION & ANALYSIS



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Management Discussion & Analysis

Economic Overview and Outlook

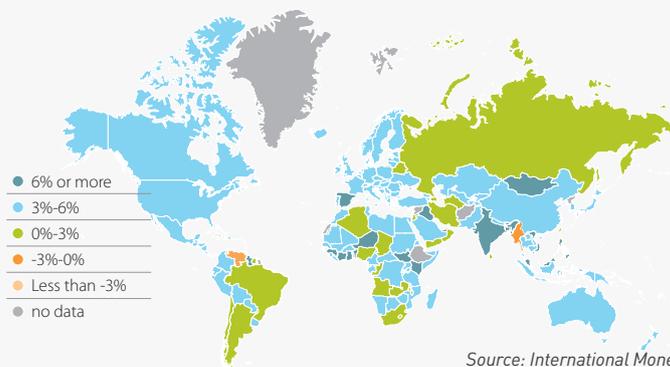
Global Economic Overview

The global economic recovery began taking shape in 2021 and is continuing into 2022, even as the pandemic persists in various parts of the World. The robust comeback in 2021 marked the highest growth rate in more than four decades and was driven by solid consumer spending and some uptake in investment, with trade surpassing pre-pandemic levels. This was despite multiple supply disruptions for many goods and products, worsening pandemic dynamics for low-income developing countries, and the highly transmissible Omicron variant of COVID-19 unleashing new waves of infections. However, the recovery during 2021 was uneven within economies. The labour market became imbalanced, with many people struggling to find jobs, while many businesses in several sectors have difficulty recruiting workers. A shortage of workers in some sectors also reflects a decline in most OECD countries' labour force participation rates. Imbalances also remain across industries, with sectors dependent on interpersonal contact such as travel, tourism and leisure continuing to suffer. At the same time, demand for consumer goods has been strong, especially in the United States and Europe.

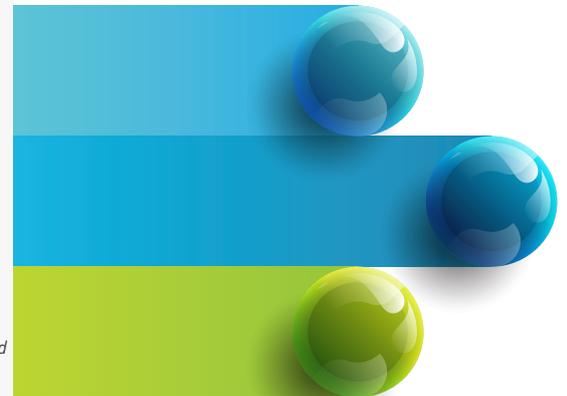
The robust comeback in 2021 marked the highest growth rate in more than four decades with trade surpassing pre-pandemic levels.

According to the International Monetary Fund, the global economy grew by an estimated 5.9% in 2021. Yet the momentum for growth – especially in China, the United States and Europe – slowed considerably by the end of 2021, as the effects of monetary and fiscal stimuli began to recede and major supply-chain disruptions emerged. Rising inflationary pressures in many economies are now posing additional risks to recovery.

Real GDP Growth (YoY percent change 2021)



Source: International Monetary Fund





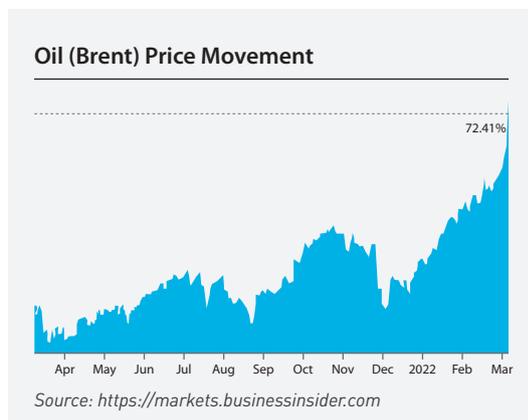
Going forward, the International Monetary Fund expects the global economy to moderate to 4.4% in 2022. A revised assumption removing the Build Back Better US fiscal policy package from the baseline, earlier withdrawal of monetary accommodation in multiple countries, and continued supply shortages and logistical bottlenecks are some reasons for a more conservative estimate for 2022. Furthermore, in China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and prolonged financial stress among property developers are other key reasons for downgrading 2022 growth. Looking further ahead, INTERNATIONAL MONETARY FUND expects global growth to slow to ~3.8 percent in 2023.

In the meantime, the rebound continues to lose momentum in 2022 as inflation pressures have emerged in most economies; disruptions in energy, food and commodity markets have pushed up prices; high energy prices and fuel shortages are limiting the manufacturing of critical materials and intermediate goods; and bottlenecks in production chains are spreading to more generalised scarcity of goods.

The recent conflict between Russia and Ukraine has added more fuel to the fire, attaching significant economic risk to the global economic recovery. The United States and European powers have stepped up unprecedented economic sanctions against Russia, which economists warn could also bite the global economy. Among multiple levels of sanctions,

Management Discussion & Analysis

Washington and Brussels have targeted major Russian banks, cutting them off from SWIFT, the global messaging system used for moving money around the World. These sanctions and a prolonged conflict are expected to disrupt the supply of many commodities that Russia and Ukraine are dominant suppliers of, causing further stress to global supply chains.



Global oil demand is set to surpass pre-pandemic levels in 2022 as fears over the latest coronavirus wave subside, creating the potential for another “volatile” year of oil prices. Oil prices are currently soaring high at levels not seen recently, caused by the economic revival driving demand for oil and oil-based products. Geopolitical tensions between Russia and Ukraine and increased instability in the Middle East add to oil market nervousness. An increase in oil price will not only be seen at gas stations, but it will be felt in virtually all the goods and services consumers use. Now amplified by energy price shocks, inflation has become a global public concern.

Indian Economic Overview

The much welcome recovery in real GDP growth that had resumed with the receding second pandemic wave lost some momentum in the second half of FY2022, with the emergence of the Omicron variant. Consequently, as per the Reserve Bank of India and State Bank of India data, GDP growth plunged from 20.3% in Q1 FY2022 to merely 5.4% in Q3 FY2022. However, according to IMF and the RBI, GDP growth is supposed to expand by ~8.0 to 9.0% in FY2022.

Agriculture and allied activities expanded by 3.3% in FY2022, supported by adequate and well-spread southwest and northeast monsoon rains, good reservoir levels and improved soil moisture, which helped rabi acreage increase by 1.5% over the previous year. Food grains production touched a new record in FY2022, with both Kharif and rabi output exceeding the final estimates and targets for FY2021.

Industrial activity lost momentum in the second half of FY2022, as manufacturing was affected by supply-side shortages and input cost pressures. Mining activity was supported by coal and natural gas, offsetting the contraction in crude oil production. Hence industrial GVA decelerated sharply from 23.1% in H1 to 0.9% in H2. The Services sector activity grew by 7.1% in H2 and crossed its pre-pandemic level. The contact-intensive services, such as trade, hotels, transport, and communication, inched towards normalisation, though their rebound was held back by the Omicron variant.

Merchandise exports and imports remained buoyant in FY2022. Exports at \$42.2 billion touched a new record in March 2022 and remained above \$30 billion for the thirteenth consecutive month. During FY2022, merchandise exports at \$419.6 billion crossed the target of \$400 billion. The \$300 billion mark was achieved in FY12 (\$306 billion), and hence India took almost a decade to add an incremental \$100 billion in exports. Merchandise imports reached an all-time high of \$60.7 billion in March 2022 and remained above \$50 billion for the seventh consecutive month in March 2022. Overall, India’s merchandise exports (YoY) increased by 43.8% in FY2022 vis-à-vis a decline of 6.9% in FY2021, while imports grew by a whopping 55.1% in FY2022 compared to a 16.9% contraction in FY2021. India recorded a current account deficit of 1.2% of GDP in April-December 2021 against a surplus of 1.7% in April-December 2020 on a sharp increase in the trade deficit. **(Source Reserve Bank of India, State Bank of India)**

Though CPI inflation is projected to average below 6.0% FY2023 (FY2022 average: 5.7%) by RBI, there remain several upside and downside risks to this inflation forecast. The upside risks emanate from



a further hardening of global crude and other commodity prices due to geopolitical tensions, longer-than-expected supply chain disruptions, a more significant pass-through of input cost pressures to output prices in the event of stronger demand conditions and global financial market volatility induced by a quicker than expected normalisation of monetary policy by the advanced economies. The downside risks arise from an early mending of supply chain disruptions, a muted pass-through to output prices, a correction in global commodity prices due to more than expected global demand weakening, and an easing of geopolitical tensions.

As per the RBI, real GDP growth is expected at 7.2% in FY2023. Upside risks to growth could emanate from more potent and sustained expansion in domestic demand, including for contact-intensive services, a boost to private investment activity from the confluence of the Government's thrust on capital expenditure, the prospect of normal monsoon and

As per the RBI, real GDP growth is expected at 7.2% in FY2023.

healthier corporate balance sheets. On the contrary, the heightened geopolitical tensions – resulting in the significant hardening of international crude oil and other commodity prices to multi-year highs on a sustainable basis, the upsurge in global financial market turmoil and the loss of momentum in global trade and demand – pose sizeable downside risks to GDP growth.

Management Discussion & Analysis

Industry Overview

Global Chemical Industry

According to data published by Cefic, (the European Chemical Industry Council), global chemicals sales increased from EUR 1,172 billion in 2009 to EUR 3,669 billion in 2019. Although the headwinds caused by the pandemic recession in 2020 inevitably affected the industry, causing a slight contraction in chemical production, growth in demand and production of chemicals is expected to pick up. The global outlook for chemical production is positive, with growth projected by most analysts, especially for China, India and emerging economies. According to BASF, global chemical production (excluding pharmaceuticals) is expected to grow by 4.4% in 2021. This is above average for the years prior to the coronavirus pandemic and stands for a strong rebound following the pandemic recession, where overall global chemical production contracted by 0.4% in 2020.

The global outlook for chemical production is positive, with growth projected by most analysts, especially for China, India and emerging economies.

0.4%

BASF's global chemical production (excluding pharmaceuticals) expected in 2021



Although the chemicals industry contracted slightly during the pandemic recession, new opportunities are opening, driven by shifts in customer demand and recent technologies. According to a special report by Deloitte, the outlook for the US & Global chemical industry is poised for a strong recovery in 2022 as economies reopen and restrictions are lifted, which should drive up plant utilisation rates that were hit hard by the pandemic. But one of the risks for this strong recovery is inflation. For example, Brent crude oil spot prices rebounded strongly and remained at an average of \$74 per barrel in September 2021. Those inflation figures provide further evidence that the supply of raw materials and labour is struggling to keep up with resurgent demand. Central banks in the United States and Europe expect supply bottlenecks and inflation to ease in 2022 once the global recovery finds firmer footing and government support programmes are unwound.

Chemical companies are entering 2022 after overcoming challenging market conditions in 2020 and 2021, with COVID-19 adding volatility to an already volatile decade. The pandemic led to divergent demand for plastics and speciality materials, testing the resilience of companies' asset portfolios. The shifts in chemical spending partially reflect commodity price volatility. Still, they are more driven by longer-term trends, including petrochemical expansion in the US Gulf Coast. 2022 will likely see similar price and demand volatility. The chemical sector will need to adapt, particularly as the energy transition accelerates. Chemical companies are likely to focus on repositioning their asset portfolios and balancing trade-offs between different strategic options with critical considerations, such as scale, the scope of products, and growth opportunities.

Global Speciality Chemical Industry

According to Grand View Research, the global speciality chemicals market was valued at US\$ 630 billion in 2019 and is expected to grow at a CAGR of 3.7% from 2020 to 2027, when it is expected to reach US\$ 842.5 billion. This growth is being driven by increasing demand for high-performance and



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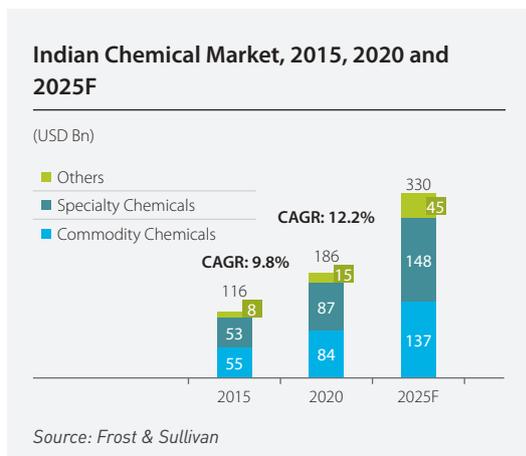
function-specific chemicals. The industrial and institutional cleaners segment accounted for the largest market revenue share of 8.6% in 2019 and is projected to see a growth rate of 4.0% over the forecast period. Asia-Pacific is the dominant market for speciality chemicals, accounting for a revenue share of 46.8% in 2019. 44% of the global demand is attributed to the Asia-Pacific region, most notably in China, India, and Japan.

With rapid industrialisation, noticeable demand from Asian countries such as India and China has arisen. There has been a rise in investments in construction and infrastructure development projects in Asia-Pacific. Therefore, Asia-Pacific is considered a favourable destination for speciality chemical manufacturers, boosting market growth. Whereas variations in raw material cost and stringent regulations by the Government are estimated to hamper the growth of the global speciality chemicals market.

Management Discussion & Analysis

Indian Chemical Industry

As per Frost & Sullivan, the Indian chemicals market is valued at USD 186 Bn (~4% share in the global chemical industry), with the commodity chemicals accounting for almost 46%. It is expected to reach ~USD 330 Bn in the next five years, with an anticipated growth of ~12.2% CAGR. The specialty chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11% over the same period. Agrochemicals and Fertilisers account for 18-20% of the domestic chemicals market and about 38% of the speciality chemicals domain, which constitute various differentiated chemicals used in the agro space, including pesticides, herbicides etc. Pharmaceutical API make up the second-largest share of around 20% of the specialty chemical market with an anticipated growth of over 11% by 2025F.



The pandemic shook the chemical industry just as it did other sectors, and in H1FY22, most companies witnessed a slump in their operating margins. Gross margins contracted, and operating costs jumped significantly. Gross margins were impacted as raw material prices soared because producers in China had to cut production due to energy crises (power shutdowns due to a shortage of coal) and unavailability of primary raw materials due to supply chain constraints. Operating costs were affected by higher freight costs due to a lack of containers and higher power and fuel costs due to a significant jump in coal and gas prices.

Pharmaceutical API make up the second-largest share of around 20% of the specialty chemical market with an anticipated growth of over 11% by 2025F.

However, chemical producers are optimistic about the future as demand stays robust.

Most players have implemented price hikes to cushion their margins. Prices of most basic chemicals have reached record highs, which are unlikely to sustain. Some correction is beginning to be seen in the prices of some of the chemicals, which augurs well for the industry. Caustic soda prices have started to decline and have come down to about USD 600/MT this month from over USD 800/MT in October. In October 2021, Soda Ash prices from China declined to just over USD 400/MT from USD 600/MT. Similar declines have also been seen in prices of other critical raw materials such as acetic acid, benzene, phenol, and vinyl acetate, among others. The supply chain situation is also beginning to improve gradually with better container availability, resulting in lower freight costs.

Furthermore, a concerted effort by western economies to diversify away from China sourcing is likely to help Indian speciality chemicals players, especially players such as DCW. With greater emphasis on capacity addition, process improvement and development, Indian companies are investing in capacity addition for backward integration and research & development to develop high-margin products and reduce dependence on imports. These measures should put the Indian players in an advantageous position to give their Chinese counterparts stiff competition.



12%

Expected growth for speciality chemicals by CAGR from FY19-22.

Indian Speciality Chemical Industry

As per the Frost & Sullivan Report, India's speciality chemical companies are gaining favour with global MNCs because of the geopolitical shift after the outbreak of Covid-19 as the World looks to reduce its dependence on China. Currently, China accounts for ~15-17% of the World's exportable speciality chemicals, while India accounts for merely 1-2%, indicating that the country has immense scope for improvement and widespread opportunity. It is anticipated that Speciality chemicals will be India's next excellent export pillar.

The growth of the domestic market is in conjunction with the overall development of the Indian economy. The "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as companies would want to reduce

dependence on China after the COVID-19 pandemic and shift their supply chains. With over 1.3 billion population, India is one of the World's largest markets. The fact that the Per capita consumption of chemicals in India is lower compared to western countries offers immense scope for new investments.

| | Commodity Chemicals | Specialty Chemicals |
|-----------------|---------------------|---------------------|
| 2015-20 | 8.7% | 10.4% |
| 2020-25F | 10.3% | 11.2% |

Source: Frost & Sullivan

While speciality chemicals constitute 18% of India's total chemicals and petrochemicals market, the total market size is around \$32 bn [FY2019]. The demand for speciality chemicals is expected to grow at 12% CAGR from FY19-22. This is expected to reach 5.5 percent by 2025.

Management Discussion & Analysis

Company Overview

Introduction

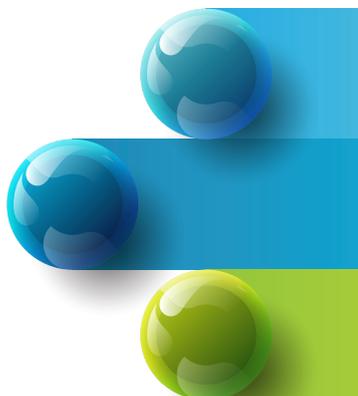
DCW Limited is a leading manufacturer of niche speciality chemicals in India. The Company offers a diverse range of products focusing on commodity, speciality, and intermediate products. The Company serves customers in both the domestic and international markets. Depending on the demand-supply scenario, the intermediate products are either used to produce value-added speciality chemicals in-house or sold in the open markets.

The range of products in the Company's portfolio includes:

- **Commodity Chemicals** – Soda Ash, Caustic Soda, Poly Vinyl Chloride (PVC)
- **Intermediate Chemicals** – Liquid Chlorine, Hydrochloric Acid, Trichloroethylene, Utox, and Sodium Bicarbonate, among others

- **Speciality Chemicals** – Synthetic Rutile (SR), Synthetic Iron Oxide Pigments (SIOP) and Chlorinated Poly Vinyl Chloride (C-PVC)

The revenue mix between commodity and speciality chemicals for FY2022 stood at 87:13 (from 86:14 in FY2021). Further, the EBITDA mix between commodity and speciality chemicals for FY2022 stood at 72:28. Going forward, DCW plans to focus on the speciality segment and steadily build on its capability thereby focusing on the stability in the bottom line along with expansion in profit margin.



Manufacturing

DCW operates one plant at Dhragandhra, Gujarat and another multi-purpose, self-sufficient plant at Sahupuram, Tamil Nadu. The Company has made significant investments in state-of-the-art technology at its manufacturing facility at Sahupuram, which is spread over a 2,500-acre land, ensuring the highest level of safety, product quality, productivity, efficiency, and consistency in the end product. The plant can scale from small pilot runs with fast turnaround times and scale up to production volumes to match the commercial-scale required by clients.

The Sahupuram plant is located in close proximity to the Tuticorin port and provides the edge over its peers for exports to the international markets. The plant is also equipped with a captive power plant with an installed power generation capacity of 70 MW (12 MW oil-based CPP and 58 MW coal-based co-gen) to cater power consumption demand of the plant.

The Company's manufacturing facilities are also equipped with amenities that help recover, recycle, preserve, and reduce water consumption, giving great importance to our environmental initiatives. DCW's captive power plant (CPP) provides continuous and reliable power to the facility. The Company's coal-fired captive power plant has a total power generation capacity of 70 MW.

Commodity Chemicals

Soda Ash

Soda Ash (sodium carbonate) is used to manufacture glass, pulp and paper, detergents, and chemicals such as sodium silicates and sodium phosphates. It is also used as an alkaline agent in many chemical industries. Also known as sodium carbonate, Soda Ash is a white crystalline solid belonging to the Chlor-alkali family. The Indian soda ash market is primarily driven by the increasing product demand from the soap and detergent industry. It is extensively used as an additive in various home detergents and cleaning products due to its ability to remove alcohol and grease stains from clothing. Apart from this, a considerable increase in glass production due to the rising demand

from the construction and renovation industries is also providing a boost to the market. This trend can be attributed to sustained economic growth, expanding commercial real estate and the rising urban population.

According to Astute Analytica data, the global soda ash market was valued at ~US\$13.9 Billion in 2020 and expected to grow to more than US\$26 Billion by 2025, expanding at a CAGR of 13.9% in terms of revenue. In terms of volume, the market was valued at 58.4 Million tons in 2020, which is anticipated to cross 82.6 Million tons by the end of 2025. The Indian soda ash market is expected to exhibit a CAGR of 1.82% from 2022 to 2027. However, the outbreak of the COVID-19 virus has resulted in the reduced sale of soda ash, mainly owing to supply chain disruptions.

DCW's Soda Ash plant is situated at Dhragandhra, Gujarat, with an installed capacity of 108,000 MTPA as of 31st March 2022. The plant is currently operating at 84% capacity utilisation. The Soda Ash business contributed 8.2% to the total revenue during FY2022.

Revenue (₹ Mn) - Soda Ash



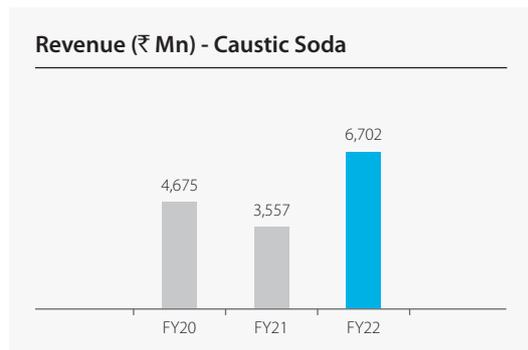
Caustic Soda

Caustic soda is used in several applications, such as alumina's manufacturing process, soap & detergents, pulp & paper, petroleum products, and chemical production. Its increasing use in these applications is expected to fuel the growth of the global caustic soda market. However, the high corrosive and reactive nature of caustic soda restrains the growth of the worldwide market.

Management Discussion & Analysis

According to Fortune Business Insights, the global caustic soda market was US\$44.9 Billion in 2019 and is projected to reach US\$ 55.6 Billion by 2027, exhibiting a CAGR of 3.1% during the forecast period.

DCW's Caustic Soda plant is situated at Sahupuram, Tamil Nadu, with an installed capacity of 96 Thousand MTPA as of 31st March 2022. The plant is currently operating at 75% capacity utilisation. Caustic Soda business contributed 27% to the total revenue during FY2022.



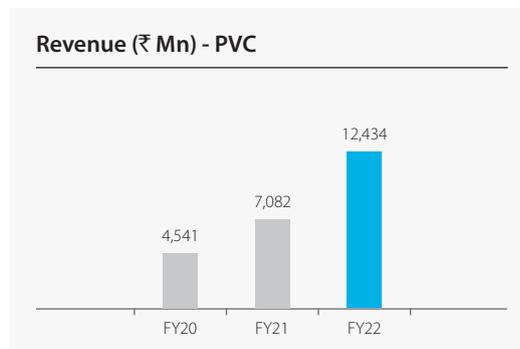
Poly Vinyl Chloride (PVC)

Polyvinyl chloride (PVC) is a high-strength thermoplastic material widely used in various applications, such as pipes and fittings, films and sheets, wires and cables, bottles, profiles, hoses, and tubing. PVC is the third most widely used plastic globally after Polyethylene and Polypropylene.

According to Polaris Market Research, the global polyvinyl chloride (PVC) market size was estimated to be US\$ 62.6 billion in 2018 and is expected to grow at a CAGR of 7.2% during the forecast period.

DCW's PVC plant is situated at Sahupuram, Tamil Nadu, with an installed capacity of 90 Thousand MTPA as of 31st March 2022. The plant is currently operating at 105% capacity utilisation. PVC business contributed 51% to the total revenue during FY2022.

According to Grand View Research, the global iron oxide pigments market size was valued at US\$ 2.2 billion in 2020 and is expected to expand at a CAGR of 4.7% from 2021 to 2028.



Speciality Chemicals

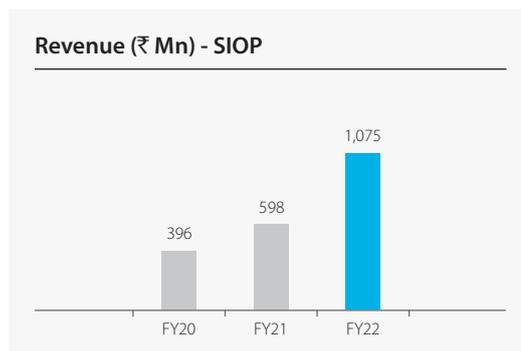
Synthetic Iron Oxide Pigments (SIOP)

Iron oxide pigments provide colours to varieties of end-user applications and are employed in numerous industries around the globe to provide permanent and stable colouring effects to the substrates. Iron oxide pigments can be subdivided into synthetic and natural iron oxide pigments. Synthetic iron oxide pigments are more cost-effective than organic pigments due to the low cost of raw material. Synthetic iron oxide pigments have good dispersibility, high tinting strength, UV stability, excellent colour intensity and non-toxic properties.

According to Grand View Research, the global iron oxide pigments market size was valued at US\$ 2.2 billion in 2020 and is expected to expand at a CAGR

of 4.7% from 2021 to 2028. The rapidly growing construction activities, recovering economy in developed countries, and expanding infrastructure programs in combination with increasing urbanisation in developing economies, are the prime factors responsible for the growing consumption of iron oxide pigments around the globe. Moreover, the increasing utilisation of iron oxide pigments in the coating industry, owing to their excellent dispersibility and high strength, making them suitable for use in different types of paints and coatings under extreme atmospheric and weather conditions, is expected to propel the market growth. Iron oxide pigments are widely used in plastic products, including auto parts, fenders, soda bottles, food packaging, toys, and vinyl sidings. Iron oxide pigments are used as colourants in the products mentioned above.

DCW is one of the few large-scale synthetic iron oxide manufacturers for red and yellow pigments. The Company's SIOP plant is situated at Sahupuram, Tamil Nadu, with an installed capacity of 27 Thousand MTPA and 50 Thousand MTPA Calcium Chloride as of 31st March 2022. The plant is currently operating at 54% capacity utilisation. SIOP business contributed 4.4% to the total revenue during FY2022.



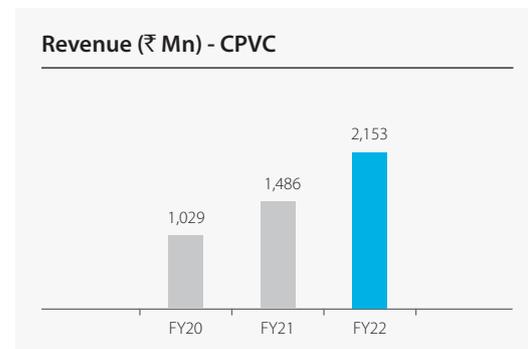
Chlorinated Poly Vinyl Chloride (C-PVC)

Chlorinated polyvinyl chloride is a thermoplastic produced by the chlorination of polyvinyl chloride resin, which is significantly more flexible and can withstand higher temperatures than standard PVC. CPVC is used in various industries, including

construction, chemical, electrical & electronics, healthcare and material handling equipment. It also can be incorporated into a variety of products by controlling the percentage of chlorine during the production process.

According to BCC Research, the global market for chlorinated polyvinyl chloride is expected to increase from \$2.1 billion in 2018 to \$3.4 billion in 2023 at a CAGR of 10.3% for 2018-2023. The rising construction industry in India and China, along with growing applications of CPVC in the chemical industry, will drive product demand in the coming years.

DCW is the only domestic manufacturer of C-PVC, a versatile thermoplastic used mainly for manufacturing hot and cold-water pipes, industrial liquid handling, and a wide range of products serving a variety of applications. The Company C-PVC plant is situated at Sahupuram, Tamil Nadu, with an installed capacity of 10,800 MTPA as of 31st March 2022. The plant is currently operating at 106% capacity utilisation. C-PVC business contributed 8.8% to the total revenue during FY2022.



Outlook

Although the global economy is growing again after a 3.3% contraction in 2020, the pandemic has caused a heavy toll, depressing economic activity and incomes for a prolonged period. Top near-term policy priorities are controlling the spread of COVID-19 and ensuring rapid and widespread vaccine deployment. To support economic recovery, the Government of

Management Discussion & Analysis

India also needs to facilitate a re-investment cycle aimed at sustainable growth that is less dependent on government debt. The near-term outlook is optimistically uncertain. With successful pandemic control and a faster vaccination process, India's growth could accelerate beyond 7%. Policymakers will need to continue to sustain the recovery, gradually shifting from income support to growth-enhancing policies.

In the longer run, policies to improve health and education services, digital infrastructure, climate resilience, and business and governance practices will help India mitigate the economic damage caused by the pandemic, reduce poverty and advance shared prosperity.

Several sectors have witnessed commendable growth during the pandemic and have successfully weathered the storm over this duration. Sectors such as ITeS, E-Commerce, pharmaceuticals, chemicals, diagnostics, consumer goods and durables, agrochemicals and fertilisers have benefited owing to the pandemic.

Given the series of steps taken by governments and industries across the globe, the medium and long-term global economy is expected to remain robust. The US's GDP is expected to rise sharply to ~5.1% by 2021 and gradually display a stable growth of ~3% over the next few years. Europe is likely to see a V-shaped recovery with the liquidity normalising and a substantial increase in loans to corporations, driving a solid credit impulse. In the Asia Pacific, China is expected to rebound to 3.1% in 2021 and ~5% by 2022, driven by its robust domestic demand growth. In contrast, India is expected to experience the fastest recovery among major countries, with a massive turnaround from 2020's decline of ~10%. The country's GST collection is growing gradually, showing that economic recovery is in sight. India is strengthening the entire ecosystem to achieve Prime Minister Narendra Modi's dream of becoming a USD 5 trillion economy by 2025 through rapid structural reforms.

Given the improving global and Indian economic scenarios, the DCW's strengthening balance sheet and

49.9%
YoY EBITDA FY2022

favourable demand conditions for its entire portfolio of products – the management is cautiously optimistic about the Company's medium to long-term future prospects.

Financial Review

Revenue from operation achieved during FY2022 was ₹ 24,547 Mn, as against ₹ 14,643 Mn in the previous year, registering 67.6% year-on-year growth. Commodity chemical revenue for FY2022 stood at ₹ 21,319 Million, up 70% on a YoY basis. Specialty chemical revenue stood at ₹ 3,228 Million, up 55% on a YoY basis. Profit before tax was recorded at ₹ 1,432.5 million as against ₹ 137 million during the previous year. Profit after tax for the year stood at ₹ 1,075 million as against ₹ 38 million in the previous year. For FY2022, EBITDA grew by 49.9% YoY to ₹ 3,309 Mn, compared to ₹ 2,207 Mn in FY2021. PVC and CPVC dominated the higher share in overall EBITDA. EBITDA margin for FY2022 stood at 13.5 %, soften by 160 bps on a YoY basis. Various cost control measures coupled with better market dynamics led to higher growth in EBITDA.

For FY2022, EBITDA grew by 49.9% YoY to ₹ 3,309 Mn, compared to ₹ 2,207 Mn in FY2021.



The major items of the financial statement on a consolidated basis are:

| Particulars | (in ₹ Million) | |
|---|----------------|----------|
| | FY2022 | FY2021 |
| Revenue from Operations | 24,547.4 | 14,642.6 |
| COGS | 20,825.5 | 12,220.4 |
| Gross Profit | 3,721.9 | 2,422.2 |
| Gross Margin % | 15.2% | 16.5% |
| Other Expenses | 473.5 | 328.3 |
| Other Income | 61.0 | 113.3 |
| EBITDA | 3,309.4 | 2,207.2 |
| EBITDA Margin % | 13.5% | 15.1% |
| Depreciation | 885.3 | 873.7 |
| Financial Cost | 1,130.7 | 1,196.7 |
| Profit Before Tax before exceptional item | 1293.4 | 136.8 |
| Exceptional item | 139.1 | - |
| Profit Before Tax (PBT) | 1,432.5 | 136.8 |
| Tax | 357.4 | 98.8 |
| Profit After Tax (PAT) | 1,075.1 | 38.0 |
| PAT Margin % | 4.4% | 0.3% |
| Earnings Per Share (in ₹) - Basic | 4.12 | 0.15 |

Management Discussion & Analysis

Segment-wise Revenue:

| Business Segment | (in ₹ Million) | | |
|------------------|----------------|--------|----------|
| | FY2022 | FY2021 | % Change |
| Soda Ash | 2,024 | 1,787 | 13.3% |
| Caustic Soda | 6,702 | 3,557 | 88.4% |
| PVC | 12,434 | 7,082 | 75.6% |
| SIOP | 1,075 | 598 | 79.9% |
| C-PVC | 2,153 | 1,486 | 44.9% |

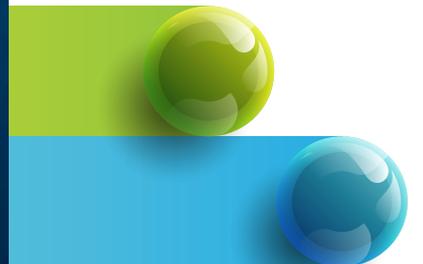
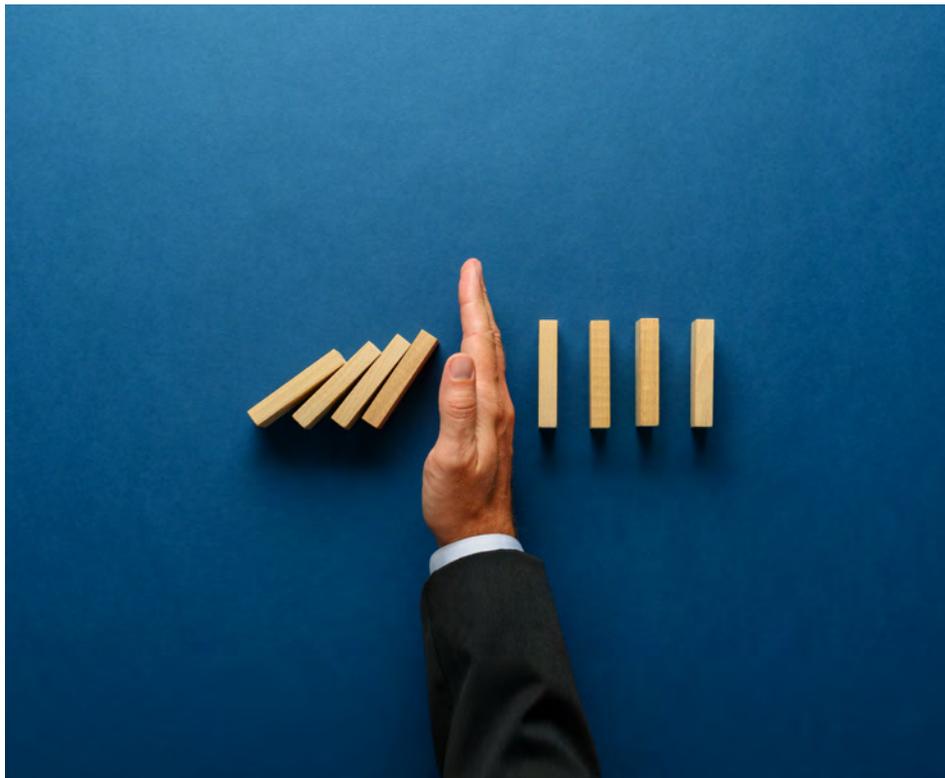
Details of changes in Key Financial Ratios and Return on Net Worth

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, as may be applicable and details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof are mentioned in the Notes to Accounts, which forms part of the Annual Report.

Risks and Concerns

| Risk | Definition | Mitigation |
|--------------------------|--|---|
| Regulatory Risk | Our operations in multiple global markets expose us to risks of changes in regulations. | We are aware and fully compliant with the Safety, Health, and Environment (SH&E) norms. We duly follow multiple waste reduction and recycling norms. We are fully compliant with all the pollution and emission norms. |
| Raw Material Risk | The unavailability of raw materials and fluctuation in raw material prices is a major threat to our business. | We have long term contracts with our suppliers to ensure an uninterrupted supply of raw materials at competitive prices. We have also invested heavily in backward integration to reduce external dependency on raw materials. |
| Forex Risk | We deal with multiple currencies and therefore face the risk of unfavourable movement in any currency leading to financial losses. | The majority of our export revenue and imports are linked to US \$, reducing the risk of multiple currency exposures. The company is a net importer in dollar terms and the risk of currency fluctuation is naturally mitigated by domestic sales of products under imports substitution. Further, we also keep on watch on currency markets and enter the currency hedge contracts for multiple maturities whenever required. |

| Risk | Definition | Mitigation |
|--------------------------------|---|--|
| Innovation Risk | Our growth and profitability is a derivative of our ability to innovate and improvise in our specialty chemical business. | We are an R&D driven organisation. We have a team of technically competent persons in chemical industry. We have 2 patents and 1 trademark in our name. |
| Customer Retention Risk | We may not be able to retain our clients due to the rising complexity in demand. | DCW has a long-term contract with its clients to supply a diversified set of clients. Our strong focus on R&D, innovation, and value for money provide a strong and valid value proposition to our clients, keeping them interested in our products. |
| Quality Risk | Any divergence in the quality standards may lead to loss of customers, revenue, and reputation | The quality of the products is monitored rigorously by the dedicated quality control team. DCW holds ISO certifications like ISO 9001, 14001, 24000 |



Management Discussion & Analysis



Information Technology

Your Company understands that an adequately equipped IT infrastructure, both technologically and quantitatively, is the foundation for stable IT systems and best IT support. It has the best-in-class IT systems and the entire IT backbone to manage administration and delivery of its services. The Company's IT system facilitates DCW Limited in setting up various business intelligence reports for production management, electronic procurement, paperless transaction processing, budgeting, forecasting and cash flow modelling. The Company has adopted global standards in information automation, performance metrics, work from home capabilities and management excellence. The technical staff is responsible not only for programming the systems, but also supporting the users in technical development.

Human Resource Management

The domain knowledge and experience of the Company's Promoters and management team propels the Company with a significant competitive advantage as it continues to expand in existing markets and enter new geographies. DCW limited continues to invest in its 'Human Capital'. The Company on-boards qualified professional management and key personnel, which empowers DCW Limited to run independently.

DCW continues to promote meritocracy, integrity, and governance in matters of legality and compliance. To encourage employees to raise complaints without the fear of retribution or discrimination, the Company has rolled out many governance policies. The Company's Code of Conduct comprises relevant statutes about to

the prevention of sexual harassment and a whistleblower policy to escalate and redress issues with speed.

Health & Safety

Sustainability is a core of all the activities at DCW limited. On the safety risk management front, the Company targets the "Zero Harm" policy regarding the human capital and plant assets. We have demonstrated a long, meticulous safety record with zero human capital loss for the last decade. Going forward, the Company will continue to focus on behavioural safety and related training programs along with a review of Process Safety Risk Management implementation to ensure continued safety performance. On the sustainability front, the Company is targeting to go beyond the minimum compliance requirements and set the best example regarding human capital development, solid and liquid wastage, and engagement with the local community.

Internal Controls

DCW has instituted adequate internal control systems commensurate with the nature of its business and size of operations. These systems ascertain that transactions are authorised, recorded and reported correctly. The

Company ensures adherence with all internal control policies and procedures as well as compliance with all regulatory guidelines in respect of the business, risk, branches and support functions. The Audit Committee of the Board of Directors reviews the adequacy of these systems. All significant audit observations of the Internal Auditors and follow-up actions were duly reported upon and discussed at the Audit Committee. During the year under review, the 'Internal Control Framework' was evaluated on the design and effectiveness of controls by an Independent Risk Advisory Consultant and was found to be in accordance with the Internal Financial controls requirement of Companies Act, 2013.

Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.



STATUTORY REPORTS

→ Board's Report

→ Report on Corporate Governance

→ Business Responsibility Report



Board's Report

To,
The Members,
DCW Limited

Your Directors are pleased to present the Eighty Third (83rd) Annual Report together with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2022.

1. Financial Highlights

(₹ in lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|---|-----------------|-----------------|
| Net Sales | 245473.50 | 146426.17 |
| Profit before Depreciation | 21786.76 | 10104.64 |
| Less : Depreciation | 8852.59 | 8737.13 |
| Profit Before Tax/(Loss) before exceptional item | 12934.17 | 1367.51 |
| Add: Exceptional item | 1390.80 | - |
| Profit Before Tax/(Loss) | 14324.97 | 1367.51 |
| Tax: Current Period | 2600.00 | 250.00 |
| Earlier Year Tax | (162.63) | - |
| MAT Credit (Entitlement) / Reversals - Net | (2555.81) | 260.91 |
| Profit/(Loss) After Current Tax & Tax Adjustments | 14443.41 | 856.60 |
| Deferred Tax | 3692.79 | 477.29 |
| Profit after Tax/(Loss) | 10750.62 | 379.31 |
| Add: Balance brought forward | 10942.11 | 10562.80 |
| Profit available for Appropriation | 21692.73 | 10942.11 |
| Appropriations: | | |
| General Reserves | - | - |
| Proposed Dividend | - | - |
| Dividend Distribution Tax | - | - |
| Balance carried forward | 21692.73 | 10942.11 |

2. Dividend

The Board of Directors of your Company has recommended payment of dividend at a rate of ₹ 0.40 (Forty paise) per equity share of ₹ 2/- each (i.e. 20%) for the financial year ended March 31, 2022, subject to the approval of the Members at the 83rd Annual General Meeting ("AGM") and shall be subject to deduction of tax at source.

Your Company has not paid any interim Dividend during the financial year under review.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations'), the Company has formulated a Dividend Distribution Policy.

Policy is available on the Company's website and can be accessed at <http://www.dcwlimited.com/pdf/policy/policy.zip>.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy.

3. Transfer to Reserves

The Board of Directors has not recommended transferring any amount to General Reserves.

4. Transfer to Investor Education and Protection Fund

During the year under review, your Company has transferred unpaid/ unclaimed dividend, amounting to ₹ 11.55 lakhs and 430,456 Equity Shares to the Investor Education and Protection Fund ("IEPF") Authority of the Central Government of India, for the Financial Year 2013-14.

5. Share Capital

During the year under review, there was no change in Authorised Share Capital or Paid-up equity Share Capital of the Company.

As of March 31, 2022, the Company's Authorised Share Capital stood at ₹ 70,00,00,000/- (Rupees Seventy Crores) comprising of 35,00,00,000 Equity Shares having face value of ₹ 2/- each and Paid-up Equity Share Capital of the Company stood at ₹ 52,20,60,742/- comprising of 26,10,30,371 Equity Shares having face value of ₹ 2/- each.

Further, during the year under review, there was no re-classification or sub-division of Equity Shares of the Company.

6. Fund Raising

Issue of Warrants:

During the year under review, pursuant to the in-principal approvals received from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on March 24, 2021, the Company has issued and allotted 1,57,91,314 (One Crore Fifty Seven Lakhs Ninety-one Thousand Three Hundred & Fourteen) Warrants convertible into equity shares, in one or more tranches, at a price of ₹ 19/- per equity share (including premium of ₹ 17/- per equity share) on Preferential Basis on April 7, 2021 to the Promoter, Promoter's Group and Foreign Portfolio Investors.

7. Debentures

Partial Conversion of Optionally Convertible Debentures to Equity Shares:

Pursuant to the notice received from the Debenture Holder(s) to exercise the option for part conversion of 3000 Optionally Convertible Debentures ("OCDs") of ₹ 1,00,000/- each (out of 6000 OCDs allotted on March 5, 2021), the Committee of Board of Directors for OCDs in their Meeting held on June 22, 2022 had approved the conversion of OCDs and allotted 1,66,66,666 (One Crore Sixty Six Lakhs Sixty Six Thousand Six Hundred and Sixty Six) Equity Shares having face value of ₹ 2/- each at conversion price of ₹ 18/- per Equity Share (including premium of ₹ 16/- each). Consequent upon allotment of the above shares, the paid-up Equity Share Capital of the Company stands increased from ₹ 52,20,60,742/- consisting of 26,10,30,371 Equity Shares of ₹ 2/- each to ₹ 55,53,94,074/- consisting of 27,76,97,037 Equity Shares of ₹ 2/- each.

The Company has been servicing payment of the interest on Non-Convertible Debentures and Optionally Convertible Debentures on the due dates.

8. Operations

The sales for the year are ₹ 245473.50 lakhs compared to ₹ 146426.17 lakhs in the previous year. The profit for the year (before depreciation and exceptional item) was ₹ 21786.76 lakhs against a profit of ₹ 10104.64 lakhs in the previous year. The profit before tax amounted to ₹ 14324.97 lakhs as against profit of ₹ 1367.51 lakhs in the previous year. The profit after provision of current tax / taxes for the year is ₹ 14206.53 lakhs against a profit of ₹ 856.60 lakhs in the previous year and Profit after deferred tax was ₹ 10750.62 lakhs against profit of ₹ 379.31 lakhs in previous year.

9. Exports

The Company's exports were of ₹ 45311.90 lakhs as compared to ₹ 23788.70 lakhs in the previous year. This increase in Export Turnover is primarily on account of increase in quantity sold and realisation on sale of Synthetic Rutile (BI) during the year.

10. Division Wise Performance

a) PVC Division:

The turnover of the division was ₹ 124335.58 lakhs as compared to ₹ 70815.87 lakhs in the previous year. The turnover of this division has increased compared to previous year. This is primarily due to higher production and sale of PVC during the year coupled with higher realisation.

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

b) Caustic Soda Division:

The turnover of the division was ₹ 67014.60 lakhs as compared to ₹ 35570.97 lakhs in the previous year. The turnover of this division has increased compared to previous year. This is primarily due to increase in quantity sold and realisation on sale of Caustic Soda and Synthetic Rutile (BI) during the year.

c) Soda Ash Division:

The turnover of the division was ₹ 20242.71 lakhs as compared to ₹ 17869.53 lakhs in the previous year. The turnover of this division has increased compared to previous year. This is primarily due to increase in realisation on sales during the year.

d) Synthetic Iron Oxide Pigment:

The turnover of the division was ₹ 10753.29 lakhs as compared to ₹ 5977.31 lakhs in the previous year, registering an increase of 80% during the year. This is primarily due to higher production and sale of SIOP during the year coupled with higher realisation. The product manufactured by this division has got good response both from international as well as domestic consumers. The Company is in process of gradually ramping up the capacity and meet product variants as required by the customers.

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

e) C-PVC Division:

The turnover of the division was ₹ 21526.96 lakhs as compared to ₹ 14857.25 lakhs in the previous year, registering an increase of 45% during the year. This is primarily due to higher production and sale of SIOP during the year coupled with higher realisation. The product has been well accepted by the customers. CPVC Resin was embarked by the Company as a Make in India initiative.

11. Management Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Listing Regulations is presented in a separate section forming part of the Annual Report.

12. Board of Directors & Key Managerial Personnel (KMPs)

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Bakul Premchand Jain (DIN: 00380256), Managing Director of the Company retires by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible, offers himself for re-appointment at the ensuing AGM. The Board on the recommendation of the Nomination & Remuneration Committee ("NRC") has recommended his re-appointment.

At an Extra-Ordinary General Meeting held on February 27, 2020 the Members of the Company had appointed Mr. Bakul Premchand Jain (DIN: 00380256) and Mr. Vivek Shashichand Jain (DIN:00502027) as Managing Directors of the Company, to hold office for a period of 3 years with effect from July 27, 2020 and March 1, 2020 respectively.

In terms of provision of Section 196(2) of the Companies Act, 2013, a Managing Director can be re-appointed within one year before the expiry of his present term.

The Nomination and Remuneration Committee ("NRC") of the Company, on the basis of the performance evaluation, has approved the re-appointment of Mr. Bakul Premchand Jain (DIN:00380256) and Mr. Vivek Shashichand Jain (DIN: 00502027) as Managing Directors of the Company, for a further period of 3 years effect from July 27, 2023 and March 1, 2023 respectively, on the terms & conditions including the remuneration payable to them by passing Resolutions at its Meeting held on May 24, 2022.

The Board, based on the performance evaluation and as per the recommendation of the NRC, consider that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Bakul Premchand Jain and Mr. Vivek Shashichand Jain would be beneficial to the Company and it is desirable to continue to avail their services as Managing Directors. Accordingly, it is proposed to re-appoint Mr. Bakul Premchand Jain (DIN:00380256) and Mr. Vivek Shashichand Jain (DIN: 00502027) as Managing Directors of the Company, for a further period of 3 years effect from July 27, 2023 and March 1, 2023 respectively.

Details of Mr. Bakul Premchand Jain (DIN:00380256) and Mr. Vivek Shashichand Jain (DIN: 00502027) are provided in the "Annexure - I" to the Notice, in accordance with the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, the Independent

Directors have provided a declaration to the Board of Directors that they meet the criteria of Independence as prescribed in the Companies Act, 2013 and the Listing Regulations, and are not aware of any situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties as an Independent Director with an objective independent judgement and without any external influence. Further, veracity of the above declarations has been assessed by the Board, in accordance with Regulation 25(9) of the Listing Regulations.

Further, declaration in compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to enrolment in the Data Bank created by MCA for Independent Directors, has been received from all the Independent Directors.

The Company has formulated a policy on 'familiarisation programme for independent directors' which is available on the Company's website at the link: <http://www.dcwlttd.com/pdf/policy/policy.zip>.

During the year under review, Mr. Mudit Jain (DIN: 00647298), Managing Director of the Company has resigned from the Directorship of the Company w.e.f. October 8, 2021 due to personal reasons & to pursue other interests and Mr. Salil Kapoor (DIN: 02256540), Independent Director of the Company has resigned from the Directorship of the Company w.e.f. March 22, 2022 due to other professional commitments. Mr. Salil Kapoor has also confirmed that there are no material reasons for his resignation, other than those mentioned in his resignation letter.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Pramodkumar Jain, (DIN: 00380458), Chairman & Managing Director; Mr. Bakul Jain (DIN: 00380256), Mr. Vivek Jain (DIN: 00502027), Managing Directors, Mr. Vimal Jain, Chief Financial Officer, Mr. Dilip Darji, Company Secretary & Compliance Officer and Mr. Amitabh Gupta, Chief Executive Officer, are the Key Managerial Personnel of the Company as of March 31, 2022.

Ms. Sujata Rangnekar (DIN: 06425371) Mr. Krishnamoorthy Krishnan (DIN: 08129657) and Mr. Mahesh Vennelkanti (DIN: 03633359) are the Non-Executive Independent Directors of the Company as on March 31, 2022.

Further, Mr. Vimal Jain, Chief Financial Officer of the Company, retired from the Company due to superannuation with effect from June 30, 2022 and Mr. Pradipto Mukherjee is appointed as the new Chief Financial Officer in his place with effect from July 1, 2022.

13. Performance Evaluation

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

In a separate meeting held on March 26, 2022, the performance evaluation of the Chairman, Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The Independent Directors expressed their satisfaction with the evaluation process.

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

14. Succession Plan

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

15. Particulars of employees

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

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

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

| Managing Directors | Ratio to median remuneration |
|----------------------|------------------------------|
| Mr. Pramodkumar Jain | 53.62 |
| Mr. Bakul Jain | 53.62 |
| Mr. Mudit Jain* | 68.20 |
| Mr. Vivek Jain | 53.62 |

| Independent Directors | Ratio to median remuneration |
|-------------------------------|------------------------------|
| Ms. Sujata Rangnekar | 0.70 |
| Mr. Krishnamoorthy Krishnan | 0.71 |
| Mr. Mahesh Vennelkanti | 0.70 |
| Mr. Salil Kapoor [^] | 0.51 |

*Mr. Mudit Jain had resigned from the Company w.e.f. October 8, 2021

[^]Mr. Salil Kapoor had resigned from the Company w.e.f. March 22, 2022

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

There was no increase in the Remuneration of Managing Directors. However, during the Financial year under review, the Company has revised the remuneration of Chief Executive Officer by 49.45%, Chief Financial Officer by 29.52% and Company Secretary by 25%.

- c. The percentage decrease in the median remuneration of employees in the financial year : 3.55%
- d. The number of permanent employees on the rolls of Company : 1957
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration is 13.76% for employees other than Managerial Personnel and there was no increase in the Managerial Remuneration except as mentioned above.

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

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

16. Statutory Auditors

M/s. Chhajed & Doshi, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 78th (Seventy Eighth) Annual General Meeting ("AGM") of the Members held on September 28, 2017, for a term of 5 (five) consecutive years from the conclusion of the 78th Annual General Meeting held on September 28, 2017 until the conclusion of the 83rd Annual General Meeting of the Company. M/s. Chhajed & Doshi will complete their present term on conclusion of this Annual General Meeting.

M/s. Chhajed & Doshi, Chartered Accountants, has been associated with the Company for 5 years and the Board has put on record their appreciation for the valuable service rendered by them during their association with the Company.

The Board of Directors of the Company at its meeting held on August 12, 2022, on the recommendation of the Audit Committee, has appointed M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No: 109208W), as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the 83rd (Eighty third) AGM, till the conclusion of the 88th (Eighty Eighth) AGM of the Company to be held in financial year 2027, at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Statutory Auditors of the Company, subject to approval of the Shareholders of the Company at the ensuing 83rd (Eighty third) AGM. Necessary resolution for appointment of the Statutory Auditors is being moved at the ensuing AGM.

M/s. V. Sankar Aiyar & Co., has furnished a certificate of their eligibility and consent under section 139 and 141 of the Act read with the Companies (Audit and Auditors) Rules 2014 for holding the office as the Statutory Auditors of the Company. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditor's Report on the Financial Statements for the Financial Year ended on March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. Further the observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

17. Internal Auditors

The Board of Directors at their meeting held on May 21, 2021 had appointed M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2021-22. The Internal Auditors have been periodically reporting to the Audit Committee with

regards to their audit process and key audit findings during the year.

Further, on the recommendation of the Audit Committee, the Board of Directors at their meeting held on May 24, 2022 have re-appointed M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants, as an Internal Auditor of the Company to carry out the Internal Audit for Financial Year 2022-23.

18. Cost Records and Cost Audit

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained.

The Board had appointed M/s. N. D. Birla & Co., Ahmedabad and M/s. R. Nanabhoy & Co., Mumbai, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2021-22.

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee have appointed M/s. N. D. Birla & Co., Ahmedabad and M/s. R. Nanabhoy & Co., Mumbai, Practising Cost Accountants for conducting cost audit of the cost records maintained by the Company for the Financial Year 2022-23.

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

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

19. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, had appointed M/s. S. K. Jain & Co., Practising Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2021-22.

The Secretarial Auditor has conducted an audit as per the applicable provisions of the Companies Act, 2013.

The Secretarial Audit Report given by the Secretarial Auditor in Form No. MR-3 as per the provisions of Section 204 of the Companies Act, 2013 read with Rules framed thereunder for the financial year ended March 31, 2022 has been annexed to this Board Report and marked as Annexure 'B' and forms part of the Annual Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

20. Annual Secretarial Compliance Report

In compliance with the Regulation 24A of the Listing Regulations and the SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has undertaken an audit for the Financial Year 2021-22 for all the applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly issued by M/s S. K. Jain & Co has been submitted to the Stock Exchanges within the prescribed timelines and is annexed at Annexure 'C' to this Board's Report.

Annual Secretarial Compliance Report does not contain any qualification, reservation, adverse remark or disclaimer.

21. Secretarial Standards

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

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

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

During the year under review, the Company has spent ₹ 109.01 lakhs for Research and Development.

23. Deposits / Loans & Advances, Guarantees or Investments

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

24. Credit Ratings

India Ratings & Research Private Limited ("Credit Rating Agency") on March 15, 2022 has upgraded ratings for the financial facilities of the Company 'from 'IND BBB+' to 'IND A-'. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

Details of Credit Ratings and change/revision in the Credit Ratings for the financial facilities availed by the Company from time to time are provided in the Corporate Governance Report forming part of the Annual Report.

25. Subsidiaries/Associate/Joint Venture Companies

Your Company does not have any Subsidiary/Associate/Joint Venture Company.

26. Risk Management Policy

Your Company laid down Risk Management Policy and it is made available on the website of the Company at the link: <http://www.dcwLtd.com/pdf/policy/policy.zip>. The Company has duly constituted the Risk Management Committee on July 30, 2021 in line with the requirements prescribed under the provisions of the Companies Act, 2013 and in compliance with the SEBI Circular dated May 5, 2021.

27. Establishment of Vigil Mechanism

Your Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective clauses for the Whistle Blowers. The Whistle Blower Policy is made available on the company's website at the link: <http://www.dcwLtd.com/pdf/policy/policy.zip>.

28. Board Meetings

During the Financial Year 2021-22, 6 (Six) Board Meetings were held. For details thereof kindly refer to the section

“Board of Directors” – “Board Meetings”, in the Corporate Governance Report. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standards on Board Meetings and SEBI LODR as amended from time to time.

29. Committees of the Board

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

29.1 Audit Committee

The Company has duly constituted the Audit Committee in line with the requirements prescribed under the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, comprises 3 Independent Directors and Ms. Sujata Rangnekar is the Chairperson of the Committee and other members of the Committee are Mr. Mahesh Vennelkanti and Mr. Krishnamoorthy Krishnan and they possess sound knowledge on accounts, audit, finance, taxation, Internal Control etc.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof, composition and changes, if any, in the composition of Audit Committee and Role of the Audit Committee is provided in the Corporate Governance Report annexed to this Report.

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

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

29.2 Nomination & Remuneration Committee

The Company has duly constituted Nomination & Remuneration Committee to align with the

requirements prescribed under the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Nomination & Remuneration Committee comprises of 3 Independent Directors and Ms. Sujata Rangnekar is the Chairperson of the Committee and other members of the Committee are Mr. Mahesh Vennelkanti and Mr. Krishnamoorthy Krishnan.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof, composition and changes, if any, in the composition of Nomination & Remuneration Committee and Role of the Committee is provided in the Corporate Governance Report annexed to this Report.

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

The Board has framed a policy for selection and appointment of Directors, Senior Management and their Remuneration in accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The policy provides for determining qualification, positive attributes, and independence of a Director. The Policy is available on the Company’s website at the link: <http://www.dcwlimited.com/pdf/policy/policy.zip>.

29.3 Stakeholders Relationship Committee

The Company has duly constituted Stakeholders Relationship Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, comprises 3 members viz. Mr. Krishnamoorthy Krishnan is the Chairman of the Committee and other members of the Committee are Mr. Pramodkumar Jain and Mr. Bakul Jain.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof, composition and changes, if any, in the composition and Role of the Stakeholders Relationship Committee and status of grievances received from various stakeholders during the financial year are furnished in the Corporate Governance Report annexed to this Report.

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

29.4 Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has constituted the Corporate Social Responsibility ("CSR") Committee under the Chairmanship of Mr. Pramodkumar Jain, Chairman of the Board. The other members of the Committee are Mr. Krishnamoorthy Krishnan, an Independent Director and Mr. Bakul Jain, Managing Director. A detailed CSR Policy has also been framed and is available on the company's website at the link: <http://www.dcwLtd.com/pdf/policy/policy.zip>. Other details for the CSR activities as required under Section 135 of the Companies Act 2013 are given in the CSR Report is annexed hereto marked as Annexure 'E'.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof, composition and changes, if any, in the composition of CSR Committee is provided in the Corporate Governance Report annexed to this Report.

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

29.5 Risk Management Committee

The Company has duly constituted the Risk Management Committee on July 30, 2021 in line with the requirements prescribed under the provisions of the Companies Act, 2013 and in compliance with the SEBI Circular dated May 5, 2021. Risk Management Committee of Directors, comprises 3 Members and Mr. Pramodkumar Jain is the Chairperson of the Committee and other members of the Committee are Mr. Saatvik Jain and Mr. Krishnamoorthy Krishnan.

The Risk Management Committee is constituted for overseeing risk management systems as well as risk governance. The Committee frames the Risk Management Policy, which is approved by the Board, and updates the Board regularly on risk management and governance. The Board oversees the risk management and governance process. Our internal control framework comprehensively covers financial, operational, compliance and information technology areas and is completely aligned with our risk management policy. Embedded within the business, robust risk management processes enable us to identify significant risks and mitigate them in an effective manner.

The details of meetings of the Committee held during the financial year under review along with attendance of members thereof, composition and changes, if any,

in the composition of Risk Management Committee and Role of the Committee is provided in the Corporate Governance Report annexed to this Report.

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

29.6 Internal Complaints Committee

The Company has zero tolerance on sexual harassment at workplace. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.

The Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaints in relation to sexual harassment at workplace have been reported.

30. Annual Return

Pursuant to Sections 134(3)(a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on its website at <http://www.dcwLtd.com/pdf/annualreturn/annualreturn.zip>

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

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

Your Company operates in SAP, ERP environment. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely update of various master data in the underlying ERP system.

32. Related Party Transactions:

The Company has formulated a policy on materiality of related party transactions and manner of dealing with related party transactions which is available on the Company's website at the link: <http://www.dcwlimited.com/pdf/policy/policy.zip>

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis except below.

During the year, the Company had entered into material transaction with related parties and shareholders' of the Company had approved the said transaction at the Extra-Ordinary General Meeting held on March 30, 2022. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 ('the Act') in provided in Form No. AOC-2.

Except for above the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

Details of transactions, contracts and arrangements entered into with related parties by the Company, during FY 2021-22, is given under Notes to Accounts annexed to Financial Statements, which forms part of this Annual Report.

33. Corporate Governance Report

The report on Corporate Governance as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") forms part of the Annual Report as Annexure 'F'. The requisite certificate from M/s S. K. Jain & Co., Practicing Company Secretaries confirming compliance with the conditions of

Corporate Governance as stipulated under Schedule-V of the Listing Regulations is attached to the report on Corporate Governance.

34. Business Responsibility Report

The Business Responsibility Report for the year under review as stipulated under Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, is presented in a separate section and forms part of this Report.

35. Directors' Responsibility Statement

In terms of Section 134(5) of the Act in relation to the audited financial statements of the Company for the financial year ended March 31, 2022, your Directors hereby confirm that:

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

36. Significant/Material Orders passed by the Regulators

Pursuant to the application filed by Operational Creditor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) and vide an order pronounced by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench on March 31, 2022, the Corporate Insolvency Resolution Process was initiated against the Company.

However, since the said matter was amicably settled with Operational Creditor and therefore, Hon'ble NCLT, Ahmedabad Bench on April 27, 2022 passed an order to dispose the said application.

Except for the above mentioned Order there are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

37. Material changes and commitments affecting the financial position of the Company

Except as disclosed elsewhere in the Report, there have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

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

During the year under review, the Statutory Auditors or Secretarial Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

39. Industrial Relations

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

40. General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- There has been no change in the nature of business of the Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one time settlement with any Bank or Financial Institution.
- There was no revision in the previous financial statements of the Company.

41. Cautionary Note

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

42. Acknowledgements

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

The Board of Directors also recognize and appreciate the efforts of all the employees that ensured accelerated growth in a challenging business environment.

For and on behalf of the Board of Directors

Sd/-

Pramodkumar Jain

Chairman & Managing Director

DIN: 00380458

Place : Mumbai

Date : August 12, 2022

FORM NO. AOC - 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements or transactions entered into during the year end March 31, 2022, which were not at arm's length basis.
2. Details of material contracts or arrangements or transactions at arm's length basis:

| Sr. No | Name(s) of the related party | Nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|--------|--|--|--|---|---|--|---------------------------------|
| 1 | Mr. Vivek Jain jointly with Ms. Meeta Jain | Mr. Vivek Jain, Managing Director of the Company and Ms. Meeta Jain is wife of Mr. Vivek Jain | Creation of the pledge over 7,86,00,000 equity shares of the Company held by Promoters and Promoters Group including Managing Directors of the Company and their relatives to secure the financial facilities availed from the lenders, as detailed herewith, in favour of a Security Trustee/Trustee (acting on behalf of and for the benefit of the Lenders). As detailed in the Notice of Extra-Ordinary General Meeting of the Company held on March 30, 2022. | The duration of the Pledge will be till the repayment of the financial facilities or the early release of the Pledge on the terms and conditions as may be agreed between borrower and lenders. | DCW Limited ("Company") has: (a) issued upto 35000 (Thirty Five Thousand) non-convertible debentures having face value of ₹ 1,00,000/- (Rupees One Lakh only) each of the aggregate nominal value of upto ₹ 350,00,00,000/- (Rupees Three Hundred and Fifty Crores only) ("NCDs"); (b) issued upto 6000 (Six Thousand) optionally convertible debentures having face value of ₹ 1,00,000/- (Rupees One Lakh only) each of the aggregate nominal value of ₹ 60,00,00,000/- (Rupees Sixty Crores Only) ("OCDs"). The NCDs and the OCDs are hereinafter collectively referred to as the Debentures. In addition to the said Debentures, the Company has availed of credit facility aggregating an amount of upto ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) ("Facility") from IndusInd Bank Limited. The Debentures and the Facility are hereinafter collectively referred to as the "Facilities" and the holders of the Debentures and the IndusInd Bank Limited are hereinafter collectively referred to as the "Lenders". The said facilities were availed by the Company for repayment of its existing borrowings and to fund its working capital. Material Terms: Creation of first ranking pledge over the Shares pledged/to be pledged (which shall be held on pari-passu basis inter se the Lenders), to secure the financial facilities availed from the lenders, on the terms and conditions as agreed between the lenders and the Company. Other terms and conditions of the financial facilities/pledge are as agreed between lenders and the Company/Promoters Monetary Value: Pledgors are obligated to pay the Secured Obligations up to the value of the Pledged Shares offered as security in respect to the Facilities, but not more than ₹ 560,00,00,000/- (Rupees Five Hundred and Sixty Crores only), as per the terms and conditions agreed between the Borrower and Lenders. | March 7, 2022 | Not Applicable |
| 2 | Mr. Vivek Jain jointly with Mr. Saatvik Jain | Mr. Vivek Jain, Managing Director of the Company and Mr. Saatvik Jain is son of Mr. Vivek Jain | | | | | |
| 3 | Mr. Vivek Jain | Mr. Vivek Jain, Managing Director of the Company | | | | | |
| 4 | Mr. Vivek Jain (HUF) | Mr. Vivek Jain is a Karta of Vivek Jain (HUF) | | | | | |
| 5 | Ms. Meeta Jain jointly with Mr. Vivek Jain | Ms. Meeta Jain is wife of Mr. Vivek Jain, Managing Director of the Company | | | | | |
| 6 | Ms. Meeta Jain | | | | | | |
| 7 | Mr. Saatvik Jain | Mr. Saatvik Jain is son of Mr. Vivek Jain, Managing Director of the Company | | | | | |
| 8 | Mr. Saatvik Jain jointly with Mr. Vivek Jain | | | | | | |

| Sr. No | Name(s) of the related party | Nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|--------|---|--|---|---|---|--|---------------------------------|
| 9 | Florida Holdings and Trading PVT LTD | Florida Holdings and Trading PVT LTD ("FHTPL") belongs to Promoters and Promoters Group of the Company and majority stake in FHTPL is held by Mr. Vivek Jain, Managing Director of the Company and his relatives | Creation of the pledge over 7,86,00,000 equity shares of the Company held by Promoters and Promoters Group including Managing Directors of the Company and their relatives to secure the financial facilities availed from the lenders, as detailed herewith, in favour of a Security Trustee/ Trustee (acting on behalf of and for the benefit of the Lenders). As detailed in the Notice of Extra-Ordinary General Meeting of the Company held on March 30, 2022. | The duration of the Pledge will be till the repayment of the financial facilities or the early release of the Pledge on the terms and conditions as may be agreed between borrower and lenders. | DCW Limited ("Company") has: (a) issued upto 35000 (Thirty Five Thousand) non-convertible debentures having face value of ₹ 1,00,000/- (Rupees One Lakh only) each of the aggregate nominal value of upto ₹ 350,00,00,000/- (Rupees Three Hundred and Fifty Crores only) ("NCDs"); (b) issued upto 6000 (Six Thousand) optionally convertible debentures having face value of ₹ 1,00,000/- (Rupees One Lakh only) each of the aggregate nominal value of ₹ 60,00,00,000/- (Rupees Sixty Crores Only) ("OCDs"). The NCDs and the OCDs are hereinafter collectively referred to as the Debentures. In addition to the said Debentures, the Company has availed of credit facility aggregating an amount of upto ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) ("Facility") from IndusInd Bank Limited. The Debentures and the Facility are hereinafter collectively referred to as the "Facilities" and the holders of the Debentures and the IndusInd Bank Limited are hereinafter collectively referred to as the "Lenders". The said facilities were availed by the Company for repayment of its existing borrowings and to fund its working capital. | March 7, 2022 | Not Applicable |
| 10 | Ms. Usha Jain | Ms. Usha Jain is wife of Mr. Pramod Kumar Jain, Managing Director of the Company | | | | | |
| 11 | Mr. Bakul Jain jointly with Ms. Paulomi Jain and Ms. Durgawati Jain | Mr. Bakul Jain, Managing Director of the Company and Ms. Paulomi Jain is wife and Ms. Durgawati Jain is mother of Mr. Bakul Jain | | | | | |
| 12 | Ms. Paulomi Jain | Ms. Paulomi Jain is wife of Mr. Bakul Jain, Managing Director of the Company | | | | | |
| 13 | Ms. Paulomi Jain jointly with Mr. Bakul Jain | | | | | | |
| 14 | Ms. Durgawati Jain | Ms. Durgawati Jain is mother of Mr. Bakul Jain, Managing Director of the Company | | | | | |
| 15 | Ms. Durgawati Jain jointly with Ms. Paulomi Jain and Mr. Bakul Jain | Ms. Paulomi Jain is wife and Ms. Durgawati Jain is mother of Mr. Bakul Jain, Managing Director of the Company | | | | | |
| 16 | Dhrangadhra Trading Company PVT LTD | Dhrangadhra Trading Company Pvt Ltd ("DTC") belongs to Promoters and Promoters Group of the Company and majority stake in DTC is held by Managing Directors of the Company and their relatives | | | | | |
| 17 | Sahu Brothers Private Limited | Sahu Brothers Private Limited ("SBPL") belongs to Promoters and Promoters Group of the Company and majority stake in SBPL is held by Managing Directors of the Company and their relatives | | | | | |

ANNEXURE 'A'

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

| Sr. No. | Name | Designation | Remuneration (₹ in Lakhs) | Qualification | Experience (Years) | Date of commencement of Employment | Age (Years) | Last Employment held |
|---------|-------------------------|--------------------------------|---------------------------|--|--------------------|------------------------------------|-------------|--|
| 1 | Mr. Mudit Jain* | Managing Director | 411.38 | B.Com., M.B.A. (USA) | 32 | 01.04.1989 | 59 | - |
| 2 | Mr. Pramod Kumar Jain | Chairman and Managing Director | 323.48 | B.A.(Hon.) Economics | 50+ | 01.04.1969 | 84 | Sahu Brothers Pvt. Ltd. |
| 3 | Mr. Bakul Jain | Managing Director | 323.48 | B.Com., M.B.A. (Switzerland) | 40 | 01.09.1984 | 67 | - |
| 4 | Mr. Vivek Jain | Managing Director | 323.48 | M.B.A. (USA), MMS | 38 | 01.09.1984 | 64 | - |
| 5 | Mr. Ashish Jain | Sr. President | 150.40 | B. Com., M.B.A. | 27 | 03.08.1995 | 51 | - |
| 6 | Mrs. Paulomi Jain | President | 150.40 | B.A | 26 | 01.11.1996 | 59 | - |
| 7 | Mrs. Malti Bhindi | President | 150.40 | B.A. | 22 | 01.10.2012 | 63 | - |
| 8 | Mr. Saatvik Jain | President | 150.40 | B.S.C in Business Administration (USA) | 14 | 01.03.2014 | 36 | Cedar Management Consulting Institute. |
| 9 | Mr. Amitabh Gupta | Chief Executive Officer | 138.41 | M.Sc. | 50+ | 15.07.1971 | 72 | - |
| 10 | Mr. Sudarshan Ganapathy | Chief Operating Officer | 99.94 | M.Sc. - Chemistry, M.M.S. - Marketing | 36 | 02.07.1990 | 61 | Colorchem Ltd. |

*Mr. Mudit Jain had resigned from the Company w.e.f. October 8, 2021

Notes:

- The gross remuneration shown above (subject to tax) comprises Salary, Perquisites, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
- Mr. Pramodkumaar Jain and Mr. Ashish Jain, Mr. Bakul Jain and Mrs. Paulomi Jain, Mr. Mudit Jain and Ms. Malti Bhindi, Mr. Vivek Jain and Mr. Saatvik Jain are related to each other.
- The Managing Directors, Senior President and Presidents are entitled for remuneration in excess of the limits mentioned under Rule 5(2) (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- The appointments of Managing Directors are contractual and appointments of other Senior Management Personnel are contractual/on-roll basis, as may be applicable.

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
 The Members,
DCW LIMITED
 Dharangadhra,
 Gujarat - 363315

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 (reporting period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the DCW Limited as given in 'Annexure-I' for the period 1st April 2021 to 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (The Company has not availed any Foreign Direct Investment and External Commercial

Borrowings and has not made Overseas Direct Investment during the Period under review.)

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (The Company has not introduced any Share Based Employee Benefits or Sweat Equity shares during the financial year under review)
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Listed Entity has not listed its Debt securities)
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable as the Company has not delisted/proposed to delist its Equity Shares from any Stock Exchange during the financial year under review)
 - i) The Securities and Exchange Board of India (Buy Back

of Securities) Regulations, 2018;(Not applicable as the Company has not bought back / propose to buy-back any of its securities during the financial year under review)and

vi. The Management has identified and confirmed the following laws as the specifically applicable to the Company:

- a) The Explosives Act, 1884;
- b) Hazardous Waste (Management and Handling) Rules, 2016;
- c) Gas Cylinder Rules, 2016.
- d) Bureau of Indian Standards Act, 2016.

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India

- ii. The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis. The list of major head/ groups of Acts, Laws and Regulations as generally applicable to the Company is as per **Annexure II**.

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

I further report that

1. During the period under review the Company had taken following actions against Designated Persons for Violation of Company's Code of Conduct under SEBI (PIT) Regulations, 2015:

| Sr. No. | Name of Designated Persons | Amount of Profit earned (in ₹) | Action taken by the Company |
|---------|-----------------------------|--------------------------------|---|
| 1 | Balraj Satyanarayan Balisti | 5,24,950 | The amount of profit earned i.e.. ₹ 5,24,950 has been transferred to IPEF Account |
| 2 | Kalyan Jain | 3,20,634 | The amount of profit earned i.e.. ₹ 3,20,634 has been transferred to IPEF Account |
| 3 | Vibha Swarup | 0 | Company has issued warning letter and advised them to be more careful in future |
| 4 | Divyaa Kummar | 0 | |

2. Pursuant to approval granted by Members at Extra-ordinary General Meeting ("EGM") held on 27th February, 2020 and on recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 2nd November, 2021 decided to revise the rate of Commission to be paid to Mr. Pramodkumar Shriyansprasad Jain, Mr. Bakul Premchand Jain and Mr. Vivek Shashichand Jain from existing 25% of the difference between 10% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole - time Directors of the Company in that year to such rate of commission which shall be equally distributed amongst all the Managing Directors and Whole-Time Directors existing as on date of computation of commission.

I further report that

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

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

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

I further report that there are adequate systems and processes in

the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

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

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

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

Date: May 24, 2022
Place: Mumbai
UDIN: F001473D000369808

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

ANNEXURE - I

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

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

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

Date: May 24, 2022
Place: Mumbai
UDIN: F001473D000369808

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

ANNEXURE - II**List of applicable laws to the Company****Dhrangadhra, Gujarat**

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

Sahapuram, Tamil Nadu

1. Factories Act, 1948 read with The Tamil Nadu Factories Rules, 1950;
2. Industrial Dispute Act, 1947 read with Tamil Nadu Industrial Disputes Rules, 1958;
3. Payment of Bonus Act, 1956;
4. Payment of Gratuity Act, 1972;
5. Industrial Employment Standing Orders Act, 1946;
6. Professional Tax Act, 1975;
7. Employees' Provident Fund Act, 1952;
8. The Contract Labour (Regulation & Abolition) Act, 1970;
9. The Employment Exchange Act, 1959;
10. The Employees' State Insurance Act, 1948;
11. Apprentices Act, 1961;
12. Tamil Nadu Welfare Fund Act, 1972;
13. Air (Prevention and Control of Pollution) Act, 1981;
14. Environmental (Protection) Rules, 1986;
15. Standards of Weights and Measures Act, 1976;
16. Standards of Weights and Measures (Enforcement) Act, 1985;
17. Motor Vehicle Act, 1988;
18. Tamil Nadu Tax on Professional, Trades, Callings and Employments Act 1992.

To,
The Members,
DCW LIMITED
Dharangadhra,
Gujarat - 363315

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

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

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

Date: May 24, 2022
Place: Mumbai
UDIN: F001473D000369808

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

SECRETARIAL COMPLIANCE REPORT OF DCW LIMITED

FOR THE YEAR ENDED MARCH 31, 2022

I, Shubhkaran Jain, Practicing Company Secretary, have examined:

- | | |
|--|--|
| <ul style="list-style-type: none"> (a) all the documents and records made available to us and explanation provided by DCW LIMITED (hereinafter referred to as "the Listed Entity"), (b) the filings/submissions made by the listed entity to the Stock Exchanges, (c) website of the Listed Entity, (d) any other document/ filing, as may be relevant, which has been relied upon to make this Certification, | <ul style="list-style-type: none"> (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;(Not applicable as Listed Entity has not made any Share Based Employee Benefits or issued any Sweat Equity shares during the financial year under review) (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;(Not applicable as the Listed Entity has not listed it Debt securities) (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;(The Listed Entity has not issued any Non-Convertible and Redeemable Preference Shares during the financial year under review) (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;and circulars/ guidelines issued thereunder; |
|--|--|

For the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

- | | |
|---|--|
| <ul style="list-style-type: none"> i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder;and ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI") | <p>and based on the above examination, I hereby Report that, during the Review Period:</p> <ol style="list-style-type: none"> 1. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, |
|---|--|

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- | | |
|---|--|
| <ul style="list-style-type: none"> (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015; (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018; (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; (d) Securities and Exchange Board of India (Buyback of Securities) Regulations,2018;(Not applicable as the Listed Entity has not bought back/propose to Buy-back any of its securities during the Financial Year under review) | <ol style="list-style-type: none"> 2. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records. 3. There was no action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder; |
|---|--|

4. The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31 st March, 2021 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|--|--|--|
|---------|--|--|--|--|

NA

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

Date: May 24, 2022
Place: Mumbai
UDIN: F001473D000369808

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

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

A) CONSERVATION OF ENERGY

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

SAHUPURAM

Chloro-Alkali Plant

1. In the Financial Year 2021 – 22 by Recoating and Remembraning of two Electrolyser Electrolyser E & F DC power consumption got reduced from 2275 to 2225 KWH / MT of caustic.
2. Re-tubing of One tube bundle in Zig Zag heat exchanger leads to steam saving of around 1440 MT / Annum.
3. Re-Engineering and interconnection of Caustic Evaporation Plant (CEP) Inst. Air line with Flakes plant air line led to a power saving of 35000 units / Annum during idle firing days.
4. Interconnection of Factory and Sahupuram Residents Centre (SRC) drinking water pumps and thereby elimination of running of separate Tamilnadu Water Supply and Drainage Board drinking (TWAD) water pump for SRC colony led to a power saving of 45,000 Units / Annum

Synthetic Rutile plant

1. Installation of Variable Frequency Drive (VFD) in Upgraded Ilmenite (UGI) Calciner cooling tower pump resulted in savings of 15330 Units / Annum.
2. By utilising gravity flow, in Utox plant, leach liquor lamella clarifier overflow transferred to Iron oxide Pigment (IOP) plant 20 m³ Capacity Conical Settling tank, thereby resulted in saving of 31,680 Units / Annum.

SIOPP

1. High purity Liquid oxygen utilised instead of Vacuum Pressure Spring Absorption (VPSA) Oxygen for production of Red iron oxide pigments seed there by 50 KWhr/MT saved.

COGEN

1. One stage was reduced in Condensate Extraction Pump (CEP) in 8.27MW Steam Turbo Generator (STG) and achieved the energy saving of 28500 KWhr/Annum.

2. Introducing energy efficient fan blade assembly in 2x25MW Cooling Tower Cell and achieved the energy saving of 184800 KWhr/Annum.
3. Implemented Auto ON/OFF operation of Cooling Tower Make Up Water pump w.r.t., CT Fore bay Level instead of continuous operation of the pump and achieved the energy saving of 42500 KWhr/Annum.
4. Introduced LED Light Fittings instead of Metal Halide (MH) high bay Light Fittings in STG Turbine floor and achieved the energy saving 10000 KWhr/Annum.

Effective utilization of Energy Saving Devices

- Identifying of potential areas for energy conservation were made, availability of Energy saving devices ensured by proper preventive maintenance.
- By effective running of energy savings devices (Variable Frequency devices & Supermisers) total savings achieved 66.05 Lakh KWhr per annum. (through Supermisers (SMX) 15.52 Lakh units and in VFDs 50.53 Lakh Units)

Energy Conservation activities

- National Energy Conservation week celebrations organized during December 2021. 25 suggestions validated for implementation.

DHRANGADHRA

Soda Ash unit

1. **Conversion of stoker fired boiler to Atmospheric Fluidised Bed Combustion ("AFBC") type:**

One of the stoker fired boiler which was installed in the year 1993 converted to Afbc type (fluidised bed type) & commissioned in February, 2022.

Conversion resulted in increasing the operating capacity from average 20 Mt/hr to 27 Mt/hr.

In addition achieved an improvement in overall boiler efficiency by 3 %

2. **Revamping of Bhel turbo set (3.50 MW) with alternator:**

Bhel turbo generator set which completed 30 years of service was revamped totally.

After revamping, the generation capacity could be increased from 2.80 MW to 3.00 MW with

Improvement in steam extraction nearly by 5 % and over all steam & power balance has Improved considerably.

3. **Revamping of carbon di oxide turbo screw compressor (Man turbo make):**

The screw compressor has to be taken for major revamping, as it had completed more than 40000 Hours of service & the capacity was getting reduced. After revamping, the near full speed of 11800 rpm could be achieved, resulting in increased CO₂ gas supply to the plant & hence sustained plant capacity could be maintained.

4. **Commissioning of Flash steam recovery & direct pumping of distiller waste liquor eliminating underground sump & connected pumps:**

With the revamping of distiller system with increased height at higher elevation, the flash steam recovery system was commissioned & low pressure steam at 1 Mt/Hr recovered from high temperature distiller waste liquor and distiller waste could be directly pumped to the waste pond eliminating the underground sump with pumping system. Power saving of 54 KW could be achieved due to stopping of pumps in underground sump.

5. **Commissioning of De-Carbonator No. 8 :**

New De-Carbonator was commissioned by March 2022, & it resulted in stable distiller operation with reduced Ammonia Loss. (Ammonia Loss has come down from 7 to 8 Kg per Mt of Soda Ash to around 4 to 5 Kgs per Mt of Soda Ash.

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

SAHUPURAM

- Savings of 2731 KWHr / Annum achieved by usage of PV panel in administration block.
- Savings of 1092 KWHr / Annum achieved by usage of 5 Nos. solar tubing in place of conventional lighting.

III. **CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:**

- An investment of 2084.51 lakhs were made for energy conservation equipment procurement and services.

B) TECHNOLOGY ABSORPTION

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

SAHUPURAM

CHLOR ALKALI PLANT

1. Hydrochloric Acid (HCL) productivity enhanced by complete de scaling of HCL furnace blocks.
2. Providing epoxy coating inside the 3000 m3 lye storage tank led to quality sustenance of product Caustic Lye.
3. Indigenouisation of Electrolyser non critical spare parts.
4. In house fabrication of Anolyte Headers led to procurement cost reduction.

SYNTHETIC RUTILE PLANT

1. Separation of Ilmenite ore from Rejects (Spiral – Gravity separation) by wet process method, results in recovery of 1184.0 metric tons of Ilmenite Ore.
2. Buff Titanium di oxide (Utox) colour value increased (*L 88 /*a 0.4 /* b 18) by process modification results in better realization.
3. The Iron oxide Pigment (IOP) blender capacity optimised to 2.5 Mt / batch resulted in reduced production cost.

PVC

We have achieved a highest production of a special lower K resin.

CPVC

1. Indigenization of Ultra violet (UV) lamps for Photo chlorination reactor. Trials are going on.
2. Indigenization of Mechanical seals for loop gas blower. Trials are going on.

SIOPP

1. To enhance the quality of seed and to enhance the production in crystal growth during Red Iron Oxide production, cold insulation provided for Liquid Oxygen supply line and provided the series Heat Exchangers to reduce the temperature of Ammonia, thereby increasing in G/S Ratio by 0.5 unit and thereby increase the Ammonium Chloride concentration in Mother liquor by 1.5 %.
2. To reduce the iron precipitation during the process of trace elements from ferrous chloride, we have introduced an additional 10 cum vessel and precipitation carried out in both the vessel due to this the hazardous waste generation reduced about 50 %.

COGEN

1. Introduced modified strainer assembly at suction of Main Cooling Water pump (MCW) in our 8.27MW STG towards effective flow at pump discharge as well as to avoid frequent choking of condenser tubes with foreign materials.
2. Introduced heat recovery system in Process Return Condensate circuit in order to ensure the quality of process return condensate.
3. Modified the design of in bed evaporator coils in our 125TPH Boilers in order to consume the coal with low Ash Fusion Temperature (AFT).

DHRANGADHRA**Soda Ash unit**

1. BOILERS 1 & 3 brought under DCS control system & boiler 2 integration with DCS system in progress.
2. CO₂ gas analyser commissioned & calciner gas purity improved resulting in increase in mixed gas purity & hence better yield in carbonators
3. Distiller top & weak liquor still top temperature and mother liquor feeding brought under instrument auto control, resulting in stable operation of distiller with reduced Ammonia loss & improved absorber performance.

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

There was no technology imported in the last 3 years

IV) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT:

During the year under review the Company has spent ₹ 109.02 lakhs for Research and Development

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Foreign Exchange Earning: ₹ 1019.13 Crore
- Foreign Exchange Outgo: ₹ 453.33 Crore

ANNUAL REPORT ON CSR ACTIVITIES

FOR FINANCIAL YEAR 2021-2022

1. A brief outline on CSR policy of the Company

The Objectives of Company's CSR Policy are to demonstrate commitment to the common welfare through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects of the company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources, ecology balances, protection of natural heritage, art and culture, measures for the benefit of the armed forces, training to promote rural sports etc.

2. The Composition of the CSR Committee

| Sr. No. | Name | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee held during the year |
|---------|-----------------------------|-------------------------------------|--|--|
| 1 | Mr. Pramod Kumar Jain | Chairman and Managing Director | 2 | 2 |
| 2 | Mr. Bakul Jain | Managing Director | 2 | 2 |
| 3 | Mr. Krishnamoorthy Krishnan | Independent Director | 2 | 2 |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The composition of the CSR committee is available on our website at www.dcwlimited.com. The CSR Projects and CSR Policy approved by the board are available on the Company's website at <http://www.dcwlimited.com/pdf/policy/policy.zip>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Provisions related Impact assessment of CSR projects is not applicable to the Company

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set- off for the financial year, if any (in ₹) |
|---------|----------------|--|--|
| 1 | 2020-21 | 63.77 Lakhs | NIL |

| | | |
|----|--|--------------------|
| 6. | Average net profit/(loss) of the Company as per section 135(5): | ₹ (1,594.94) lakhs |
| 7. | (a) Two percent of average net profit of the company as per section 135(5): | Nil |
| | (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: | 63.77 lakhs |
| | (c) Amount required to be set off for the financial year, if any: | Nil |
| | Total CSR obligation for the financial year (7a+7b- 7c): | Nil |

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹ lakhs) | Amount Unspent (in ₹) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 60.92 | Nil | N.A | N.A | N.A | N.A |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
|---------|---------------------|---|---------------------|----------|-------------------------|------------------|---|---|--|--|------|--|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | District | Location of the project | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Name | Mode of Implementation - Through Implementing Agency CSR Registration number. |
| | | | State | District | | | | | | | | |

Not Applicable

The Company, at present, is not engaged in any Ongoing Projects

(c) Details of CSR amount spent against other than on-going projects for the financial year:

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---------|--|--|---------------------|------------|---------------|--|--|------------------------------|--|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | State | District | Amount spent for the project (in ₹ in Lakhs) | Mode of implementation - Direct (Yes/No) | Name | Mode of implementation - Through implementing CSR Registration number |
| 1 | Promoting health care including preventive health care | i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including the contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion and sanitation and making available safe drinking water | Yes | Tamil Nadu | Thoothukudi | 0.02 | Yes | N. A | N. A |
| | | | | | | 0.25 | | | |
| | | | | | | 3.00 | | | |
| | | | | | | 0.04 | | | |
| 2 | Eradicating hunger poverty And malnutrition | | Yes | Gujarat | Surendranagar | 2.51 | No | The Akshaya Patra Foundation | CSR00000286 |
| 3 | Safe drinking water | | Yes | Tamil Nadu | Thoothukudi | 0.05 | Yes | N. A | N. A |

| 1 Sl. No. | 2 Name of the Project | 3 Item from the list of activities in Schedule VII to the Act | 4 Local area (Yes/No) | 5 Location of the project | | 6 Amount spent for the project (in ₹ in Lakhs) | 7 Mode of implementation -Through implementing Direct (Yes/No) | 8 Mode of implementation -Through implementing Name CSR Registration number | | | | | | | | |
|--------------|--|--|--------------------------|------------------------------|-------------|---|---|---|-------------------------|-----|------------|---------------|-------|-----|------|------|
| | | | | State | District | | | Name | CSR Registration number | | | | | | | |
| 4 | Livelihood Enhancement | ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; | Yes | Tamil Nadu | Thoothukudi | 0.07 | Yes | N. A | N. A | | | | | | | |
| | | | | | | 0.13 | | | | | | | | | | |
| | | | | | | 0.13 | | | | | | | | | | |
| | | | | | | 0.05 | | | | | | | | | | |
| | | | | | | 0.07 | | | | | | | | | | |
| | | | | | | 0.13 | | | | | | | | | | |
| | | | | | | 0.15 | | | | | | | | | | |
| | | | | | | 0.05 | | | | | | | | | | |
| | | | | | | 0.18 | | | | | | | | | | |
| | | | | | | 0.50 | | | | | | | | | | |
| | | | | | | 0.45 | | | | | | | | | | |
| 5 | Promoting education | | | | | | | | | | | | | | | |
| | | | | | | | | | | Yes | Gujarat | Surendranagar | 9.06 | Yes | N. A | N. A |
| 6 | Green Cover & Environment Conservation | iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga. | Yes | Tamil Nadu | Thoothukudi | 0.08 | Yes | N. A | N. A | | | | | | | |
| | | | | | | 0.25 | | | | | | | | | | |
| | | | | | | 0.10 | | | | | | | | | | |
| | | | | | | 0.08 | | | | | | | | | | |
| | | | | | | 0.08 | | | | | | | | | | |
| | | | | | | 0.08 | | | | | | | | | | |
| | | | | | | 0.20 | | | | | | | | | | |
| | | | | | | 0.04 | | | | | | | | | | |
| | | | | | | 0.04 | | | | | | | | | | |
| | | | | | | 0.05 | | | | | | | | | | |
| | | | | | | | | | | Yes | Gujarat | Surendranagar | 17.07 | Yes | N. A | N. A |
| | | | | | | | | | | Yes | Tamil Nadu | Thoothukudi | 0.10 | Yes | N. A | N. A |
| | | | | | | 0.10 | | | | | | | | | | |
| | | | | | | 0.10 | | | | | | | | | | |
| | | | | | | 0.02 | | | | | | | | | | |
| | | | | | | 0.03 | | | | | | | | | | |
| | | | | | | 0.30 | | | | | | | | | | |
| | | | | | | 0.30 | | | | | | | | | | |
| | | | | | | 1.25 | | | | | | | | | | |
| | | 0.50 | | | | | | | | | | | | | | |
| | | 7.50 | | | | | | | | | | | | | | |
| | | 0.80 | | | | | | | | | | | | | | |
| | | 12.00 | | | | | | | | | | | | | | |
| 7 | Animal welfare activities | | Yes | Tamil Nadu | Thoothukudi | 0.20 | Yes | N. A | N. A | | | | | | | |

| 1 Sl. No. | 2 Name of the Project | 3 Item from the list of activities in Schedule VII to the Act | 4 Local area (Yes/No) | 5 Location of the project | | 6 Amount spent for the project (in ₹ in Lakhs) | 7 Mode of implementation - Direct (Yes/No) | 8 Mode of implementation - Through implementing | |
|--------------|--|--|--------------------------|------------------------------|-------------|---|---|--|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| 8 | Protection of old temples of historical importance | v. Protection of natural heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts. | Yes | Tamil Nadu | Thoothukudi | 0.20 | Yes | N. A | N. A |
| | | | | | | 0.20 | | | |
| 9 | Training to sports personnel | vii. Training to promote rural sports, nationally recognized sports, Paralympic sport and Olympic sports. | Yes | Tamil Nadu | Thoothukudi | 0.10 | Yes | N. A | N. A |
| | | | | | | 0.08 | | | |
| 10 | Rural Development | x. Rural Development Projects | Yes | Tamil Nadu | Thoothukudi | 1.25 | Yes | N. A | N. A |
| | | | | | | 0.10 | | | |
| | | | | | | 0.20 | | | |
| | | | | | | 0.60 | | | |
| | | | | | | 0.10 | | | |
| Total | | | | | | 60.92 | | | |

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 60.92 lakhs
- (g) Excess amount for set off, if any: ₹ 60.92 lakhs

| Sl. No. | Particular | Amount (in ₹ lakhs) |
|---------|--|---------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | NIL |
| (ii) | Total amount spent for the Financial Year | 60.92 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 60.92 |
| (iv) | Surplus arising out of the CSR projects or programmers or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 60.92 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding Financial years. (in ₹) |
|----------------|--------------------------|--|---|---|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| Not Applicable | | | | | | | |

(b) Details of CSR amount spent in the Financial Year for Ongoing Projects of the Preceding Financial Year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|----------------|------------|---------------------|---|------------------|---|-----------------------------|--|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project- Completed /Ongoing |
| Not Applicable | | | | | | | | |

*The Company does not have any Ongoing Projects under CSR activities

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s): Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):Not Applicable
- No capital asset was created / acquired during FY 2021-22 through CSR spent

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

Sd/-
Pramodkumar Jain
Chairman & Managing Director
Chairman of CSR Committee

Place: Mumbai
Date: May 24, 2022

Sd/-
Amitabh Gupta
Chief Executive Officer

Place: Mumbai
Date: June 7, 2022

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

A detailed report on corporate governance pursuant to the requirements of the listing agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") forms part of the Annual Report. A certificate from the practicing company secretaries, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of Listing Regulations and is annexed to this Report.

2. CODE OF CONDUCT

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

Your Company has a Code of Conduct for Directors and Senior Management that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for Financial Year 2021-22. As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Amitabh Gupta, as the Company's Chief Executive Officer, has signed a declaration, stating that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with this Code of Conduct, and is annexed to this Report. The Code of Conduct also includes code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013.

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

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

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

The Company Secretary of the Company is the 'Compliance Officer' in terms of the Insider Trading Code. This Code is available on the Company's website at the link: <http://www.dcwlimited.com/pdf/policy/policy.zip>

3. BOARD OF DIRECTORS

Our Company has optimum combination of Executive and Non-Executive Directors ("NED") with at least one Woman Independent Director and not less than fifty per cent Non-Executive Directors of total strength of the Board. Also the Company has minimum six (6) Directors as per the requirement of Listing Regulations.

The Composition of the Board of Directors of the Company is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013 ('Act').

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

The Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended.

The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. The Independent Directors have cleared the online proficiency self-assessment test.

Further, none of the Independent Directors have any other material pecuniary relationship or transaction with the

Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

As required under Regulation 46 of the Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website <http://www.dcwlimited.com/pdf/policy/policy.zip>

The Senior Management Personnel also have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

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

SIZE AND COMPOSITION OF THE BOARD

The Board of Directors of the Company consists of 6 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 ¹ | | Other Committee | |
|-------------------------------------|--|-------------------------------|----------|----------------------------------|---|-----------------|---------------|
| | | Board Meetings | Last AGM | No. of other Directorships | Names of the listed entities where the Director of the Company is a Director and the category of Directorship | Memberships | Chairmanships |
| Promoter/ Executive Directors | Mr. Pramod Kumar Jain Chairman and Managing Director DIN 00380458 | 6 | YES | 0 | NIL | NIL | NIL |
| | Mr. Bakul Jain Managing Director DIN 00380256 | 5 | YES | 4 | JK Tyre & Industries Limited (Non-Executive, Independent Director) Bengal & Assam Company Limited (Non-Executive, Independent Director) | 5 | 4 |
| | Mr. Vivek Jain Managing Director DIN 00502027 | 6 | YES | 1 | NIL | NIL | NIL |
| | Mr. Mudit Jain* Managing Director DIN: 00647298 | 3 | YES | 1 | NIL | NIL | NIL |

| Category of Directorship | Name of the Director | Attendance Particulars at the | | Other Directorships ¹ | | Other Committee | |
|-------------------------------------|---|-------------------------------|----------|----------------------------------|---|-----------------|---------------|
| | | Board Meetings | Last AGM | No. of other Directorships | Names of the listed entities where the Director of the Company is a Director and the category of Directorship | Memberships | Chairmanships |
| Non Executive-Independent Directors | Ms. Sujata Rangnekar DIN 06425371 | 6 | YES | 0 | NIL | NIL | NIL |
| | Mr. Krishnamoorthy Krishnan DIN: 08129657 | 6 | YES | 1 | Rexnord Electronics and Controls Limited (Non-Executive, Independent Director) | 2 | 2 |
| | Mr. Mahesh Vennelkanti DIN:03633359 | 6 | YES | 0 | NIL | NIL | NIL |
| | Mr Salil Kapoor [^] DIN: 02256540 | 1 | YES | 0 | NIL | NIL | NIL |

1. The other Directorships held by Directors as mentioned above do not include directorship(s) in private companies, foreign companies, companies registered under Section 8 Companies and DCW Limited
2. In accordance with Regulation 26 of the Listing Regulations Membership(s), Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public companies have been considered
3. During financial year 2021-22, none of our Directors acted as Member in more than 10 Committees or as Chairperson in more than 5 Committees across all Indian Companies (listed and unlisted), where he/she is a Director.
4. The Company placed before the Board all relevant information from time to time including information as specified in Part 'A' of Schedule II Listing Regulations.
5. None of the Managing Directors are related to each other in terms of Section 2(77) of the Companies Act 2013 read with rules made thereunder.
6. Number of shares and convertible instruments held by Non- Executive Directors - NIL

* Mr. Mudit Jain had resigned from the Company w.e.f. October 8, 2021

[^] Mr. Salil Kapoor had resigned from the Company w.e.f. March 22, 2022 due to other professional commitments. Mr. Salil Kapoor has also confirmed that there are no material reasons for his resignation, other than those mentioned in his resignation letter.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Training & Familiarization Programme

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

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

DIRECTORS QUALIFICATIONS, SKILLS, EXPERTISE, COMPETENCIES AND ATTRIBUTES

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

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

Further, the information in terms of Para C(2)(h)(ii) of Schedule V of

the Listing Regulations is mentioned below;

| Sr. No. | Name of Director | Skills / competencies / experience possessed |
|---------|-----------------------------|---|
| 1 | Mr. Pramodkumar Jain | Leadership qualities, industry knowledge, strategic thinking, corporate governance, internal control systems and experience in overall general management including strategic and financial planning |
| 2 | Mr. Bakul Jain | Leadership qualities, strategic thinking, corporate governance, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company |
| 3 | Mr. Vivek Jain | Leadership qualities, strategic thinking, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company |
| 4 | Mr. Mudit Jain* | Leadership qualities, strategic thinking, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company |
| 5 | Mr. Mahesh Vennelkanti | Experience in leading and shaping Indian and multinational organisations |
| 6 | Ms. Sujata Rangnekar | Accounting and taxation, risk management experience, financial management expertise, regular column writing and contribution to leading journals on Sales Tax |
| 7 | Mr. Krishnamoorthy Krishnan | Accounting and taxation (Sales Tax, Income Tax, Service Tax, and GST), risk management experience, financial management expertise |
| 8 | Mr. Salil Kapoor^ | Corporate governance, understanding of corporate laws, rules, regulations and policies, Advocate of Income Tax matters practising in Supreme Court and various High Courts |

* Mr. Mudit Jain had resigned from the Company w.e.f. October 8, 2021

^ Mr. Salil Kapoor had resigned from the Company w.e.f. March 22, 2022

CONFIRMATION OF THE BOARD FOR INDEPENDENT DIRECTORS

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

BOARD EVALUATION

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

The performance evaluation of the Chairperson, Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting held on March 26, 2022. The Independent Directors expressed their satisfaction with the evaluation process.

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

BOARD MEETINGS

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

During the Financial Year 2021-22, Six (6) Board Meetings were held on: May 21, 2021, July 30, 2021, October 8, 2021, November 2, 2021, February 2, 2022 and March 7, 2022. The gap between any two consecutive Board Meetings during this period did not exceed 120 days.

MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the Listing Regulations, a Meeting of the Independent Directors was convened on March 26, 2022 without the presence of Non-Independent Directors and Members of the Management to discuss and review:

- The performance of the Chairman, Non – Independent Directors and the Board.

- The quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were Present at the Meeting.

BOARD COMMITTEES

The Board Committees are set up by the Board and play a crucial role in the governance structure. The Committees have been constituted to deal with specific areas / activities as mandated by applicable regulations. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. During the financial year, all recommendations, if any, made by the various Committees have been accepted by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting. There are 5 (five) Statutory Board constituted Committees as on March 31, 2022. The details of the various Board Committees are as mentioned below:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders' Relationship Committee
5. Risk Management Committee

4. AUDIT COMMITTEE:

TERMS OF REFERENCE:

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

The Company Secretary acts as the Secretary to the Committee.

The Internal Auditor reports functionally to the Audit Committee.

The Executive Director(s) and Senior Management of the Company also attend the Meetings as invitees whenever required to address concerns raised by the Committee Members.

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

following functions:

- (i) Oversight of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information;
- (ii) Recommending to the Board, appointment, re-appointment and, if required, replacement or removal of the Statutory Auditor and fixation of their terms of appointment and remuneration;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors, if any;
- (iv) Reviewing, with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the board's report;
 - Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements related to Financial Statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- (v) Reviewing with the Management, quarterly Financial Statements before submission to the Board for approval;
- (vi) Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of internal control systems;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Monitoring the end use of funds raised through public offers / Private Placement and related matters, if any;
- (xii) Evaluation of internal financial controls and risk management systems;
- (xiii) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with Internal Auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereof;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Obtaining an update on the Risk Management Framework and the manner in which risks are being addressed;
- (xvii) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xviii) Review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- (xix) Review of the functioning of Whistle Blower mechanism;
- (xx) Approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xxi) Reviewing the Management Discussion and Analysis of financial condition and results of operations;
- (xxii) Review the management letters/letters of internal control weaknesses issued by the statutory auditors;

- (xxiii) Review the appointment, removal and terms of remuneration of the Chief Internal Auditor, if any;
- (xxiv) Review the Internal Audit Report relating to internal control weaknesses;
- (xxv) Review quarterly statement of deviations including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of the SEBI LODR Regulations 2015;
- (xxvi) Review annual statement of deviations of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR Regulations 2015;
- (xxvii) Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (xxviii) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee;
- (xxix) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, if any, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (xxx) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (xxxi) Carry out such other responsibility as may be provided by the Companies Act, 2013 and the Listing Regulations.

Composition, Name of Members and Chairperson:

Audit Committee comprises 3 Non-Executive Independent Directors.

| Sr. No. | Name | Designation |
|---------|-----------------------------|-------------|
| 1 | Ms. Sujata Rangnekar | Chairperson |
| 2 | Mr. Mahesh Vennelkanti | Member |
| 3 | Mr. Krishnamoorthy Krishnan | Member |

There was no change in the composition of Audit Committee during the year under review.

Meeting and Attendance:

The Audit Committee met five (5) times during the year and the gap between two meetings does not exceed one hundred twenty days. The necessary quorum was present for all the meetings. The attendance of the members at the meetings were as follows:

| Dates of Meetings | Ms. Sujata Rangnekar | Mr. Krishnamoorthy Krishnan | Mr. Mahesh Vennelkanti |
|-------------------|----------------------|-----------------------------|------------------------|
| May 21, 2021 | Yes | Yes | Yes |
| July 30, 2021 | Yes | Yes | Yes |
| November 2, 2021 | Yes | Yes | Yes |
| February 2, 2022 | Yes | Yes | Yes |
| March 7, 2022 | Yes | Yes | Yes |

5. NOMINATION AND REMUNERATION COMMITTEE:

TERMS OF REFERENCE:

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

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

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference of the committee inter-alia includes:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management Positions in accordance with the criteria laid down in the policy;
 - iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
 - v. Review and recommend the structure, size and composition of the Board and Board Committees;
 - vi. Formulation of criteria for evaluation of performance of all the Directors including Independent Directors;
 - vii. Carry out evaluation of every Director's performance and recommend to the Board appointment/removal based on his/her performance;
 - viii. Devising a policy on Board diversity;
 - ix. Recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Positions;
 - x. Assist the Board in implementing corporate governance practices;
 - xi. Development of a succession plan for the Board and to regularly review the plan;
 - xii. Decide whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors;
 - xiii. Recommend to the Board, all remuneration, in whatever form, payable to senior management
 - xiv. To consider any other matters as may be requested by the Board.

Composition, Name of Members and Chairperson:

Nomination and Remuneration Committee comprises 3 Non-Executive Independent Directors.

| Sr. No. | Name | Designation |
|---------|-----------------------------|-------------|
| 1 | Ms. Sujata Rangnekar | Chairperson |
| 2 | Mr. Mahesh Vennelkanti | Member |
| 3 | Mr. Krishnamoorthy Krishnan | Member |

There was no change in the composition of NRC during the year under review.

Meeting and Attendance:

The Nomination and Remuneration Committee met two (2) times during the year. The necessary quorum was present for all the meetings. The attendance of the members at the meetings were as follows:

| Dates of Meetings | Ms. Sujata Rangnekar | Mr. Krishnamoorthy Krishnan | Mr. Mahesh Vennelkanti |
|-------------------|----------------------|-----------------------------|------------------------|
| May 21, 2021 | Yes | Yes | Yes |
| November 2, 2021 | Yes | Yes | Yes |

Performance Evaluation Criteria for Independent Directors

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

REMUNERATION OF DIRECTORS

Details of the Remuneration paid to the Directors for the Financial Year 2021-22 is given below:

| (₹in Lakhs) | | | | | | |
|-----------------------------|--------|----------|--------------------------------------|------------|--------------|--------|
| Directors | Salary | Benefits | Contribution to PF & Other Funds (₹) | Commission | Sitting Fees | Total |
| Mr. Pramod Kumar Jain | 105.65 | - | 32.83 | 185.00 | - | 323.48 |
| Mr. Bakul Jain | 105.65 | - | 32.83 | 185.00 | - | 323.48 |
| Mr. Vivek Jain | 105.65 | - | 32.83 | 185.00 | - | 323.48 |
| Mr. Mudit Jain * | 55.10 | - | ** 356.28 | - | - | 411.38 |
| Ms. Sujata Rangnekar | - | - | - | 3.00 | 1.20 | 4.20 |
| Mr. Krishnamoorthy Krishnan | - | - | - | 3.00 | 1.30 | 4.30 |
| Mr. Mahesh Vennelkanti | - | - | - | 3.00 | 1.20 | 4.20 |
| Mr. Salil Kapoor^ | - | - | - | 3.00 | 0.10 | 3.10 |

* Mr. Mudit Jain has resigned from the Company w.e.f. October 8, 2021

** It includes gratuity & leave encashment

^ Mr. Salil Kapoor had resigned from the Company w.e.f. March 22, 2022

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

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

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

The appointment of the Managing Directors may be terminated by either party by giving a six-month Notice. No severance fee is payable on termination of appointment.

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

6. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The purpose of the Corporate Social Responsibility and Sustainability ('CSR&S') Committee is to assist the Board in formulating, monitoring and reviewing the CSR strategy and

policy of the Company and the amount of expenditure to be incurred on CSR activities.

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

The CSR&S Policy is available on our website at <http://www.dcwlimited.com/pdf/policy/policy.zip>

The Company Secretary acts as the Secretary to the Committee.

Composition, Name of Members and Chairperson:

Corporate Social Responsibility and Sustainability Committee comprises 3 Members

| Sr. No. | Name | Designation |
|---------|-----------------------------|-------------|
| 1 | Mr. Pramod Kumar Jain | Chairperson |
| 2 | Mr. Bakul Jain | Member |
| 3 | Mr. Krishnamoorthy Krishnan | Member |

Meeting and Attendance:

During the year, the Corporate Social Responsibility and Sustainability Committee met two (2) times during the year. The

necessary quorum was present at the meeting. The attendance of the members at that meeting were as follows:

| Dates of Meetings | Mr. Pramod Kumar Jain | Mr. Bakul Jain | Mr. Krishnamoorthy Krishnan |
|-------------------|-----------------------|----------------|-----------------------------|
| May 21, 2021 | Yes | Yes | Yes |
| February 2, 2022 | Yes | Yes | Yes |

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee also

- i. Considering and resolving grievances of Shareholders', debenture holders and other security holders;
- ii. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- iii. Issue of duplicate certificates and new certificates on split/ consolidation/renewal, etc.;
- iv. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- v. Review of measures taken for effective exercise of voting rights by shareholders;
- vi. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- vii. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
- viii. Carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

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

Mr. Dilip Darji, Sr. General Manager (Legal) & Company Secretary of the Company is the Compliance Officer of the Company

Composition, Name of Members and Chairperson:

Stakeholders Relationship Committee comprises 3 Members.

| Sr. No. | Name | Designation |
|---------|-----------------------------|-------------|
| 1 | Mr. Krishnamoorthy Krishnan | Chairperson |
| 2 | Mr. Pramod Kumar Jain | Member |
| 3 | Mr. Bakul Jain | Member |

Investors' Complaint:

The complaints received from the shareholders, if any, during the Financial Year 2021-22 were resolved in stipulated time and no complaints were pending at the end of the year.

8. RISK MANAGEMENT COMMITTEE:

The Company being in top 1000 listed entities as per market capitalization as on March 31, 2021 has constituted a Risk Management Committee ("RMC") on July 30, 2021 pursuant to the provision of Regulation 21 of the Listing Regulations for identification of internal and external risks specifically in particular including financial, operational, sectoral, sustainability, information, cyber security risks.

Terms of Reference:

The broad terms of reference of the RMC are as follows:

- i. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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

Composition, Name of Members and Chairperson:

The Risk Management Committee comprises 3 Members.

| Sr. No. | Name | Designation |
|---------|-----------------------------|-------------|
| 1 | Mr. Pramod Kumar Jain | Chairperson |
| 2 | Mr. Saatvik Jain | Member |
| 3 | Mr. Krishnamoorthy Krishnan | Member |

Meeting and Attendance:

The Risk Management Committee met two (2) times during the year. The necessary quorum was present at the meeting. The attendance of the members at that meeting were as follows:

| Dates of Meetings | Mr. Pramod Kumar Jain | Mr. Saatvik Jain | Mr. Krishnamoorthy Krishnan |
|-------------------|-----------------------|------------------|-----------------------------|
| November 2, 2021 | Yes | Yes | Yes |
| March 7, 2022 | Yes | Yes | Yes |

9. GENERAL BODY MEETINGS

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

| Financial Year | Location | Date | Time | No. of Special Resolutions Passed |
|----------------|--|--------------------|------------|-----------------------------------|
| 2018-19 | Dhrangadhra, Gujarat | September 30, 2019 | 10:00 a.m | 2 |
| 2019-20 | Since the Annual General Meeting (AGM) was held through VC/OAVM. Hence, the deemed venue for the AGM was the Registered Office of the Company. | December 30, 2020 | 12.00 Noon | 2 |
| 2020-21 | Since the Annual General Meeting (AGM) was held through VC/OAVM. Hence, the deemed venue for the AGM was the Registered Office of the Company. | September 27, 2021 | 12:00 Noon | 1 |

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

10. MATERIAL SUBSIDIARY COMPANIES

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

11. MEANS OF COMMUNICATION

Quarterly Results:

The Company's quarterly results are published in 'Financial Express' in English and Gujarati Edition published from Ahmedabad and also are displayed on its website <http://www.dcwlimited.com/newseventsnotice.php>

News Releases, Presentations, Investor Calls, etc.:

Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website at http://www.dcwlimited.com/pdf/PressRelease/press_release.zip. Official media releases, sent to the Stock Exchanges, are given directly to the press. In addition to the above, after announcement of results, the Company holds conference calls with investors/ analysts.

Website:

Comprehensive information about the Company, its business and operations, Press Releases and investor information can be viewed at the Company's website at www.dcwlimited.com. The 'Investor Relations' section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholding pattern, presentations made to analysts, etc.

12. CEO / CFO CERTIFICATION

Mr. Amitabh Gupta, Chief Executive Officer and Mr. Vimal Jain, Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) of SEBI (Listing Obligation and Disclosures) Regulations, 2015 read with Schedule II Part B of the Listing Regulations, pertaining to CEO /CFO certification for the financial year ended March 31, 2022.

13. NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from M/s S. K. Jain & Co., Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company

by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority as on March 31, 2022, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

14. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from M/s S. K. Jain & Co., Practicing Company Secretaries, confirming compliance with the conditions of the Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

15. RISK MANAGEMENT:

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

16. GENERAL SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING:

| | |
|-----------------------|--|
| Date | September 27, 2022 |
| Time | 12:00 Noon |
| Venue | Since the Annual General Meeting (AGM) will be held through VC/ OAVM. Hence, the deemed venue for the AGM will be the Registered Office of the Company. |
| Financial Year | April 2021 – March 2022 |
| Date of Book closure | Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive). |
| Dividend Payment Date | The Board of Directors, at their meeting held on May 24, 2022, has recommended a final dividend of ₹ 0.40 per equity share of the face value of ₹ 2 each (being 20% on face value). Dividend, if declared shall be paid/ dispatched on or after Wednesday, September 28, 2022. |

Listing on Stock Exchanges :

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

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

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

The Board of Directors has confirmed that the Company has made the payment of annual listing fee to each of such Stock Exchange(s) for the Financial Year 2022-23.

Stock Codes :

The Company's stock codes on the above stock exchanges are:

| | Script code/symbol |
|-----|--------------------|
| BSE | 500117 |
| NSE | DCW |

The ISIN of the Company is INE500A01029 (Fully Paid)

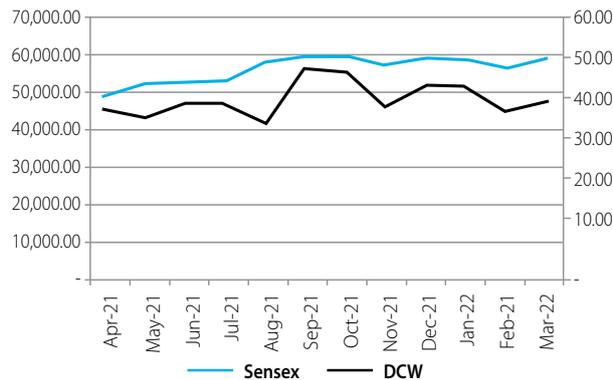
Market price data**High / Low During each month in last Financial year :**

| Month / Year | NSE | | BSE | |
|-----------------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2021 | 40.45 | 26.25 | 40.40 | 26.50 |
| May, 2021 | 40.90 | 33.00 | 42.75 | 33.00 |
| June, 2021 | 43.10 | 34.20 | 43.15 | 34.25 |
| July, 2021 | 44.90 | 37.70 | 44.85 | 37.65 |
| August, 2021 | 41.10 | 31.85 | 41.00 | 31.95 |
| September, 2021 | 48.10 | 34.35 | 48.00 | 34.35 |
| October, 2021 | 65.90 | 44.10 | 65.95 | 44.60 |
| November, 2021 | 52.65 | 38.30 | 51.90 | 38.10 |
| December, 2021 | 44.85 | 38.20 | 44.85 | 38.45 |
| January, 2022 | 48.40 | 40.50 | 48.35 | 40.50 |
| February, 2022 | 51.15 | 37.30 | 51.15 | 37.35 |
| March, 2022 | 44.60 | 36.50 | 44.45 | 36.55 |

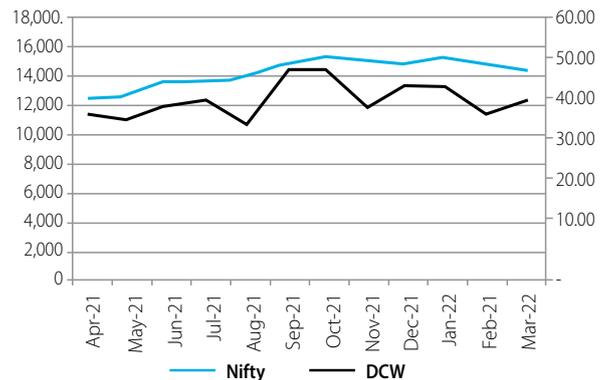
SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

| Month / Year | NSE | | BSE | |
|-----------------|-----------------|---------------|-----------------|-----------|
| | Share price (₹) | Nifty 500 (₹) | Share Price (₹) | Sensex(₹) |
| April, 2021 | 38.75 | 12305.08 | 38.75 | 48,782.36 |
| May, 2021 | 37.20 | 12741.39 | 37.25 | 51,937.44 |
| June, 2021 | 40.05 | 13457.44 | 40.10 | 52,482.71 |
| July, 2021 | 40.75 | 13606.99 | 40.70 | 52,586.84 |
| August, 2021 | 35.80 | 14044.48 | 35.80 | 57,552.39 |
| September, 2021 | 47.70 | 14939.03 | 47.70 | 59,126.36 |
| October, 2021 | 47.35 | 15413.59 | 47.30 | 59,306.93 |
| November, 2021 | 39.15 | 15250.97 | 39.30 | 57,064.87 |
| December, 2021 | 44.30 | 14835.13 | 44.25 | 58,253.82 |
| January, 2022 | 44.25 | 15297.06 | 44.25 | 58,014.17 |
| February, 2022 | 38.40 | 14736.06 | 38.45 | 56,247.28 |
| March, 2022 | 40.85 | 14395.30 | 40.75 | 58,568.51 |

DCW Limited Share Price versus BSE Sensex



DCW Limited Share Price versus NIFTY



Registrar and Share Transfer Agents

The Company has appointed Bigshare Services Pvt. Ltd., having Registered Office at E-3 Ansa Industrial Estate Saki Vihar Road Sakinaka Mumbai - 400072 and Corporate Office at Office no- S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves road, Andheri (E), Mumbai - 400 093 as Registrars and Share Transfer Agents of the Company.

The Company's shares are traded in the Stock Exchanges compulsorily under demat mode.

Share Transfer System

Transfers in physical form are registered by the Registrar and Share Transfer Agent immediately on receipt of completed documents and certificates are issued within stipulated time. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. With effect from April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

The Company obtains an annual certificate from a Company Secretary in Practice to the effect that all certificates have been issued within the period of thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) Listing Regulations and files a copy of the said certificate with the concerned Stock Exchanges.

Distribution of Shareholding as on March 31, 2022

| Range | No. of Shareholders | % of Shareholders | Total No. of Shares held | % of Total Capital |
|---------------|---------------------|-------------------|--------------------------|--------------------|
| 1 – 500 | 68564 | 75.95 | 36133514 | 4.18 |
| 501 – 1000 | 10024 | 11.10 | 10549920 | 3.27 |
| 1001 – 2000 | 5174 | 5.73 | 9130351 | 3.13 |
| 2001 – 3000 | 1985 | 2.20 | 5974668 | 1.98 |
| 3001 – 4000 | 894 | 0.99 | 2992085 | 1.25 |
| 4001 – 5000 | 987 | 1.09 | 2747086 | 1.82 |
| 5001 – 10000 | 1427 | 1.58 | 8371499 | 4.20 |
| 10001 – above | 1226 | 1.36 | 185131248 | 80.16 |
| Total | 90281 | 100.00 | 261030371 | 100.00 |

SHAREHOLDING PATTERN OF DCW LTD AS ON March 31, 2022

| Category | Number of Shares | % of Holding |
|---|------------------|--------------|
| A. PROMOTER AND PROMOTER GROUP | | |
| Individuals/Hindu undivided Family | 64098427 | 24.56 |
| Bodies Corporate | 57947740 | 22.20 |
| Total A | 122046167 | 46.76 |
| B. PUBLIC | | |
| I. Institution | | |
| Mutual Funds | 11005 | 0.00 |
| Venture Capital Funds | 0 | 0 |
| Alternate Investment Funds | 0 | 0 |
| Foreign Venture Capital Investors | 0 | 0 |
| Foreign Portfolio Investors | 17532551 | 6.72 |
| Financial Institutions/ Banks | 42610 | 0.02 |
| Insurance Companies | 0 | 0 |
| Provident Funds/ Pension Funds | 0 | 0 |
| Any Other (FII'S) | 11500 | 0.00 |
| Sub-Total B(I) | 17597666 | 6.74 |
| II Central Government/ State Government(s)/ President of India | 0 | 0 |
| Sub-Total B(II) | 0 | 0 |
| III. Non-institutions | | |
| Individuals- | 68503574 | 26.24 |
| i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs. | | |
| Individuals – | 28023340 | 10.74 |
| ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs. | | |
| NBFCs registered with RBI | 11800 | 0 |
| Other (Bodies Corporate, Clearing Members, HUF, NRI) | 24847824 | 9.52 |
| Sub-Total B(III) | 121386538 | 46.50 |
| Total Public Shareholding B=(B)(I)+(B)(II)+(B)(III) | 138984204 | 53.24 |
| Total (A+B) | 261030371 | 100 |

Dematerialisation of Shares and Liquidity

259211851 Equity Shares of the Company's held by 87920 Shareholders comprising 99.30% of the paid up Share Capital have been dematerialized up to March 31, 2022. Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI.

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

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity as on March 31, 2022

The Company does not have any outstanding GDRs/ ADRs/

Warrants as on March 31, 2022. However the Company has allotted 6,000 rated, unlisted, secured, Optionally Convertible Debentures (OCDs) having face value of ₹ 1,00,000/- each on March 5, 2021 which shall be converted within a period of 18 months from the date of allotment.

The Company has also issued and allotted 1,57,91,314 (One Crore Fifty Seven Lakhs Ninety-one Thousand Three Hundred & Fourteen) Warrants convertible into equity shares, in one or more tranches, at a price of ₹ 19/- per equity share (including premium of ₹ 17/- per equity share) on Preferential Basis on April 7, 2021 to the Promoter, Promoter's Group and Foreign Portfolio Investors which shall be converted within a period of 18 months from the date of allotment.

Since the said OCDs and warrants are not converted during the financial year 2021-22, it will not have any impact on the equity as on March 31, 2022

However, Company received notice from the Debenture Holder(s) to exercise the option for part conversion of 3000 Optionally Convertible Debentures ("OCDs") of ₹ 1,00,000/- each (out of 6000 OCDs allotted on March 5, 2021), the Committee of Board of Directors for OCDs in their Meeting held on June 22, 2022 had approved the conversion of OCDs and allotment of 1,66,66,666 (One Crore Sixty Six Lakhs Sixty Six Thousand Six Hundred and Sixty Six) Equity Shares having face value of ₹ 2/- each at conversion price of ₹18/- per Equity Share (including premium of ₹16/- each). Consequent upon allotment of the above shares, the paid-up Equity Share Capital of the Company stands increased from ₹ 52,20,60,742/- consisting of 26,10,30,371 Equity Shares of ₹ 2/- each to ₹ 55,53,94,074/- consisting of 27,76,97,037 Equity Shares of ₹ 2/- each.

Disclosure of commodity price risk or foreign exchange risk and hedging activities.

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

Plant Location

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

Address for correspondence

Head Office

DCW Limited,

Nirmal, 3rd floor, Nariman Point,
Mumbai - 400 021
Ph: +91-22-2287 1914
Fax: +91-22-2202 8838
Email: legal@dcwlimited.com

Registrar and Transfer Agent

Bigshare Services Private Limited

Office no- S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali caves road, Andheri (E), Mumbai - 400 093.
Tel.: 91- 22 – 62638200 / 07045571837 Fax.: 91-22-62638299
Email: investor@bigshareonline.com

Investors' complaints may be addressed to:

Dilip Darji

Sr. General Manager (Legal) & Company Secretary

DCW Limited

Nirmal, 3rd floor, Nariman Point, Mumbai – 400 021
Ph: +91-22-2287 1914 Fax: +91-22-2202 8838
Email: legal@dcwlimited.com

Debenture Trustee

Vistra ITCL (India) Limited

The IL&FS Financial Centre, Plot C-22
G Block, 7th Floor, Bandra Kurla Complex
Bandra (E), Mumbai - 400051
Ph: 022-26593535 Fax: 022-26533297

Nodal Officer: IEPF Contact Details

Mr. Pramod Kumar Jain

Chairman & Managing Director

Deputy Nodal Officer:

Mr. Dilip Darji

Sr. General Manager (Legal) & Company Secretary
DCW Limited
Nirmal, 3rd floor, Nariman Point,
Mumbai – 400 021
Ph: +91-22-2287 1914
Fax: +91-22-2202 8838
Email: legal@dcwlimited.com

Designated e-mail id for investor services

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

For queries on Annual Report: legal@dcwltd.com

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

Nomination Facility

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

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

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

Change in Particulars

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

Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination

SEBI has vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, mandated furnishing of PAN, KYC details and Nomination by Members holding shares in physical form. In view of the same, concerned shareholders are requested to furnish the requisite documents/ information at the earliest. Non-availability of the same on or after April 1, 2023 will result in freezing of the folios of such shareholders pursuant to the aforesaid SEBI circular. The Company has sent communications to the concerned shareholders explaining the aforesaid requirements. The necessary forms for updation of the aforementioned information are available on the website of the Company at www.dcwlimited.com. Members may contact the Company's RTA for assistance in this regard.

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

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

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

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

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

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

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

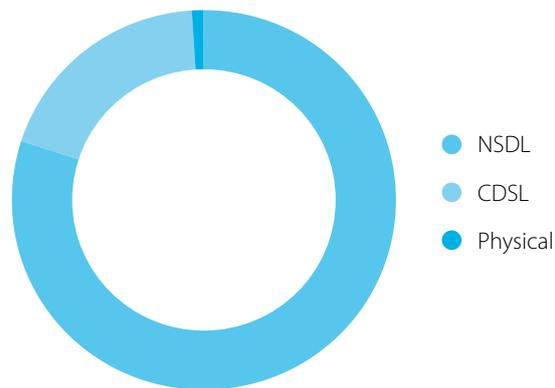
Reconciliation of Share Capital Audit Report

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

Bifurcation of 26,10,30,371 Equity Shares in physical and Electronic mode as on March 31, 2022 is given below:

Bifurcation of the Equity Shares

| Category | No. of Shareholders | No. of shares | Percentage % |
|--------------|---------------------|---------------------|---------------|
| PHYSICAL | 2361 | 1818520 | 0.70 |
| NSDL | 33143 | 209636195 | 80.31 |
| CDSL | 54777 | 49575656 | 18.99 |
| TOTAL | 90281 | 26,10,30,371 | 100.00 |

Bifurcation of the category of shares in physical and Electronic mode as on March 31, 2022**CREDIT RATING**

India Rating & Research Private Limited has assigned the below credit ratings for the financial facilities of the Company:

| Financial Facilities | Rating/Outlook |
|--|-----------------------|
| Non-convertible debentures (NCDs) | IND A-/Stable |
| Optionally convertible debentures (OCDs) | IND A-/Stable |
| Term loan | IND A-/Stable |
| Fund-based working capital limits | IND A-/Stable/IND A2+ |
| Non-fund-based working capital limits | IND A2+ |

17. DISCLOSURES IN RELATION TO SEXUAL HARASSMENT AT WORKPLACE

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

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

18. OTHER DISCLOSURES

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

During the year, there were materially Significant Related Party Transactions details of which are given in AOC-2 forming part of the Boards' Report. However the same has no potential Conflict with the interest of the Company at large. Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements.

- Web-link where policy on dealing with related party transactions is disclosed at <http://www.dcwlttd.com/pdf/policy/policy.zip>
- The Company does not have any material subsidiary as defined under the Listing Regulations.
- The Company has complied with the requirements of Schedule V of the Listing Regulations.
- Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

F.Y. 2021-22

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the F.Y. 2021-22.

F.Y. 2020-21

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the F.Y. 2020-21. However SEBI vide letter bearing Reference Number SEBI/HO/CFD/DIL1/OW/14251/P/2020 dated September 3, 2020 had

issued warning letter to the Company and its Company Secretary and advised them to be more careful in the future.

F.Y. 2019-20

Pursuant to Regulation 163 (2) of SEBI (ICDR) 2018, the issuer shall place a copy of certificate of its Statutory Auditors before the General Meeting of the shareholders considering the proposed preferential issue, certifying that the issue has being made in accordance with the requirements of these regulations. The Company did not place such certificate before the shareholders in the Extra Ordinary General Meeting ("EOGM") held on July 29, 2019 for considering the proposed preferential issue. However, the Company had placed the Auditor's Certificate before the shareholders of the Company in its EOGM held on February 27, 2020 which has been duly adopted/ratified by the shareholders of the Company in the said Meeting.

6. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

During the financial year, there is no instance, where the board had not accepted any recommendation of any committee of the board which is mandatorily required.

7. **Vigil Mechanism / Whistle Blower Policy**
In terms of the provisions of Section 177(9) & (10) of the Companies Act, 2013, the Company has established a Vigil Mechanism for Directors and employees to report genuine concerns about unethical behaviour of suspected fraud or violation of the Company's Code of Conduct by Directors/employees. The Audit Committee oversees the Vigil Mechanism. Vigil Mechanism has been disclosed by the Company on its website at the link: <http://www.dcwLtd.com/pdf/policy/policy.zip>. It is affirmed that no personnel has been denied access to the Audit Committee during the Financial Year 2021-22.
8. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):-

The Company has utilized the fund raised through preferential allotment of Equity Shares for its Working Capital Requirements and repayment of its existing borrowings in accordance with object of issue.
9. Details of compliance with Mandatory requirements and adoption of non-mandatory requirements.

During the Financial Year 2021-22, the Company has complied with all the mandatory requirements as specified in the Listing Regulations.

10. The Company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of 46 of the Listing Regulations as applicable with regard to Corporate Governance.
11. The Company has issued formal appointment letters to all Independent Directors and the appointments of Independent Directors are in compliance with Regulation 25(1) and (2) of the Listing Regulations.
12. Management Discussion and Analysis is annexed to the Board's Report to the Members and forms part of the Annual Report.
13. **Total fees paid to statutory auditors**
Details of total fees for all services paid or payable by the Company during the Financial Year 2021-22, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as under:
- (i) Audit Fees ₹15.00 lakhs
 - (ii) Tax Audit fees ₹5.00 lakhs
 - (iii) Fees for Other Services (including Limited Review) ₹ 9.15 lakhs
 - (iv) Towards reimbursement of expenses ₹1.64 lakhs
14. **Loans and advances in the nature of loans to firms/companies in which directors are interested**
During the year under review, the Company have not given any loans and advances in the nature of loans to firms/companies in which directors are interested.
15. **Demat suspense account / unclaimed suspense account**
As on March 31, 2022, there were no outstanding shares which were laying in the suspense account.
16. **Directors and Officers Insurance ('D&O')**
In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken D&O for all its Directors and members of the Senior Management for such quantum and for such risks as determined by the Board of Directors.

17. Discretionary Requirements

The Company has adopted the below specified non-mandatory requirements in terms of Regulations 27(1) of Listing Regulations

i. The Board

At present, there is no separate office in the Company for use of Chairperson nor any expenditure reimbursed in performance of his duty.

ii. Shareholders Rights

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

iii. Audit Qualifications

During the year under review, the Statutory Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion

iv. Reporting of Internal Auditors

The Company has appointed M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants, as Internal Auditors to do Internal Audit of its Head Office, Works and other offices of the Company. Internal Auditor reports directly to the Audit Committee of the Board

19. DETAILS OF CORPORATE POLICIES/ CODES

| Particulars | Web Links |
|---|---|
| Corporate Social Responsibility and Sustainability Policy | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Policy on determination of Material Subsidiaries | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Vigil Mechanism Policy | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Code of Conduct | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Related Party Transaction Policy | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Familiarization programme of Independent Directors | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Nomination & Remuneration Policy | http://www.dcwLtd.com/PDF/policy/policy.zip |
| Annual Returns | http://www.dcwLtd.com/pdf/annualreturn/annualreturn.zip |
| Risk Management Policy | http://www.dcwLtd.com/PDF/policy/policy.zip |

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

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2021-22.

Sd/-
Amitabh Gupta
 Chief Executive Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To
The Members of
DCW Limited
DHRANGADHRA GJ 363315

We have examined the compliance of conditions of Corporate Governance by DCW Limited for the year ended on March 31, 2022.

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

Managements Responsibility

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

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

Restriction on Use

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

Place: Mumbai
Date: May 24, 2022
UDIN: F001473D000375704

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF
THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To
The Members of
DCW Limited
DHRANGADHRA GJ 363315

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment |
|---------|-------------------------------------|----------|---------------------|
| 1 | Mr. Pramodkumar Shriyansprasad Jain | 00380458 | 01/04/1969* |
| 2 | Mr. Bakul Premchand Jain | 00380256 | 27/07/2011* |
| 3 | Mr. Vivek Shashichand Jain | 00502027 | 01/03/2014 |
| 4 | Mr. Mahesh Vennelkanti | 03633359 | 28/06/2019 |
| 5 | Mrs. Sujata Santosh Rangnekar | 06425371 | 31/10/2012 |
| 6 | Mr. Krishnamoorthy Krishnan | 08129657 | 22/05/2018 |

*The above date of appointment of Mr. Pramod Kumar Jain and Mr. Bakul Jain are as per master data of the Company maintained on MCA portal. However as per Corporate Governance Report of the Company available on BSE and NSE portal, the actual date of appointment of Mr. Pramod Kumar Jain and Mr. Bakul Jain are 01/04/1992 and 01/11/1996 respectively.

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

Place: Mumbai
Date: May 24, 2022
UDIN: F001473D000375704

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

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

At DCW Limited, sustainability is viewed as environmental and social responsibility, which allows the Company to deliver on stakeholder expectations. We continue to communicate our obligations and performance to all our stakeholders through our Business Responsibility Report (BRR). We believe in maintaining the legacy of responsible business and keeping the community as one of the prominent purposes of our existence. Over the decades, we have remained focussed on the efficient deployment of resources – people, processes, and materials for the production of our products. As a responsible corporate citizen, we continue to actively engage with all our stakeholders to drive the growth for all. This report conforms to the Business Responsibility Reporting (BRR) requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs (MCA), Government of India.

SECTION A: General Information about the Company

| | | | | | | | | | | | | |
|--------------|--|--|--------------|-------|----------|-------|-----------|-------|-------|-------|------|-------|
| 1 | Corporate Identity Number (CIN) | L24110GJ1939PLC000748 | | | | | | | | | | |
| 2 | Name of the Company | DCW Limited | | | | | | | | | | |
| 3 | Registered address | Dhrangadhra - 363315, Gujarat | | | | | | | | | | |
| 4 | Website | www.dcwlimited.com | | | | | | | | | | |
| 5 | E-mail id | legal@dcwlimited.com | | | | | | | | | | |
| 6 | Financial Year reported | April 1, 2021, to March 31, 2022 | | | | | | | | | | |
| 7 | Sector(s) that the Company is engaged in (industrial activity code- wise) | Inorganic / Petro Chemicals <table border="1"> <tr> <td>Caustic Soda</td> <td>20122</td> </tr> <tr> <td>Soda Ash</td> <td>20122</td> </tr> <tr> <td>PVC Resin</td> <td>21131</td> </tr> <tr> <td>C-PVC</td> <td>21131</td> </tr> <tr> <td>SIOP</td> <td>20114</td> </tr> </table> | Caustic Soda | 20122 | Soda Ash | 20122 | PVC Resin | 21131 | C-PVC | 21131 | SIOP | 20114 |
| Caustic Soda | 20122 | | | | | | | | | | | |
| Soda Ash | 20122 | | | | | | | | | | | |
| PVC Resin | 21131 | | | | | | | | | | | |
| C-PVC | 21131 | | | | | | | | | | | |
| SIOP | 20114 | | | | | | | | | | | |
| 8 | List three key products/services that the Company manufactures/ provides (as in balance sheet) | <table border="1"> <tr> <td>Caustic Soda</td> <td>20122</td> </tr> <tr> <td>Soda Ash</td> <td>20122</td> </tr> <tr> <td>PVC Resin</td> <td>21131</td> </tr> <tr> <td>C-PVC</td> <td>21131</td> </tr> <tr> <td>SIOP</td> <td>20114</td> </tr> </table> | Caustic Soda | 20122 | Soda Ash | 20122 | PVC Resin | 21131 | C-PVC | 21131 | SIOP | 20114 |
| Caustic Soda | 20122 | | | | | | | | | | | |
| Soda Ash | 20122 | | | | | | | | | | | |
| PVC Resin | 21131 | | | | | | | | | | | |
| C-PVC | 21131 | | | | | | | | | | | |
| SIOP | 20114 | | | | | | | | | | | |
| 9 | Total number of locations where the Company undertakes a business activity | | | | | | | | | | | |
| | a. Number of International Locations (Provide details of major 5) | Not Applicable | | | | | | | | | | |
| | b. Number of National Locations | <p>The Head Office of the Company is situated at: 3rd Floor, Nirmal Building, Nariman Point, Mumbai – 400021</p> <p>The Branch Office of the Company is situated at: Indra Palace, 1st Floor, H-Block, Connaught Circus, New Delhi - 110 001</p> <p>The Manufacturing Plants of the Company are located at:</p> <ul style="list-style-type: none"> – Sahupuram, Tamilnadu, India – Dhrangadhra, Gujarat, India | | | | | | | | | | |
| 10 | 10 Markets served by the Company- Local/State/National/ International | The Company serves Local/State/National and International markets. | | | | | | | | | | |

SECTION B: Financial Details of the Company (Group) as on March 31, 2022

| | | |
|---|---|--|
| 1 | Paid-up Capital (INR) | 52,20,60,742 |
| 2 | Total Turnover (INR in Lakhs) | 2,45,473.50 |
| 3 | Total profit/(loss) after taxes (INR in Lakhs) | 10,750.62 |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%) | Since the average net profit of the Company for the last three financial years is negative, the Company is not required to spend any amount for the CSR Activity. However, owing to business responsibility, the Company has voluntarily spent ₹ 60.92 Lakhs for the CSR Activities. |
| 5 | Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%) | For detail refer CSR Report annexed to the Board's Report. |

SECTION C: Other Details

| | | |
|---|--|---|
| 1 | Does the Company have any subsidiary company/ companies? | No |
| 2 | Do the subsidiary company/ companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | Not Applicable |
| 3 | Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, more than 60%] | In most of the cases, BR initiatives are carried out by the Company directly. All the stakeholders who have formal business arrangements with the Company, including the Government, our customers, our suppliers, our distributors, our contractors and others are indirectly participating in the BR initiatives. However, it is difficult to establish the extent to which their support facilitates out BR initiatives. Further, we do not mandate our stakeholders to participate in the Company's BR initiatives; however, the Company encourages its stakeholders to undertake sustainability and CSR initiatives. |

SECTION D: BR Information**1. Details of Director/Directors responsible for BR****a) Details of the Director/Director responsible for the implementation of the BR policy/policies**

| | | |
|---|-------------|---------------------------------|
| 1 | DIN Number | 00380458 |
| 2 | Name | Pramodkumar Shriyansprasad Jain |
| 3 | Designation | Chairman and Managing Director |

b) Details of the BR head

| | | |
|---|----------------------------|--|
| 1 | DIN Number (if applicable) | 00380458 |
| 2 | Name | Pramodkumar Shriyansprasad Jain |
| 3 | Designation | Chairman and Managing Director |
| 4 | Telephone number | 022-22871914 |
| 5 | e-mail id | legal@dcwlttd.com |

(b) If the answer to the question at serial number 1 against any principle is 'No', please explain why. – Not Applicable

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----------------|
| 1 | The Company has not understood the Principles | | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | | Not Applicable |
| 4 | It is planned to be done within the next six months | | | | | | | | | |
| 5 | It is planned to be done within the next year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

| | | |
|---|--|--|
| 1 | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than one year | The BR performance of the Company under various principles is assessed at least once a year at various Board and Committee Meetings. |
| 2 | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published? | Yes, The Company publish Business Responsibility Report in the Annual Report. The hyperlink to view the Annual Report is http://www.dcwlimited.com/ |

SECTION E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its objectives with integrity. Policy relating to ethics, bribery and corruption is duly covered under Code of Conduct of the Company. This policy is applicable to Directors and Officers. Further, the Company also encourages all its stakeholders including suppliers and contractors, service providers and their employees to adhere to this policy.

Further, the Company has adopted a Whistle Blower Policy to provide the employees of the Company a mechanism to raise concern with respect to any unlawful or unethical activity, fraud or violation of law,

2. How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the last financial year, no complaints were received from any of the Company's stakeholders on ethics, transparency and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the business of manufacturing:

1) Soda Ash:

Soda Ash, also known as sodium carbonate, is a white, anhydrous, powdered or granular substance with the chemical formula Na_2CO_3 . Soda Ash is an essential raw material used in the manufacturing of glass, detergent chemicals, and other industrial products. Multiple factors currently drive the global Soda Ash market. The primary driver is the thriving construction and automobile market, which increases the demand for Soda Ash in the manufacture of flat glass. Another major factor is the demand for soaps and detergents, especially in developing nations, due to the rising standard of living and hygiene consciousness. The use of Soda Ash has witnessed a boost in demand owing to use in wastewater treatment by the governments of several countries in the past few years. Rising application of Soda Ash in dyes, detergents, fertilisers, and colouring agents is anticipated to drive the next leg of growth for Soda Ash.

Moreover, government initiatives such as the promotion of small and medium scale Sodium Bicarbonate and the Ammonia processing industries near Soda Ash

manufacturing units would further contribute to the growth of the Soda Ash demand in the country. India already has the advantage in terms of production of Soda Ash, owing to the abundance of raw material for the production of Soda Ash. These factors are expected to contribute to the growth of the Soda Ash market in the country.

2) Caustic Soda

Caustic Soda (sodium hydroxide) is a versatile alkaline chemical. Its main applications are in the manufacture of pulp and paper, alumina, soap and detergents, petroleum products, and chemical production. Other applications include water treatment, food, textiles, metal processing, mining, glass making, and others. Key growth drivers for the Caustic Soda market are its use in the production of alumina, the pulp and paper, and industry and the textile industry. These sectors contribute to the largest market share of the Caustic Soda consumption market and hence directly affect the production market. The continued demand for alumina, paper, and textiles due to the increasing population, growth in the automobile and construction industry, and improving economic scenario will pose as growth drivers for the Caustic Soda market.

With the general increase in awareness for water conservations, waste management, and the general scare of running out of potable water, the Caustic Soda is also expected to see a growth in the water purification and waste management Industry. Moreover, expanding textile, paper, and metallurgical applications is further expected to propel the Indian Caustic Soda market in the coming years.

3) PVC

PVC is strong and lightweight, durable to weathering, rotting, chemical corrosion and abrasion, versatile, and easy to use, as it can be cut, shaped, welded, and joined in any style. Such characteristics make it an ideal option for many applications, such as pipes, windows, flooring, and roofing. Global demand for PVC has seen a steady increase over the last decade, and energy efficiency drives promise to push demand even higher. The demand for PVC is highest in Asia, where more than 65% of global PVC demand stems from, with China driving the majority of the demand. In developed countries such as Japan, the demand has largely stabilised, but the growing economies and large populations of developing countries such as India and China have huge consumption potential.

The surge in the demand for pipes in the irrigation sector, building sector, and construction sector has been the major demand driver for the India PVC market. Furthermore, the increased focus of the Government on rural water management and agriculture irrigation has supported the demand growth for PVC in India.

4) C-PVC

C-PVC is a speciality polymer made by chlorination of PVC. C-PVC is inherently inert to acids, bases, salts, and aliphatic hydrocarbons, all of which tend to eat away the metals. It is this inherent chemical resistance, coupled with its temperature and pressure resistance, that enables its use in a variety of industrial and commercial applications. C-PVC is used in a variety of industries, including construction, chemical, electrical & electronics, healthcare, and material handling equipment. Never-ending and ever-growing demand for safe and reliable pipe & fitting solutions in commercial and residential buildings will be a major factor boosting product demand in the coming years.

5) SIOP

Synthetic red iron oxide have become increasingly important due to their pure hue, consistent properties, and tinting strength. Single-component forms are mainly produced with red, yellow, orange and black colours. Their composition corresponds to that of minerals hematite, goethite, lepidocrocite, and magnetite.

The building materials industry is the biggest user of Iron Oxide Pigments. Uses include colouring concrete and mortar because of their good dispersability and good tinting strength. They are extensively used in the manufacture of Paving Blocks, Chequered Tiles, Designer Tiles, Stamped Concrete etc.

Paints industry is the second largest user of Iron Oxide Pigments. Most paint applications require use of micronized and dispersible grades of pigments to get optimum colouring effects and maintain paint film strength. Pigments are also used in Plastics needing high purity, tinting strength, high heat resistance and good dispersibility

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Being a manufacturer company, there is a need for resources – energy, water, raw materials etc. in our operations. We, therefore, recognise the impact of our operations on the environment and adopt strategies to minimise our resources use in all our processes.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has taken appropriate measures to cut down wastage of energy, materials and consumption in all phases of its operations. The Company aims to source and make use of quality raw materials considered safe for usage.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company has enforced standard operating procedures for sourcing quality material, which results in cost- effective deliveries.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company engages regional and local suppliers for sourcing any products and services. Sharing more business opportunities with them has led to an improvement in their capacities. Over the years, the Company has promoted local contractors and service providers and provides them with opportunities. Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and community development programmes.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.

Yes, the Company have a mechanism to recycle products and waste. The products manufactured by the Company undergoes various processes, and it is ensured that scrap/ waste generation is minimum. The focus of the Company is to recycle waste/ scrap. The Company recycles materials wherever it is used within the Company and the scrap/ waste so generated cannot be recycled are sold to approved vendors for disposal as per the applicable guidelines. The Company also follows Waste Management Rules, as prescribed by the respective pollution control board where the units are located.

Principle 3: Businesses should promote the well-being of all employees (Details as on 31.03.2022)

1. Please indicate the total number of permanent employees:

The Company has 1957 employees as on March 31, 2022

2. Please indicate the total number of employees hired on a temporary/contractual/casual basis:

The Company has 296 contractual employees as on March 31, 2022

3. Please indicate the number of permanent women employees:

The Company has 9 women employees as on March 31, 2022

4. Please indicate the number of permanent employees with disabilities:

The Company has 2 permanent employees are with physical disabilities

5. Do you have an employee association that is recognised by management?

Yes, 7 unions at plant locations, i.e. 2 at Dharangadhra and 5 at Sahapuram

6. What percentage of your permanent employees are members of this recognised employee association?

100% - Workmen Category at the Factory Sites

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| No. | Category | Number of complaints filed during the financial year | Number of complaints pending as on the end of the financial year |
|-----|--|--|--|
| 1 | Child labour/forced labour/ involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: 45.27%
 (b) Permanent Women Employees: NIL
 (c) Casual/Temporary/Contractual Employees: 49.65%
 (d) Employees with Disabilities: Nil

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified and is responsible for the needs of all its stakeholders, especially those who are disadvantaged, vulnerable and marginalised. The Company conducts various CSR activities for these disadvantaged, vulnerable and marginalised stakeholders. Refer to the CSR section of the report for complete details.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, the Company take the initiative towards the benefit of disadvantaged, vulnerable and marginalised stakeholders such as eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecological balance, agroforestry, conservation of natural resources, ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc. The Company's drive towards Corporate Social Responsibility is aimed towards making a purposeful change in the lives of its stakeholders.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company does not have a specific policy only on human rights. However, aspects of the same have been covered in the Code of Conduct and The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which cover only the Company.

2. How many stakeholder complaints have been received in the past financial year, and what per cent was satisfactorily resolved by the management?

During the year under review, the Company has not received any complaints from any stakeholders pertaining to human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Environment Protection cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others?

The Company values the long term benefits adhering to environmental best practices and is committed to respect, protect and make efforts to restore the environment. The Company encourages to practice the environment health practices across the organisation and also to its contractors,

suppliers and others. The Company also have in place the policy related to CSR.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has proactively taken several initiatives to create a positive impact on the environment. Refer to the CSR section of the report for complete details.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company identify and assess potential environmental risks

4. Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, the manufacturing units at various locations do comply with the relevant guidelines of the respective Pollution Control Board, and the required compliance reports are filed regularly.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has taken various initiatives towards energy efficiency and use of renewable energy. Refer to the CSR Section and Information on Conservation of Energy section of the Board's Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits are given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company is within the permissible limits given by CPCB/SPCB.

7. The number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.

The Company has not received any show cause/legal notices from CPCB /SPCB in Financial Year 2021-22.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes,

The Company is a member of AMAI, Delhi; FIEO; CAPEXIL; CHEMEXIL; Tamilnadu Chamber of Commerce & Industry, Madurai and Indian Chamber of Commerce & Industry, Thoothukudi.

2. **Have you advocated/lobbied through the above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (dropdown: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Corporate Social Responsibility? If yes, details thereof.**

Yes, the Company follows an integrated approach towards development programs and follows the policy of Sustainable Development, participatory approach. Social development is an essential aspect of the Company's operations and it has devised its crucial thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. The Corporate Social Responsibility (CSR) Committee formed by the Board of Directors of the Company oversees the implementation of various initiatives. The Company takes appropriate guidance from the Committee to undertake and discharge its social responsibilities. The details of the Company's CSR initiatives have been provided in the CSR Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

The Company undertakes these projects directly or through Trust/NGOs (as and when required).

3. **Have you done any impact assessment of your initiative?**

Impact assessment is a critical element of all our projects, and all our initiatives are assessed against identified project deliverables. Impact Assessment is carried out by the Company/CSR Committee. Based on this, the Company appropriately intervenes to make social responsibility initiatives more effective.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company has spent an amount of ₹ 60.92 Lakhs in various CSR activities during the financial year 2021-22. The details of the amount incurred and areas covered are given in Annexure to the report on Corporate Social Responsibility forming part of the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the community is our key stakeholder and we believe

that the development of the community is only possible through engagement and partnership from all the stakeholders. The Company has a process of engaging with the local community to understand their concerns. The CSR interventions are carried out on a need-based approach, which is developed after consultations with the local community to ensure that they adopt the activities. The projects are also continuously monitored and evaluated to measure impact.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as at the end of the financial year.**

None, the Company is extremely responsive and perceptive towards the concerns of customers and consumers. These are taken up by the Company and resolved on an immediate basis.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Apart from the general information with regards to its product, the Company also provides information on its product as per customer specific, if required.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so.**

No, the Company understands that consumers are its most important stakeholders. It never indulges in any anti-competitive behaviour, and it remains committed to protecting the interest of all stakeholders in a legally compliant manner with high ethical standards. There is no anti-competitive, abuse of dominant position or unfair trade practices case pending against the Company

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

Feedback is a continuous process of our operations. The Company takes input from its customers regarding the product quality and for continual improvement and identity scope and future opportunities to increase customer value.

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai
Date : August 12, 2022

Pramodkumar Jain
Chairman & Managing Director
DIN: 00380458



FINANCIAL STATEMENTS

- Independent Auditor's Report

- Balance Sheet

- Statement of Profit & Loss

- Cash Flow Statement

- Statement of Changes in Equity

- Notes to the Financial Statements



Independent Auditor's Report

TO THE MEMBERS OF DCW LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **DCW Limited ("the Company")**, which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

accordance with these requirements and the ICAI's Code of Ethics.

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

Emphasis of Matter

We draw attention to Note No. 33 to the financial statements which describe the uncertainty related to the outcome of the petitions/appeals filed by the company in the matter of:

- a. electricity tax demand of ₹ 6977.21 lakhs on captive power generated and other matters during the period 2003 to 2022;
- b. custom duty demand of ₹ 3164.60 lakhs of coal imported and other matters by the company during 2011 and 2012; and
- c. Execution of assignment deeds of the lands at Sahupuram works in respect of which the state government has issued notice of repossession and demanded lease rent for the period occupied by the company. The land is treated as freehold.

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

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

The key audit matters identified in our audit are:

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

Other Information

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

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

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

The other information is expected to be made available after the date of our audit report. When we read the Company's other information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and

- belief were necessary for the purposes of our audit
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in its financial statements – Refer Note No. 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses(As disclosed in Note No. 37 (c)to the financial statements).
 - iii. There was no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (I) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (II) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (III) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (I) and (iv) (II) contain any material mis-statements.
 - v. The company has neither declared nor paid any dividend during the year.

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

CA. Nitesh Jain
Partner

Place: Mumbai
Date: 7th June 2022

M. No. 136169
UDIN:22136169AKKHFG8230

Annexure “A” To Independent Auditor’s Report

Annexure referred to in our report of even date to the members of DCW Limited on the accounts for the year ended 31st March 2022

According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that;

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not own any intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As per the information given to us by the management, wherever discrepancies were noticed as compared to book records have been appropriately dealt with in books of account.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company except in case of certain lands and buildings referred to in Note No. 2, 33 and 38 to the financial statements and as reported hereunder:

| Description of property | Gross carrying value (₹ in Lakhs) | Held in Name of | Whether promoter, Director or their relative or employee | Period held indicate range, where appropriate | Reason for not being held in name of company |
|-------------------------|-----------------------------------|---------------------------------|--|---|--|
| Sahapuram Works | 27.39 | The Tamil Nadu State Government | No | From 1985 | Central Government has transferred the title in favor of the State Government, However, State Government has to still execute the agreement in favor of the company. (Refer Note No.2 to Financial statements) |
| Sahapuram Works | 2,380.20 | The Tamil Nadu State Government | No | From 1963 | Disputed with Tamil Nadu State Government (Refer Note No. 2 & 38 to Financial statements) |

- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per the information and explanation provided to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The inventories, except goods in-transit and stock lying with third parties, have been physically verified during the year by the management with the help of external agencies. For stock lying with third parties at the year end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory. Further, we have been informed by the management that the discrepancies noticed on verification between the physical inventories and the book inventories are not material considering the type of inventories, which is calculated on volumetric basis and therefore subject to measurement differences by different agencies and therefore no adjustments have been made in the books of account.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, there are no material differences between the Books of Accounts and the

- quarterly returns or statements filed by the Company with such banks or financial institutions (Refer Note No.19 to financial statements).
- iii. The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses (iii)(a) to (iii)(f) of paragraph 3 of the Order are not applicable to the Company.
- iv. The Company has not given loans or provided any guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company. In respect of investment made by the company the provision of 186 of the Act have been complied with.
- v. The company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. The amounts received as business advances and remain unadjusted for more than 365 days are not considered as deposits. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal for any contraventions.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- vii. (a) We have noted few instances of delay in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, custom's duty, cess and other statutory dues with appropriate authorities. However, these statutory dues were not in arrear for more than 6 months from the date they become payable.
- (b) The dues of sales tax/ value added tax / customs duty / service tax / excise duty / income tax / goods and services tax / cess and other statutory dues, which have not been deposited on account of dispute, are as follows:

(Amount ₹ Lakhs)

| Name of the Statute / Nature of Dues | Period | Supreme Court | High Court | Appellate Tribunal* | Appellate Authority** |
|--|--------------|---------------|------------|---------------------|-----------------------|
| Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable) | 1997 to 2021 | - | 95.79 | 8,002.62 | - |
| Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable) | 1997 to 2015 | - | 78.11 | 347.12 | - |
| Sales Tax legislations (sales tax, including penalty & interest wherever applicable) | 1982 to 2017 | - | 2,745.49 | 104.49 | 1,542.63 |
| Service Tax | 2005 to 2017 | - | - | 109.62 | - |
| Local cess, local cess surcharge [land revenue including penalty and interest wherever applicable] | 1989 to 2019 | 3,167.61 | 5,523.54 | 12.15 | 341.26 |
| Income Tax Act, 1961 (Income tax, including penalty & interest wherever applicable) | 2012 to 2017 | - | - | - | 5,753.49 |

*Appellate Tribunal includes STAT, CESTAT & ITAT

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

- viii. The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) The Company has not defaulted in repayment of inter-
corporate deposits /loans and borrowings or in the
payment of interest there on.
- (b) The Company has not been declared a willful defaulter
by any bank or financial institution or government or
government authority.
- (c) The term loans were applied for the purpose for which
the loans were obtained.
- (d) No funds raised on short-term basis have been used for
long-term purposes by the company.
- (e) The company has not taken any funds from any entity
or person on account of or to meet the obligations of
its subsidiaries, associates or joint ventures as defined
under Companies Act, 2013.
- (f) The company has not raised loans during the year on
the pledge of securities held in its subsidiaries, joint
ventures or associate companies (as defined under
Companies Act, 2013).
- x. (a) The Company has not raised any moneys by way of
initial public offer or further public offer (including debt
instruments). Accordingly, clause (x)(a) of paragraph 3
of the Order is not applicable.
- (b) The company has not made any preferential allotment
or private placement of shares or fully or partly
convertible debentures during the year. The Company
has issued convertible warrants on preferential basis
during the year and has complied with the requirements
of section 42 and 62 of the act. Further, the funds raised
on issuance of the convertible warrants have been used
for the purpose for which it was obtained.
- xi. (a) No fraud by the Company or on the Company has been
noticed or reported during the course of the audit.
- (b) No report under sub-section (12) of Section 143 of the
Companies Act, 2013 has been filed by the auditors in
Form ADT-4 as prescribed under rule 13 of Companies
(Audit and Auditors) Rules, 2014 with the Central
Government.
- (c) We have taken into consideration the whistle blower
complaints, if any, received by the Company during the
year while determining the nature, timing and extent of
our audit procedures.
- xii. The Company is not a Nidhi Company and hence clause (xii)
of paragraph 3 of the order is not applicable.
- xiii. Transactions with the related parties are in compliance with
Section 177 and 188 of Act where applicable, and the details
have been disclosed in the Financial Statements as required
by the applicable Indian Accounting Standards.
- xiv. (a) Based on information and explanations provided to us
and our audit procedures, in our opinion, the Company
has an internal audit system commensurate with the
size and nature of its business.
- (b) We have considered the internal audit reports of the
Company issued till date for the period under audit.
- xv. The Company has not entered into any non-cash transactions
with its directors or persons connected to its directors and
hence, provisions of Section 192 of the Companies Act, 2013
are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under
Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking
Financial or Housing Finance activities without a valid
Certificate of Registration (CoR) from the Reserve Bank
of India as per the Reserve Bank of India Act, 1934 and
therefore reporting under clause (xvi)(b) of paragraph 3
of the Order is not applicable to the Company
- (c) The company is a not a Core Investment Company
(CIC) as defined in the regulations made by the Reserve
Bank of India and therefore reporting under clause (xvi)
(c) of paragraph 3 of the Order is not applicable to the
Company.
- (d) In our opinion, there is no Core Investment Company
within the Group (as defined in the Core Investment
Companies (Reserve Bank) Directions, 2016) and
therefore reporting under clause (xvi)(d) of paragraph
3 of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the
financial year covered by our audit and the immediately
preceding financial year.

- xviii. There has been no resignation of the statutory auditors of the Company during the year and therefore reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses (xx)(a) and (xx)(b) of paragraph 3 of the Order are not applicable.

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

CA. Nitesh Jain
Partner

Place: Mumbai
Date: 7th June 2022

M. No. 136169
UDIN:22136169AKKHFG8230

Annexure “B” To Independent Auditor’s Report

Report on the Financial Statements referred to in our report of even date to the members of DCW Limited for the year ended 31st March 2022

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

1. Report on the Internal Financial Controls

We have audited the internal financial controls over financial reporting of DCW Limited as at 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

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

3. Auditors’ Responsibility

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

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

4. Meaning of Internal Financial Controls over Financial Reporting

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

5. Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

6. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For CHHAJED & DOSHI

Chartered Accountants
[Firm Reg. No.101794W]

CA. Nitesh Jain

Partner

M. No. 136169

UDIN:22136169AKKHFG8230

Place: Mumbai

Date: 7th June 2022

Balance Sheet

as at 31st March, 2022

₹ in Lakhs

| Particulars | Note No | As At 31-Mar-22 | As At 31-Mar-21 |
|--|---------|-------------------|-------------------|
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| a) Property, Plant & Equipment | 2 | 133,861.00 | 139,624.01 |
| b) Capital Work in Progress | 2 | 809.54 | 381.10 |
| c) Right - of - use Assets | 2 | 1,345.76 | 1,067.75 |
| d) Financial Assets | | | |
| i) Investments | 3 | 0.86 | 0.86 |
| ii) Other Financial Assets | 4 | 961.01 | 4,794.53 |
| d) Income Tax Assets (Net) | | - | 137.85 |
| e) Other Non-Current Assets | 5 | 575.33 | 399.95 |
| Total Non-Current Assets | | 137,553.50 | 146,406.05 |
| 2. Current Assets | | | |
| a) Inventories | 6 | 24,708.80 | 16,908.77 |
| b) Financial Assets | | | |
| i) Trade Receivables | 7 | 11,646.90 | 9,519.96 |
| ii) Cash & Cash Equivalents | 8 | 8,766.90 | 5,000.50 |
| iii) Bank Balances Other than above | 9 | 2,477.35 | 7,244.88 |
| iv) Loans | 10 | 110.58 | 119.86 |
| c) Other Current Assets | 11 | 5,061.58 | 2,324.22 |
| Total Current Assets | | 52,772.11 | 41,118.19 |
| Total Assets | | 190,325.61 | 187,524.24 |
| EQUITY & LIABILITIES | | | |
| A. Equity | | | |
| a) Equity Share Capital | 12 | 5,220.61 | 5,220.61 |
| b) Other Equity | 13 | 74,961.13 | 63,498.94 |
| Total Equity | | 80,181.74 | 68,719.55 |
| B. Liabilities | | | |
| 1. Non-Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 14 | 44,091.18 | 52,273.70 |
| ii) Lease liabilities | | 291.02 | 95.61 |
| iii) Other Financial Liabilities | 15 | 4,075.00 | 3,642.00 |
| b) Provisions | 16 | 1,845.70 | 1,532.37 |
| c) Deferred Tax Liabilities (Net) | 17 | 7,271.66 | 6,155.38 |
| d) Other Non-Current Liabilities | 18 | 910.21 | 979.49 |
| Total Non Current Liabilities | | 58,484.77 | 64,678.55 |
| 2. Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 19 | 11,062.22 | 10,032.48 |
| ii) Lease liabilities | | 136.56 | 13.07 |
| iii) Trade Payables | 20 | | |
| Dues to Micro and Small Enterprises | | 603.58 | 796.58 |
| Dues to Other than Micro and Small Enterprises | | 28,976.08 | 29,001.79 |
| iv) Other Financial Liabilities | 21 | 4,580.65 | 5,358.89 |
| b) Provisions | 22 | 686.40 | 559.40 |
| c) Other Current Liabilities | 23 | 5,597.74 | 8,363.93 |
| d) Income Tax Liabilities (Net) | | 15.87 | - |
| Total Current Liabilities | | 51,659.10 | 54,126.14 |
| Total Equity & Liabilities | | 190,325.61 | 187,524.24 |
| Significant Accounting Policies and Notes forming part of the Financial Statements | 1 to 52 | | |

As per our report of even date attached

For **Chhajed & Doshi**
Chartered Accountants
FRN No. 101794W

CA Nitesh Jain
Partner
Membership No. 136169

Place : Mumbai
Date : 7th June, 2022

For and on behalf of the Board

Pramod Kumar Jain
Chairman & Managing Director
DIN 00380458

Vivek Jain
Managing Director
DIN 00502027

Dilip V Darji
Sr. GM (Legal) & Company Secretary
Membership No. A22527

Place : Mumbai
Date : 24th May, 2022

Bakul Jain
Managing Director
DIN 00380256

Vimal Jain
Chief Financial Officer

Amitabh Gupta
Chief Executive Officer
Date : 7th June, 2022

Statement of Profit & Loss

for the year ended 31st March, 2022

| ₹ in Lakhs | | | |
|--|-----------|--------------------------------|--------------------------------|
| Particulars | Note No | For the year ended 31-Mar-2022 | For the year ended 31-Mar-2021 |
| 1. INCOME | | | |
| a) Revenue From Operations | 24 | 245,473.50 | 146,426.17 |
| b) Other Income | 25 | 610.21 | 1,133.19 |
| Total Income | | 246,083.71 | 147,559.36 |
| 2. EXPENSES | | | |
| a) Cost of Raw Materials Consumed | 26 | 137,657.08 | 78,118.13 |
| b) Purchases of Stock-in-Trade | 27 | 2,699.20 | 150.03 |
| c) Change in Inventories of Finished Goods, Stock-in-Trade and Work-in-Process | 28 | 1,779.70 | (2,658.92) |
| d) Employee Benefits Expense | 29 | 15,637.88 | 13,312.97 |
| e) Finance Costs | 30 | 11,307.15 | 11,967.43 |
| f) Depreciation Expenses | 2 | 8,852.59 | 8,737.13 |
| g) Other Expenses | 31 | 55,215.94 | 36,565.08 |
| Total Expenses | | 233,149.54 | 146,191.85 |
| Profit / (Loss) Before exceptional items and Tax | | 12,934.17 | 1,367.51 |
| Exceptional Items | 46 | 1,390.80 | - |
| Profit / (Loss) Before Tax | | 14,324.97 | 1,367.51 |
| TAX EXPENSES | | | |
| Current Tax | | 2,600.00 | 250.00 |
| Earlier Year Tax | | (162.63) | - |
| Deferred Tax | 17 | 1,136.98 | 738.20 |
| Total Tax Expenses | | 3,574.35 | 988.20 |
| Profit / (Loss) After Tax | | 10,750.62 | 379.31 |
| OTHER COMPREHENSIVE INCOME | | | |
| A. (i) Items that will not be reclassified to profit or loss | 32 | (59.22) | 47.50 |
| (ii) Tax on items that will not be reclassified to profit or loss | | 20.70 | (16.60) |
| B. (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Tax on items that will be reclassified to profit or loss | | - | - |
| OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR | | (38.52) | 30.90 |
| TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR | | 10,712.10 | 410.21 |
| Earnings Per Equity Share | | | |
| (1) Basic Earnings Per Share | 40 | 4.12 | 0.15 |
| (2) Diluted Earnings Per Share | | 3.78 | 0.15 |
| (Face Value of Equity Share ₹ 2/- each) | | | |
| Significant Accounting Policies and Notes forming part of the Financial Statements | | | |
| | 1 to 52 | | |

As per our report of even date attached

For and on behalf of the Board

For **Chhajed & Doshi**
Chartered Accountants
FRN No. 101794W

CA Nitesh Jain
Partner
Membership No. 136169

Place : Mumbai
Date : 7th June, 2022

Pramod Kumar Jain
Chairman & Managing Director
DIN 00380458

Vivek Jain
Managing Director
DIN 00502027

Dilip V Darji
Sr. GM (Legal) & Company Secretary
Membership No. A22527

Place : Mumbai
Date : 24th May, 2022

Bakul Jain
Managing Director
DIN 00380256

Vimal Jain
Chief Financial Officer

Amitabh Gupta
Chief Executive Officer
Date : 7th June, 2022

Cash Flow Statement

for the year ended 31st March, 2022

₹ in Lakhs

| Particulars | For the year ended 31-Mar-22 | | For the year ended 31-Mar-21 | |
|--|---------------------------------|-------------|---------------------------------|-----------|
| A. Cash flow from Operating Activities | | | | |
| Net profit before tax | 14,324.97 | | 1,367.51 | |
| Adjustments for : Non cash Items | | | | |
| Depreciation and amortisation expense | 8,852.59 | | 8,737.13 | |
| Unrealized Exchange Loss / (Gain) | 140.78 | | 11.28 | |
| Finance Costs | 11,307.15 | | 11,967.43 | |
| Interest income | (372.15) | | (407.50) | |
| (Profit) / Loss on Sale of Asset (Net) | 324.46 | | 0.54 | |
| Income recognized against Capital Grant | (69.28) | | (69.28) | |
| Provisions made/(written back) during current year | 381.11 | | 253.60 | |
| Balances written off (Net) | 83.15 | 20,647.81 | 14.72 | 20,507.92 |
| Operating profit before working capital changes | 34,972.78 | | 21,875.43 | |
| Adjustments for : Working Capital | | | | |
| Trade receivables & other current assets | (5,042.79) | | (915.51) | |
| Loans | 9.28 | | (385.13) | |
| Inventories | (7,800.03) | | 792.82 | |
| Trade and other payables | (2,059.63) | (14,893.17) | 392.52 | (115.30) |
| Cash generation from operations | 20,079.61 | | 21,760.13 | |
| Direct taxes paid (Net off Refund) | (2,283.65) | | 8.81 | |
| Net cash flow from operating activities | 17,795.96 | | 21,768.94 | |
| B. Cash flow from Investing Activities | | | | |
| Payment for Acquisition of Property Plant & Equipment | (3,844.65) | | (1,787.51) | |
| Proceeds from Sale of Property Plant & Equipment | 130.28 | | 16.09 | |
| Fixed Deposit with Banks | 8,497.86 | | (6,421.10) | |
| Interest income | 372.15 | | 407.50 | |
| Net cash used in investing activities | 5,155.64 | | (7,785.02) | |
| C. Cash flow from Financing Activities | | | | |
| Proceeds from issue of share capital | 750.09 | | - | |
| Proceeds from Long-Term Borrowings | - | | 46,697.00 | |
| Repayment of Long Term Borrowings (term loans) | (4,521.02) | | (43,454.82) | |
| Short Term Borrowings (Net) | (5,377.72) | | 150.46 | |
| Unpaid Dividends transferred to Investor Education and Protection Fund | (10.46) | | (11.35) | |
| Finance Costs | (9,906.73) | | (13,212.81) | |
| Lease Liability paid | (119.36) | | (21.91) | |
| Net cash used in financing activities | (19,185.20) | | (9,853.43) | |
| Net increase / (Decrease) in Cash and Cash equivalents | 3,766.40 | | 4,130.49 | |
| Opening Cash and Cash Equivalents | 5,000.50 | | 870.01 | |
| Closing Cash and Cash Equivalents | 8,766.90 | | 5,000.50 | |
| | 3,766.40 | | 4,130.49 | |

Cash Flow Statement

for the year ended 31st March, 2022

| Particulars | ₹ in Lakhs | |
|---|---------------------------------|---------------------------------|
| | For the year ended 31-Mar-22 | For the year ended 31-Mar-21 |
| Breakup of Opening Cash and Cash Equivalents | | |
| Balances with Banks | | |
| In Current Accounts | 3,930.46 | 320.94 |
| In Fixed Deposit | 1,053.00 | 524.33 |
| Cash on Hand | 17.04 | 24.74 |
| Cash and Cash Equivalents | 5,000.50 | 870.01 |
| Breakup of Closing Cash and Cash Equivalents | | |
| Balances with Banks | | |
| In Current Accounts | 8,753.96 | 3,930.46 |
| In Fixed Deposit | - | 1,053.00 |
| Cash on Hand | 12.94 | 17.04 |
| Cash and Cash Equivalents | 8,766.90 | 5,000.50 |

Notes:

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

As per our report of even date attached

For and on behalf of the Board

For **Chhajed & Doshi**
Chartered Accountants
FRN No. 101794W

Pramod Kumar Jain
Chairman & Managing Director
DIN 00380458

Bakul Jain
Managing Director
DIN 00380256

CA Nitesh Jain
Partner
Membership No. 136169

Vivek Jain
Managing Director
DIN 00502027

Vimal Jain
Chief Financial Officer

Place : Mumbai
Date : 7th June, 2022

Dilip V Darji
Sr. GM (Legal) & Company Secretary
Membership No. A22527

Amitabh Gupta
Chief Executive Officer
Date : 7th June, 2022

Place : Mumbai
Date : 24th May, 2022

Statement of Changes In Equity

for the year ended 31st March, 2022

₹ in Lakhs

A. Equity Share Capital

| Balance as at 1 st April 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at 31 st March 2022 |
|--|--|---|---|---|
| 5,220.61 | - | 5,220.61 | - | 5,220.61 |

| Balance as at 1 st April 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at 31 st March 2021 |
|--|--|---|---|---|
| 5,220.61 | - | 5,220.61 | - | 5,220.61 |

B. Other Equity

| | Equity Component of Optionally Convertible Debentures | Reserves and Surplus | | | | | Other Comprehensive Income | Money received against convertible warrants | Total |
|---|---|----------------------|--------------------|----------------------------|------------------|-------------------|----------------------------|---|------------------|
| | | Capital Reserve | Securities Premium | Capital Redemption Reserve | General Reserve | Retained Earnings | | | |
| Balance as at 1st April 2021 | 528.30 | 406.88 | 19,574.25 | 5.30 | 32,024.13 | 10,942.11 | 17.97 | - | 63,498.94 |
| Profit for the year | | | | | | 10,750.62 | | | 10,750.62 |
| Additions during the year | - | - | - | - | - | - | | 750.09 | 750.09 |
| Other comprehensive Income (Net of Tax) | | | | | | | (38.52) | | (38.52) |
| Total comprehensive income for the year | 528.30 | 406.88 | 19,574.25 | 5.30 | 32,024.13 | 21,692.73 | (20.55) | 750.09 | 74,961.13 |
| Divided paid | - | - | - | - | - | - | | | - |
| Transfer to / from General Reserve | - | - | - | - | - | - | | | - |
| Balance as at 31st March 2022 | 528.30 | 406.88 | 19,574.25 | 5.30 | 32,024.13 | 21,692.73 | (20.55) | 750.09 | 74,961.13 |
| Balance as at 1st April 2020 | - | 406.88 | 19,574.25 | 5.30 | 32,024.13 | 10,562.80 | (12.93) | - | 62,560.43 |
| Profit for the year | | | | | | 379.31 | | | 379.31 |
| Additions during the year | 528.30 | - | - | - | - | - | | | 528.30 |
| Other comprehensive Income (Net of Tax) | | | | | | | 30.90 | | 30.90 |
| Total comprehensive income for the year | 528.30 | 406.88 | 19,574.25 | 5.30 | 32,024.13 | 10,942.11 | 17.97 | - | 63,498.94 |
| Divided paid | - | - | - | - | - | - | | | - |
| Transfer to / from General Reserve | - | - | - | - | - | - | | | - |
| Balance as at 31st March 2021 | 528.30 | 406.88 | 19,574.25 | 5.30 | 32,024.13 | 10,942.11 | 17.97 | - | 63,498.94 |

C. Nature of reserves

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

D. Terms of money received against Convertible Warrants

1,57,91,314 convertible warrants have been issued and allotted on preferential basis to promoters / promoters group and business associates. The warrants are convertible into Equity Shares in one or more tranches within 18 months from the date of their allotment. Each Warrant will be converted into 1 (one) Equity Share at par value of ₹ 2 each at an issue price of ₹ 19 per equity share (including premium of ₹ 17 per equity share). 25% of the issue price of the Warrants has been paid on the date of allotment of the Warrants, the balance 75% of the issue price of the Warrants is payable at the time of conversion in to Shares and non-covnersion of warrants into equity shares from the date of allotment of warrants will results in forfeiture of the application money received on allotment of warrants..

As per our report of even date attached

For **Chhaged & Doshi**
Chartered Accountants
FRN No. 101794W

CA Nitesh Jain
Partner
Membership No. 136169

Place : Mumbai
Date : 7th June, 2022

For and on behalf of the Board

Pramod Kumar Jain
Chairman & Managing Director
DIN 00380458

Vivek Jain
Managing Director
DIN 00502027

Dilip V Darji
Sr. GM (Legal) & Company Secretary
Membership No. A22527

Place : Mumbai
Date : 24th May, 2022

Bakul Jain
Managing Director
DIN 00380256

Vimal Jain
Chief Financial Officer

Amitabh Gupta
Chief Executive Officer
Date : 7th June, 2022

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "1"

I. COMPANY OVERVIEW

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

II. BASIS FOR PREPARATION:

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

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

b. Use of Judgement, Assumptions and Estimates

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

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

- Financial instruments;
- Useful lives of property, plant & equipment;
- Valuation of inventories;

- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies.
- Classification of lease as operating or financial lease
- Impairment of non-financial assets

c. Current and Non-Current Classification

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

- The asset/liability is expected to be realized/settled in the company's normal operating cycle;
- The asset is intended for sale or consumption;
- The asset/liability is held primarily for the purpose of trading
- The asset/liability is expected to be realized / settled within twelve months after the reporting period;
- The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In case of liability, the company doesn't have an unconditional right to defer the settlement of liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non current.

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

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Property, plant & equipment

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

The company identifies and determines cost of each part of an item of property, plant and equipment

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

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

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

B. Capital Work In Progress and Capital Advances

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

C. Depreciation

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

| Asset Description | Useful Life (Years) |
|---|---------------------|
| Continuous Process Plant | 20 |
| Cogeneration Power Plant | 25 |
| Electrical Installation Other than in Cogen Power Plant | 15 |
| Salt Works | 1 |
| Cars & Two Wheelers | 5 |
| Re-membraning of Membrane cell elements | 4 |
| Recoating of Anode and Cathode membrane cell elements | 8 |

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

- g) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

D. Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A Contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of economic benefits from the use of asset through a period of lease and (iii) the Company has the right to direct the use of the asset.

The Company as Lessee

The Company recognises the right-of-use asset and lease liability at the commencement of date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove underlying asset or to restore the site on which it is located less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use asset and lease liabilities include these options when it is reasonably certain that option will be exercised.

The right-of-use asset is subsequently depreciated using the straight line method from commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount

of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been considered as financing activities in the Statement of Cash Flow.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

E. Investment Property

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

Investment properties are initially recognised at cost.

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

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

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

F. Non-Current Assets Held For Sale

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

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

G. Inventories

Raw-materials, work-in-process, finished goods, packing materials,

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

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

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

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

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

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

H. Revenue Recognition

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

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

Revenue includes only the gross inflows of economic benefits received and receivable by the company, on its own account. Amounts collected on behalf of third parties such as Goods & Service Tax (GST) are excluded from revenue.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the

transaction will flow to the company. Sale value of goods is measured at the fair value of the consideration received or receivable, net of returns and applicable trade discounts or rebates. It excludes Goods & Service Tax (GST)

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

Sale of Services

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

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

Interest Income

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

I. Employee Benefits

Short term employee benefits

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

Post employment Benefits:

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

► Defined Contribution Plans:

Defined Contribution plans are Employee State Insurance Scheme and government administered Pension Fund Scheme for all applicable employees and Superannuation Fund Scheme for eligible employees.

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

Recognition and Measurement of Defined Contribution Plans:

The company recognizes contribution payable to a defined contribution plan as an expense in Statement of profit and Loss when employee renders services to the Company during the reporting period. If the contributions payable for services received from

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before reporting date, the excess is recognized as an asset to the extent that prepayment will lead to, for example, a reduction in future payments or cash refund.

► **Defined Benefit Plans:**

i. **Provident Fund scheme:**

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

ii. **Gratuity Scheme:**

The Company operates defined benefit plan for Gratuity. The company contributes to a separate entity (a fund), towards meeting the Gratuity obligation. The Company has created an Employees Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India.

Recognition and measurement of defined benefit plans:

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which

they occur. Re-measurements are not reclassified to Statement of profit or loss in subsequent periods.

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

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

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

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

J. Borrowing costs

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

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

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

K. Segment Accounting

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

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

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

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

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

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

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

Inter-Segment transfer pricing

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

L. Foreign Currency Transactions

Monetary items:

Initial Recognition

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

Measurement of foreign currency items at reporting date

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

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

Non – Monetary items:

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

M. Provisions, Contingent Liabilities and Contingent Assets

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

N. Fair Value measurement

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

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

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

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

O. Financial Instruments

i. Financial Assets other than derivatives

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

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

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

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

ii. Financial Liabilities other than derivatives

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

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

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

iii. Derivative financial instruments

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

iv. Compound Financial Instrument

Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

v. Offsetting of financial instruments

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

P. Classification of Assets and Liabilities as Current and Non Current

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

Q. Impairment

Non-financial Assets

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

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

Financial Assets

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

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

R. Taxes on Income

Current Tax

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation

authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Deferred tax

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

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

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

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

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

S. Earnings per share

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

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

T. Cash and Cash equivalents

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

Cash Flows

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

U. Government Grants

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

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

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

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

V. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, Estimates and Assumptions

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

W. Impairment of non-financial assets

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

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "2" Property, Plant and Equipment

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|------------------------|----------------------------------|-------------------------------|----------------------------|-----------------------|---------------------------------|-----------------------------------|----------------------------------|--------------------------------|---------------------|-----------------------------------|-----------------------------------|
| | As At 1 st April 2021 | Additions and other Transfers | Sales and other deductions | Deduction Written Off | Adjustments /IND AS Adjustments | As At 31 st March 2022 | As At 1 st April 2021 | Dep. on Discarded/ Sold Assets | Dep. On Written Off | As At 31 st March 2022 | As at 31 st March 2021 |
| Land (Note-6) | 20,304.78 | - | - | - | (1.54) | 20,303.24 | - | - | - | 20,303.24 | 20,304.78 |
| Right of Use - Land | 1,147.91 | 8.48 | - | - | - | 1,156.39 | 80.16 | 56.33 | - | 136.49 | 1,019.90 |
| Right of Use - Vehicle | - | 397.66 | - | - | - | 397.66 | 71.80 | - | - | 71.80 | 325.86 |
| Buildings | 37,525.16 | 3.37 | 3.11 | 8.11 | - | 37,517.31 | 7,249.68 | 1,318.86 | 0.66 | 8,562.99 | 28,954.32 |
| Plant and Machinery | 118,592.65 | 3,343.85 | 498.16 | 257.43 | - | 121,180.91 | 36,560.91 | 6,800.83 | 210.62 | 43,026.01 | 78,154.90 |
| Wind Mill | 9,710.68 | - | - | - | - | 9,710.68 | 3,009.55 | 502.20 | - | 3,511.75 | 6,198.93 |
| Furniture & Fittings | 75.15 | 3.01 | - | 3.63 | - | 74.53 | 66.66 | 2.76 | - | 65.91 | 8.62 |
| Office Equipments | 401.89 | 40.93 | 3.87 | 25.65 | - | 413.30 | 327.58 | 30.80 | 3.44 | 25.63 | 329.31 |
| Vehicles | 862.61 | 25.05 | 314.81 | - | - | 572.85 | 634.53 | 69.01 | 287.69 | 415.85 | 157.00 |
| TOTAL | 188,620.83 | 3,822.35 | 819.95 | 294.82 | (1.54) | 191,326.87 | 47,929.07 | 8,852.59 | 502.41 | 159.14 | 56,120.11 |
| Previous Year | 185,964.30 | 2,746.72 | 88.54 | 3.19 | 1.54 | 188,620.83 | 39,265.45 | 8,737.13 | 71.91 | 1.60 | 47,929.07 |

Ageing Schedule of Capital Work In Progress as on 31st March 2022 and 31st March 2021

| CWIP | Amount in CWIP for a period of | | | Total As on 31.3.2022 | Amount in CWIP for a period of | | | Total As on 31.3.2021 |
|--------------------------------|--------------------------------|-----------|-----------|-----------------------|--------------------------------|-----------|-------------------|-----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | | Less than 1 year | 1-2 years | More than 3 years | |
| Projects in progress* | 809.54 | - | - | 809.54 | 327.90 | - | - | 327.90 |
| Projects temporarily suspended | - | - | - | - | - | - | - | - |
| Total | 809.54 | - | - | 809.54 | 327.90 | - | - | 327.90 |

* None of the project is overdue or exceeded its original cost as compared to its original plan.

Notes:

- Building includes ₹ 4,507.13 Lakhs being cost of Ownership flats and office accommodation in Co-operative societies and a Limited company against which the company holds shares of the face value of ₹ 0.77 Lakhs in Co-operative Societies and the Limited Company.
- Assignment deeds in respect of 9.13 acres of Land at Caustic Soda Division, transferred by Central Government to the State Government, are yet to be executed by the State Government in favour of the Company.
- The Company exercised the option to purchase 793.39 acres of land leased by the State government at Sahapuram Works. Assignment deeds in respect of the said land is yet to be executed by the State Government in favour of the Company. (Refer Note No 38a).
- Encroachers have occupied some portion of the land belonging to the Company at Sahapuram. Efforts are being made to evict them.
- Various movable & immovable assets offered as security against borrowing is as mentioned in Note 14 of this financial statement.
- The company is in process of Sale of its land at Kodaikanal and hence the same has been transferred from PPE to Asset held for Sale (Other Current Assets).
- Title deeds of Immovable Property not held in the name of company.

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value (₹ In Lakhs) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|-----------------------------------|---------------------------------|---|--------------------------------|---|
| Property Plant and Equipment | Land | 27.39 | The Government of Tamilnadu | No | 1985 | Central Government has transferred the title in favour of State Government, who has to still execute the agreement in favour of company by transferring the title deeds in the name of the company. |
| Property Plant and Equipment | Land | 2,380.20 | The Government of Tamilnadu | No | 1963 | Refer Note 38 (a) |

- Previous year figures have been regrouped / rearranged to match with the current year.

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE “3” Investments - Non Current

Investments in Equity Instruments :

| | Face Value Per Unit ₹ | 31-Mar-22 | | 31-Mar-21 | |
|---|--------------------------|--------------|-------------|--------------|-------------|
| | | Number | ₹ In lakhs | Number | ₹ In lakhs |
| TRADE INVESTMENTS | | | | | |
| UNQUOTED : | | | | | |
| Equity Shares in DCW Pigment Limited | 10 | 8,600 | 0.86 | 8,600 | 0.86 |
| Total A | 10 | 8,600 | 0.86 | 8,600 | 0.86 |
| NON-TRADE INVESTMENTS : | | | | | |
| UNQUOTED : | | | | | |
| Investment in Equity Shares of "The Dhrangadhra Peoples Co-operative Bank Limited"* | 25 | 10 | 0.003 | 10 | 0.003 |
| Total B | | - | 0.00 | - | 0.00 |
| Total Long Term Investment | | | 0.86 | | 0.86 |
| .* Figures Denote Amount in Rupees | | | | | |
| Other Disclosures : | | | | | |
| (I) Aggregate value of unquoted investments (Gross) | | | 0.86 | | 0.86 |
| (II) Aggregate value of diminution in value of investments | | | - | | - |

NOTE “4” Other Financial Assets - Non Current

| | ₹ in Lakhs | |
|--------------------------|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Security Deposits | 952.51 | 1,055.70 |
| Fixed Deposit with banks | 8.50 | 3,738.83 |
| TOTAL | 961.01 | 4,794.53 |

NOTE “5” Other Assets - Non Current

| | ₹ in Lakhs | |
|------------------------------------|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Capital Advances | 429.57 | 251.81 |
| VAT/Property Tax Refund Receivable | 88.64 | 88.64 |
| Prepaid expenses | 57.12 | 59.50 |
| TOTAL | 575.33 | 399.95 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "6" Inventories

| | ₹ in Lakhs | |
|-------------------------|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Raw materials | 12,986.67 | 6,192.56 |
| Work-in-process | 82.60 | 72.94 |
| Finished Goods | 5,256.96 | 7,046.32 |
| Stores, Spares and Fuel | 6,042.27 | 3,309.27 |
| Packing Materials | 340.30 | 287.68 |
| TOTAL | 24,708.80 | 16,908.77 |

NOTE "7" Trade Receivables

| | ₹ in Lakhs | |
|--|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Trade Receivables | | |
| Secured, Considered Good | 750.28 | 211.15 |
| Unsecured, Considered good | 10,948.74 | 9,357.33 |
| Unsecured, Credit impaired | 58.59 | 166.67 |
| | 11,757.61 | 9,735.15 |
| Less: Allowance for Doubtful Debts / ECL | (110.71) | (215.19) |
| TOTAL | 11,646.90 | 9,519.96 |

Ageing of Trade Receivable as on 31st March 2022

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|-----------------|--|----------------------|--------------|-------------|----------------------|------------------|
| | | Less than 6 months | 6 months - 1 year | 1 -2 years | 2-3 years | More than 3 years | |
| Trade receivables - Billed | - | - | - | - | - | - | - |
| Undisputed – considered good | 7,304.20 | 4,347.08 | 3.83 | 25.40 | 2.52 | 15.98 | 11,699.02 |
| Undisputed – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed – credit impaired | - | - | - | - | - | 58.59 | 58.59 |
| Disputed – considered good | - | - | - | - | - | - | - |
| Disputed – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed – credit impaired | - | - | - | - | - | - | - |
| Total | 7,304.20 | 4,347.08 | 3.83 | 25.40 | 2.52 | 74.58 | 11,757.61 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

Ageing of Trade Receivable as on 31st March 2021

₹ in Lakhs

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|-----------------|--|-------------------|---------------|---------------|-------------------|-----------------|
| | | Less than 6 months | 6 months - 1 year | 1 -2 years | 2-3 years | More than 3 years | |
| Trade receivables - Billed | | | | | | | |
| Undisputed – considered good | 4,501.62 | 4,354.41 | 134.27 | 228.40 | 179.96 | 169.82 | 9,568.48 |
| Undisputed – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed – credit impaired | - | - | - | - | - | 166.67 | 166.67 |
| Disputed – considered good | - | - | - | - | - | - | - |
| Disputed – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed – credit impaired | - | - | - | - | - | - | - |
| Total | 4,501.62 | 4,354.41 | 134.27 | 228.40 | 179.96 | 336.49 | 9,735.15 |

NOTE “8” Cash and Cash Equivalents

₹ in Lakhs

| | As At 31-Mar-22 | As At 31-Mar-21 |
|-------------------------|-----------------|-----------------|
| Balances with Banks: | | |
| In Current Accounts | 8,753.96 | 3,930.46 |
| Fixed Deposit with bank | - | 1,053.00 |
| Cash on Hand | 12.94 | 17.04 |
| TOTAL | 8,766.90 | 5,000.50 |

NOTE “9” Other Bank Balances

₹ in Lakhs

| | As At 31-Mar-22 | As At 31-Mar-21 |
|----------------------------|-----------------|-----------------|
| Fixed Deposits with Banks* | 2,477.35 | 7,244.88 |
| TOTAL | 2,477.35 | 7,244.88 |

* Includes Fixed Deposits kept as Margin Money Deposit with banks

NOTE “10” Loans - Current

₹ in Lakhs

| | As At 31-Mar-22 | As At 31-Mar-21 |
|------------------------------|-----------------|-----------------|
| (Unsecured, considered good) | | |
| Staff Loans | 110.58 | 119.86 |
| TOTAL | 110.58 | 119.86 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "11" Other Assets - Current

| | ₹ in Lakhs | |
|--|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Advance Recoverable in Cash or in Kind or for Value to be Received | 2,757.96 | 1,051.81 |
| Prepaid Expenses | 534.03 | 423.58 |
| Asset held for sale - Refer Note No. 2 (6) | 1.54 | - |
| Statutory and Other Receivables (Net) | 1,768.05 | 848.83 |
| TOTAL | 5,061.58 | 2,324.22 |

NOTE "12" Equity Share Capital

| | ₹ in Lakhs | |
|---|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Authorised Capital | | |
| 35,00,00,000 Equity Shares of ₹ 2/- each | 7,000.00 | 7,000.00 |
| (2021: 32,50,00,000 Equity Shares @ ₹ 2/- each) | | |
| TOTAL | 7,000.00 | 7,000.00 |
| Issued, Subscribed and Fully paid up | | |
| 26,10,30,371 Equity Shares of ₹ 2/- each | 5,220.61 | 5,220.61 |
| (2021: 26,10,30,371 shares of ₹ 2/- each) | | |
| Face value per share | ₹ 2/- | ₹ 2/- |
| TOTAL | 5,220.61 | 5,220.61 |

- During the year 2019-20, 3,30,04,082 equity shares of ₹ 2/- each at a premium of ₹ 16/- per share were issued and allotted on preferential basis to promoters / promoter group and business associates including relatives of business associate and employees of the company.
- During the year 2019-20, 70,38,882 warrants of ₹ 2/- each at a premium of ₹ 16/- per share issued on preferential basis to promoters / promoter group and business associates including relatives of business associate and employees of the company and allotted equity shares on conversion of warrants.
- Reconciliation of number of equity shares at the beginning and end of the year.

| Particulars | As At 31-Mar-22 | As At 31-Mar-21 |
|--|---------------------|---------------------|
| Equity Shares at the beginning of the year | 26,10,30,371 | 26,10,30,371 |
| Add: Shares issued on preferential basis Shares issued during the year | - | - |
| Equity Shares at the end of the year | 26,10,30,371 | 26,10,30,371 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

d) Terms / Rights attached to Equity Shares

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

e) Name of Shareholders holding more than 5% Shares:

| Name of Shareholder | No of Shares as at | |
|-----------------------|--------------------|-----------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Sahu Brothers Pvt Ltd | 5,24,59,860 | 5,24,59,860 |

f) Disclosures of Shareholding of Promoters - Shares held by the Promoters:

| Sr. No. | Promoter Name | As At 31-Mar-22 | | As At 31-Mar-21 | | % Change during the year |
|---------|-----------------------|-----------------|-------------------|-----------------|-------------------|--------------------------|
| | | Nos of shares | % of total shares | Nos of shares | % of total shares | |
| 1 | Mr. Bakul Jain | 12,63,332 | 0.48% | 12,63,332 | 0.48% | - |
| 2 | Mr. Mudit Jain | 40,79,275 | 1.56% | 40,79,275 | 1.56% | - |
| 3 | Mr. Shashichand Jain | 46,66,666 | 1.79% | 46,66,666 | 1.79% | - |
| 4 | Mr. Vivek Jain | 71,08,911 | 2.72% | 71,08,911 | 2.72% | - |
| 5 | Mr. Pramod Kumar Jain | - | - | 40,96,500 | 1.57% | -1.57% |

NOTE "13" Other Equity

| Particulars | ₹ in Lakhs | |
|---|------------------|------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| A. Retained Earnings | | |
| Opening Balance | 10,942.11 | 10,562.80 |
| Profit / (Loss) For the Year | 10,750.62 | 379.31 |
| Closing Balance | 21,692.73 | 10,942.11 |
| B. General Reserve | | |
| Opening Balance / Closing Balance | 32,024.13 | 32,024.13 |
| C. Money Received against Convertible Warrants | | |
| Opening Balance | - | - |
| Addition During the Year (Refer Note 1 below) | 750.09 | - |
| Closing Balance | 750.09 | - |
| D. Capital Reserve | | |
| Opening Balance / Closing Balance | 406.88 | 406.88 |
| E. Capital Redemption Reserve | | |
| Opening Balance / Closing Balance | 5.30 | 5.30 |
| F. Securities Premium | | |
| Opening Balance | 19,574.25 | 19,574.25 |
| Addition During the Year | - | - |
| Closing Balance | 19,574.25 | 19,574.25 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| Particulars | ₹ in Lakhs | |
|---|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| G. Equity Component of Optionally Convertible Debentures | | |
| Opening Balance (Refer Note 2 below) | 528.30 | - |
| Addition During the Year | - | 528.30 |
| Closing Balance | 528.30 | 528.30 |
| H. Other Comprehensive Income | | |
| Opening Balance | 17.97 | (12.93) |
| Additions During the Year | (38.52) | 30.90 |
| Closing Balance | (20.55) | 17.97 |
| TOTAL | 74,961.13 | 63,498.94 |

- 1,57,91,314 convertible warrants have been issued and allotted on preferential basis to promoters / promoters group and business associates and other parties. The warrants are convertible into Equity Shares in one or more tranches within 18 months from the date of their allotment. Each Warrant will be converted into 1 (one) Equity Share at par value of ₹ 2 each at an issue price of ₹ 19 per equity share (including premium of ₹ 17 per equity share). 25% of the issue price of the Warrants has been paid on the date of allotment of the Warrants, the balance 75% of the issue price of the Warrants is payable at the time of conversion in to Shares and non-conversion of warrants into equity shares from the date of allotment of warrants will results in forfeiture of the application money received on allotment of warrants..
- The Company has issued Optionally convertible debentures ("OCD") during the previous financial year. Such amounts received were classified as financial liability with reference to the terms and conditions attached with such debentures. Financial liability is recognised at fair value which represents the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

NOTE "14" Borrowings - Non Current

| Sr No. | Particulars | ₹ in Lakhs | | | |
|---|------------------|------------------|--------------------|-----------------|--------------------|
| | | As At 31-Mar -22 | | As At 31-Mar-21 | |
| | | Non Current | Current Maturities | Non Current | Current Maturities |
| I Debentures - Secured | | | | | |
| 9.17% Optionally Convertible Debentures | - | 5,796.34 | 5,382.91 | - | |
| 11% Non Convertible Debentures | 34,593.01 | 1,000.00 | 33,425.35 | - | |
| Total Debentures | 34,593.01 | 6,796.34 | 38,808.26 | - | |
| II Term Loans - Secured | | | | | |
| A From Banks | | | | | |
| Term Loan from INDUSIND Bank | 9,473.17 | 2,411.96 | 11,720.26 | 1,961.96 | |
| City Union Bank | 25.00 | 1.26 | 26.61 | 1.13 | |
| Car Loans from Bank | - | - | - | 4.02 | |
| Total A | 9,498.17 | 2,413.22 | 11,746.87 | 1,967.11 | |
| B From Institutions | | | | | |
| Term Loan from IREDA | - | 718.57 | 718.57 | 729.56 | |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| | | ₹ in Lakhs | | | |
|--------|--|------------------|--------------------|------------------|--------------------|
| Sr No. | Particulars | As At 31-Mar -22 | | As At 31-Mar-21 | |
| | | Non Current | Current Maturities | Non Current | Current Maturities |
| C | Loan from Life Insurance Corporation of India | - | - | - | 824.00 |
| | Total Term Loans (A+B+C) | 9,498.17 | 3,131.79 | 12,465.44 | 3,520.67 |
| | Amount taken to current maturities of long term debts under current Borrowing (Note No 19) current Borrowing (Note No 20) | | 9,928.13 | | 3,520.67 |
| III | Unsecured Loans from Others | - | - | 1,000.00 | - |
| | Total Borrowings (I + II + III) | 44,091.18 | 9,928.13 | 52,273.70 | 3,520.67 |

LOANS – Security : Banks/ Institutions

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

Institutions (IREDA):

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

Non Convertible Debentures and Optionally Convertible Debentures:

The Non Convertible Debentures & Optionally Convertible Debentures issued are secured by a first Pari-Passu charge on Fixed Assets (Both immovable & movable) of the Company (Both present and future) and further secured by a second Pari-Passu charge on the current assets of the company except windmill assets and are further secured by way of personal guarantee of promoters.

NOTE “15” Other Financial Liabilities - Non Current

| | | ₹ in Lakhs | |
|--------------------------|-----------------|-----------------|--|
| Particulars | As At 31-Mar-22 | As At 31-Mar-21 | |
| Trade and Other Deposits | 4,075.00 | 3,642.00 | |
| TOTAL | 4,075.00 | 3,642.00 | |

NOTE “16” Provisions - Non Current

| | | ₹ in Lakhs | |
|--------------------------------|-----------------|-----------------|--|
| Particulars | As At 31-Mar-22 | As At 31-Mar-21 | |
| Provision For Gratuity | 917.62 | 758.56 | |
| Provision For Leave Encashment | 928.08 | 773.81 | |
| TOTAL | 1,845.70 | 1,532.37 | |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "17" Deferred Tax Liabilities (Net)

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

| ₹ in Lakhs | | | | |
|--|------------------|-------------------|-------------------|------------------|
| Particulars | Opening Balance | Recognised in P&L | Recognised in OCI | Closing Balance |
| For the year ended 31st March 2022 | | | | |
| Deferred Tax Liabilities | | | | |
| NCD Issue Expenses | 491.09 | (491.09) | - | - |
| Difference between accounting and tax depreciation | 20,792.25 | (57.25) | - | 20,735.00 |
| Total Deferred Tax Liabilities | 21,283.34 | (548.34) | - | 20,735.00 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 652.67 | 150.64 | 20.70 | 824.01 |
| Unabsorbed Depreciation / losses | 13,043.20 | (4,355.26) | - | 8,687.94 |
| Provision for Doubtful Debts | 75.19 | (36.51) | - | 38.68 |
| Unutilized Tax Credits | 1,356.90 | 2,555.81 | - | 3,912.71 |
| Total Deferred Tax Assets | 15,127.96 | (1,685.32) | 20.70 | 13,463.34 |
| Deferred Tax Liabilities (Net) | 6,155.38 | 1,136.98 | (20.70) | 7,271.66 |
| For the year ended 31st March 2021 | | | | |
| Deferred Tax Liabilities | | | | |
| NCD Issue Expenses | 64.38 | 426.71 | - | 491.09 |
| Difference between accounting and tax depreciation | 20,500.54 | 291.71 | - | 20,792.25 |
| Total Deferred Tax Liabilities | 20,564.92 | 718.42 | - | 21,283.34 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 554.04 | 115.23 | (16.60) | 652.67 |
| Unabsorbed Depreciation / losses | 12,936.72 | 106.48 | - | 13,043.20 |
| Provision for Doubtful Debts | 55.77 | 19.42 | - | 75.19 |
| Unutilized Tax Credits | 1,617.81 | (260.91) | - | 1,356.90 |
| Total Deferred Tax Assets | 15,164.34 | (19.78) | (16.60) | 15,127.96 |
| Deferred Tax Liabilities (Net) | 5,400.58 | 738.20 | 16.60 | 6,155.38 |

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

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

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| Particulars | ₹ in Lakhs | |
|--|-----------------|---------------|
| | 31-Mar-22 | 31-Mar-21 |
| A. Current Tax Expense | 2,600.00 | 250.00 |
| B. Deferred Tax Expense / (Asset) relating to | | |
| - Origination and reversal of temporary differences | 1,136.98 | 738.20 |
| - Change in Tax Rates | - | - |
| - Recognition of previously unrecognized tax losses / (gains) | - | - |
| Total | 1,136.98 | 738.20 |
| Tax Expenses recognized in the Statement of Profit & Loss | 3,736.98 | 988.20 |
| Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI | 20.70 | (16.60) |
| The effective tax rate for the year ended | 25.78% | 34.90% |

NOTE "18" Other Liabilities - Non Current

| Particulars | ₹ in Lakhs | |
|----------------|-----------------|-----------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Capital Grants | 910.21 | 979.49 |
| TOTAL | 910.21 | 979.49 |

NOTE "19" Borrowings - Current

| Particulars | ₹ in Lakhs | |
|--|------------------|------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Current Maturities of Long-Term Borrowings | | |
| Debentures | 6,796.34 | - |
| Term Loans: | | |
| From Banks | 2,413.22 | 1,967.11 |
| From Financial Institutions | 718.57 | 729.56 |
| From LIC | - | 824.00 |
| Demand Loans From Banks (Secured): | | |
| Working Capital Loans* | 1,134.09 | 2,876.81 |
| Unsecured Loans: | | |
| From Related Parties | - | 350.00 |
| Others | - | 3,285.00 |
| TOTAL | 11,062.22 | 10,032.48 |

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

Quarterly returns or statements of current assets filed by the company for working capital limits with banks/FIs are in agreement with books of account except for the minor differences noted in trade payable amounting to ₹ 330.35 lakhs for the quarter ended 30th June, 2021 (amount reported ₹ 28,311.37 lakhs vs. amount as per books of account ₹ 27,981.02 lakh); ₹ 234.84 lakhs for the quarter ended 30th September, 2021 (amount reported ₹ 31,146.79 lakhs vs. amount as per books of account ₹ 31,381.63 lakhs); ₹ 229.70 lakhs for the quarter ended 31st December, 2021 (amount reported ₹ 36,686.76 lakhs vs. amount as per books of account ₹ 36,916.46 lakhs); (78.14) lakhs for the quarter ending 31st March, 2022 (amount reported ₹ 25,676.90 lakhs vs. amount as per books of account ₹ 25,755.05 lakhs).

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "20" Trade Payables

| Particulars | ₹ in Lakhs | |
|---|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Dues to Micro and Small Enterprises | 603.58 | 796.58 |
| Dues to Other than Micro, Small and Medium Enterprises | 28,976.08 | 29,001.79 |
| TOTAL | 29,579.66 | 29,798.37 |
| *Includes Acceptance against Letter of credit ₹ 21,061.20 Lakhs (P.Y. ₹ 18,950.39 Lakhs) | | |
| The details of amounts outstanding to Micro, Small and Medium Enterprises base on information available with the Company is as under: | | |
| Principal amount remaining due and unpaid | 603.58 | 796.58 |
| Interest due on above and the unpaid interest | 180.00 | 290.46 |
| Interest paid | 120.60 | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |

Ageing of Trade Payable as on 31st March 2022

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|----------|--|------------|-----------|-------------------|------------------|
| | | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | |
| Trade Payables | | | | | | |
| Micro and Small Enterprises | 431.00 | 169.13 | 2.41 | 0.95 | 0.10 | 603.58 |
| Others | 2,346.39 | 25,906.83 | 105.74 | 154.78 | 462.34 | 28,976.08 |
| Disputed Dues - MSE | - | - | - | - | - | - |
| Disputed Dues - Others | - | - | - | - | - | - |
| Total Trade Payable | | | | | | 29,579.66 |

Ageing of Trade Payable as on 31st March 2021

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|----------|--|------------|-----------|-------------------|------------------|
| | | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | |
| Trade Payables | | | | | | |
| Micro and Small Enterprises | 282.88 | 435.42 | 23.27 | 11.11 | 43.90 | 796.58 |
| Others | 2,093.09 | 25,849.73 | 515.51 | 251.92 | 291.54 | 29,001.79 |
| Disputed Dues - MSE | - | - | - | - | - | - |
| Disputed Dues - Others | - | - | - | - | - | - |
| Total Trade Payable | | | | | | 29,798.37 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "21" Other Financial Liabilities - Current

| Particulars | ₹ in Lakhs | |
|---|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Interest accrued on financial liabilities | 198.90 | 1,204.12 |
| Unclaimed Dividends | - | 10.46 |
| Employee Related Liabilities | 2,448.16 | 1,746.88 |
| Trade and Other Deposits | 477.03 | 808.24 |
| Creditors for Capital Goods | 1,456.56 | 1,589.19 |
| TOTAL | 4,580.65 | 5,358.89 |

NOTE "22" Provisions - Current

| Particulars | ₹ in Lakhs | |
|--------------------------------|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Provision For Leave Encashment | 686.40 | 509.40 |
| Others | - | 50.00 |
| TOTAL | 686.40 | 559.40 |

NOTE "23" Other Current Liabilities - Current

| Particulars | ₹ in Lakhs | |
|--|--------------------|--------------------|
| | As At 31-Mar-22 | As At 31-Mar-21 |
| Statutory liabilities (Net) | 665.09 | 1,346.02 |
| Advance received from customers | 4,348.06 | 6,000.48 |
| Advance received against asset held for sale | 500.00 | 558.00 |
| Interest payable | 15.31 | 390.15 |
| Capital grant | 69.28 | 69.28 |
| TOTAL | 5,597.74 | 8,363.92 |

NOTE "24" Revenue From Operations

| Particulars | ₹ in Lakhs | |
|---------------------------------------|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Direct sales of manufactured products | 196,736.55 | 121,902.75 |
| Export sales of manufactured products | 45,311.90 | 23,788.70 |
| Sales of traded goods | 2,853.97 | 179.06 |
| Sale of Scrap and other materials | 484.06 | 303.98 |
| | 245,386.48 | 146,174.49 |
| Other Operating Income | | |
| DEPB License Income | 87.02 | 251.68 |
| TOTAL | 245,473.50 | 146,426.17 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE “25” Other Income

| Particulars | ₹ in Lakhs | |
|--------------------------------|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Interest Income | 372.15 | 407.50 |
| Unclaimed balance written back | 30.30 | 34.57 |
| Insurance claims received | 1.84 | 67.93 |
| Misc. Non-operating Income | 205.92 | 162.54 |
| Exchange Difference Gain (Net) | - | 460.65 |
| TOTAL | 610.21 | 1,133.19 |

NOTE “26” Cost of Raw Materials Consumed

| Particulars | ₹ in Lakhs | |
|--|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Opening stock in hand and in process | 6,192.56 | 9,554.31 |
| Add: Purchase of Raw materials | 144,451.19 | 74,756.38 |
| Less: Closing stock in hand and in process | 12,986.67 | 6,192.56 |
| TOTAL | 137,657.08 | 78,118.13 |

NOTE “27” Purchase of Stock in Trade

| Particulars | ₹ in Lakhs | |
|----------------------------|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Purchase of Stock in Trade | 2,699.20 | 150.03 |
| TOTAL | 2,699.20 | 150.03 |

NOTE “28” Changes in Inventories

| Particulars | ₹ in Lakhs | |
|---|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Closing stock of Finished Goods | (5,256.96) | (7,046.32) |
| Closing Stock of Work-in-process | (82.60) | (72.94) |
| | (5,339.56) | (7,119.26) |
| Opening Stock: | | |
| Opening Stock of Finished Goods | 7,046.32 | 4,360.54 |
| Opening Stock of Work-in-process | 72.94 | 99.80 |
| | 7,119.26 | 4,460.34 |
| Net (Increase) / decrease in stock | 1,779.70 | (2,658.92) |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE “29” Employee Benefit Expense

| Particulars | ₹ in Lakhs | |
|--|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Salaries and wages | 13,267.92 | 11,166.65 |
| Contributions to provident and other funds | 1,193.64 | 1,150.36 |
| Staff Welfare Expenses | 1,176.32 | 995.96 |
| TOTAL | 15,637.88 | 13,312.97 |

NOTE “30” Finance Costs

| Particulars | ₹ in Lakhs | |
|------------------|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Interest expense | 10,668.00 | 11,258.70 |
| Bank Charges | 639.15 | 708.73 |
| TOTAL | 11,307.15 | 11,967.43 |

NOTE “31” Other Expenses

| Particulars | ₹ in Lakhs | |
|--|---------------------------|---------------------------|
| | For the year 31-Mar-22 | For the year 31-Mar-21 |
| Power and fuel | 33,838.57 | 19,475.05 |
| Packing charges | 2,010.14 | 1,566.13 |
| Operating and maintenance expenses | 2,713.80 | 2,015.25 |
| Rent | 38.70 | 39.97 |
| Repairs to building | 839.23 | 758.60 |
| Repairs to machinery | 6,844.15 | 6,377.64 |
| Repairs to other assets | 573.22 | 479.61 |
| Insurance | 585.86 | 646.86 |
| Rates and Taxes | 347.69 | 185.34 |
| Licence fees | 101.26 | 93.79 |
| TOTAL A | 47,892.62 | 31,638.24 |
| Payments to auditors | | |
| For Statutory Audit | 15.00 | 15.00 |
| For Tax Audit | 5.00 | 5.00 |
| For other services (including limited reviews) | 9.15 | 10.15 |
| Towards reimbursement of expenses | 1.64 | 0.55 |
| TOTAL B | 30.79 | 30.70 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

₹ in Lakhs

| Particulars | For the year 31-Mar-22 | For the year 31-Mar-21 |
|--|---------------------------|---------------------------|
| Travelling expenses | 129.24 | 38.16 |
| Conveyance expenses | 385.62 | 358.58 |
| Advertisement expenses | 38.31 | 7.95 |
| Professional fees | 1,407.55 | 625.31 |
| Directors Sitting Fees | 3.80 | 3.00 |
| Loss on Assets Sold or Written off (Net) | 324.46 | 0.54 |
| Donations | 4.67 | 3.03 |
| Freight, Transportation, Loading and other Charges (Net) | 3,174.06 | 2,290.32 |
| Vehicle expenses | 165.09 | 95.45 |
| Exchange Difference Loss (Net) | 847.91 | - |
| Miscellaneous Expenses | 811.82 | 1,473.81 |
| TOTAL C | 7,292.53 | 4,896.14 |
| TOTAL (A+B+C) | 55,215.94 | 36,565.08 |

NOTE "32" Other Comprehensive Income

₹ in Lakhs

| Particulars | For the year 31-Mar-22 | For the year 31-Mar-21 |
|--|---------------------------|---------------------------|
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans (Expenses) | (59.22) | 47.50 |
| Income Tax on items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans | 20.70 | (16.60) |
| TOTAL | (38.52) | 30.90 |

NOTE "33" Contingent Liabilities and Commitments:

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

₹ in Lakhs

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|--|--------------------|--------------------|
| a. CONTINGENT LIABILITIES NOT PROVIDED FOR: | | |
| 1. Disputed Sales Tax Demands * | 4,592.95 | 4,594.74 |
| 2. Disputed Excise / Service tax Demands | 573.75 | 560.03 |
| 3. Disputed Customs Demands @ | 8,191.69 | 7,631.24 |
| 4. Income Tax Demands # | 6,090.41 | 5,754.77 |
| 5. Company's contribution to ESI not made pursuant to petitions for exemption pending before High Court | 11.83 | 7.13 |
| 6. Lease Rent, Local Cess, Octroi, and Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty. \$ | 9,110.22 | 8,562.27 |
| 7. Disputed Industrial relations matters | 10.98 | 538.35 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| | | ₹ in Lakhs | |
|-----------|--|--------------------|--------------------|
| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
| b. | CLAIMS NOT ACKNOWLEDGED AS DEBTS: | - | - |
| | TOTAL | 28,581.83 | 27,648.53 |
| c. | GUARANTEE AS A MEMBER OF THE ALKALI MFG. ASSN. (A Company Limited by Guarantee) | ₹ 500 | ₹ 500 |

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

*** Includes:**

- i) Sales Tax Assessments of Dhrangadhra Unit are pending for 1994-95, 1995-96, 1997-98, 2004-05 & 2005-06. In respect of Sahupuram Unit Central Sales Tax Assessments and Tamil Nadu General Sales tax / VAT assessment are completed up to 2017-18 and demand has been raised and the company has filed appeal against the demand with higher authority.
- ii) The Tamilnadu VAT Department has raised demand towards observations during the VAT audit, after part hearing without completing the hearing in the matter at Sahupuram Plant and raised demand of ₹ 2732.14 Lakhs observing the difference in amount in respect Input tax credit on furnace oil, reversal of ITC on Consignment Transfers, VAT on sale of Wind mills etc.,. The company has filed a writ petition before the Honourable Madras High Court challenging the orders passed by assessing officer without fully hearing the matter.

@ Includes:

- i) The Commissioners of Customs, Tuticorin and Kandla during the year issued Order rejecting the classification of coal imported by the company during the year 2011 and 2012 as Steam Coal and reclassified the same as Bituminous Coal and demanded differential duty of ₹ 1,311.31 lakhs along with applicable interest of ₹ 490.58 lakhs and imposed penalty of ₹ 1,309 lakhs. The Company has filed appeal with CESTAT against the said Orders. The appeal is pending before the CESTAT. The Company has been legally advised that it has a fair chance of winning the case before CESTAT. Accordingly no provision has been made in the accounts and has been disclosed as contingent liability.
- ii) In the matter of Export Duty on Upgraded Benefited Ilmenite classification dispute, the Company has given an undertaking to remit the disputed duty in case; the dispute is decided against the Company by the highest judicial forum. As at 31st March 2022 the duty liability is ₹ 4,493.85 Lakhs (Previous year – ₹ 3,933.40 Lakhs). Since the company has got the favourable order from the adjudicating authority in some of the shipments made by the company, relating to the same period, the company is hopeful of getting favourable order for all the shipments where the duty has been demanded by the department.

Includes:

The Income Tax assessments were reopened for the assessment years 2012-13, 2013-14 & 2014-15, based on report by the Commercial Tax Enforcement Officials. The Assessing Officer has made addition for the difference of Export Sales reported in the VAT returns and the Audited Accounts. The company has submitted that the difference was due to Excise Duty and assessment hearings. The Assessing Officer overlooked these submissions and made additions of 5,408.39 lakhs in the captioned assessment years.

The Company has filed an appeal before Commissioner of Income Tax (Appeals) against the orders passed by assessing officer.

\$ Includes:

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

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

The Electrical Inspectorate, Government of Tamil Nadu's vide letter dated 2nd September 2014 informed the Company that the electricity tax exemption would not be applicable to the Company and demanded Electricity Tax of ₹ 2,026.72 lakhs and interest of ₹ 1,541.98 lakhs for the period 2003 to 2012. The Company has filed writ petition before the Hon'ble High Court of Judicature at Madras and has also obtained interim stay of the said demand vide Order dated 22nd September, 2014 on payment of ₹ 640 lakhs towards pre-deposit.

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

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

The Tamilnadu Electricity Distribution Circle had raised the demand of ₹ 1,067 Lakhs for parallel operations charges for the period from May 2014 to November 2019. The Company has filed writ petition before the Hon'ble High Court, Madras, Madurai and has obtained the interim stay of the said demand.

- ii) In the matter of disputed demand of ₹ 698.94 lakhs consequent to revision in the lease rent rates fixed by the Tariff Authority for Major Ports (TAMP) from 2006 to 2016 in respect of the port lands taken on lease by the Company from the V. O. Chidambaranar Port Trust, the Company has obtained interim stay from the Honourable High Court of Judicature at Madras vide order dated 01.08.2014. The Company is confident of succeeding in this matter.
- iii) In the matter of lease rental on land admeasuring 793.39 acres at Sahupuram works, the assignment deeds in respect of which are yet to be executed by the State Government in favour of the Company. (Details refer note no.38)

(B) Commitments:

- i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is ₹ 926.92 lakhs (31st March 2021: ₹ 2,253.66 lakhs).
- ii) In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2022 amount to ₹ 698.94 lakhs (31st March 2021: ₹ 966.16 lakhs)
- iii) The Company has given an undertaking for the purposes of obtaining 100% Export Oriented Unit status that it would achieve positive net foreign exchange earnings as prescribed in the EOU Scheme for a period of five years upto May 2020. The Company has filed application for extension of the said period by five more years till May 2025. The application is accepted by the department for a second block of 5 year period starting from 21.05.2020 to 20.05.2025. The Company is hopeful of achieving the said parameters and does not expect any liability on this account as on the Balance sheet date.

NOTE "34"

- a. Statements of Account/balance confirmations of trade receivables and trade payable, wherever received, have been reconciled and impact thereof, in any, has been dealt with to the extent agreed upon by the Company.
- b. In case of material lying with third party, movement of material is recorded and closing balances have been reconciled on the basis of periodical statements and / or subsequent movement of such material, as certified by the Management.
- c. In the opinion of the Board, any of the assets other than PPE, intangible assets and non-current investments do not have a value, on realisation in the ordinary course of business, less than the amount at which they are stated.

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE “35” Leases under IND AS 116:

| ₹ in Lakhs | | | |
|--|---|-----------------------------------|-----------------------------------|
| Sr. No. | Particulars | As at 31 st March 2022 | As at 31 st March 2021 |
| Details pertaining to Lease Arrangement considered as ROU | | | |
| 1 | Total Gross Lease liability | 506.79 | 147.20 |
| 2 | Total Discounted lease liability | 427.58 | 108.68 |
| 3 | Cash Outflow due to Lease Liability | 119.36 | 21.91 |
| 4 | Interest charged to Profit & Loss | 32.12 | 4.41 |
| 5 | Depreciation charged to Profit & Loss | 128.13 | 59.72 |
| 6 | Cancellations charged to Profit & Loss | - | - |
| 7 | Maturity Profile of Lease Liability | | |
| | Less Than 3 Months | 35.74 | 5.57 |
| | 3 to 12 Months | 100.82 | 7.56 |
| | 1 to 5 years | 283.68 | 88.95 |
| | 5 Years & Above | 7.34 | 6.60 |
| | Grand Total | 427.58 | 108.68 |
| Details pertaining to exemptions availed as Short Term Lease Arrangement and not considered above | | | |
| 8 | Charged to Statement of Profit & Loss during the year | 38.70 | 39.97 |

NOTE “36” Related Party Disclosures as per Ind-As 24:

a. Relationships:

i) List of Related Parties where Control Exists:

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

ii) Key management personnel and their relatives:

| | |
|-----------------------|------------------------------|
| Mr. Pramod Kumar Jain | Chairman & Managing Director |
| Mr. Bakul Jain | Managing Director |
| Mr. Mudit Jain * | Managing Director |
| Mr. Vivek Jain | Managing Director |
| Mr. Ashish Jain | Sr. President |
| Mrs. Paulomi Jain | President |
| Mrs. Malti Bhindi | President |
| Mr. Saatvik Jain | President |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| | |
|-------------------------|---|
| Mr. Vimal Jain | Chief Financial Officer |
| Mr. Dilip Darji | Sr. General Manager (Legal) & Company Secretary |
| Mr. Amitabh Gupta | Chief Executive Officer |
| Mr. Sudarshan Ganapathy | Chief Operating Officer |
| Ms. Namita P. Jain | Relatives of Director |
| Mrs. Rima Saatvik Jain | Relatives of President |

* Resigned w.e.f. 8th October 2021

ii) Non-Executive Independent Directors:

| |
|------------------------|
| Mr. K. Krishnamoorthy |
| Mr. Mahesh Vennelkanti |
| Mr. Salil Kapoor* |
| Mrs. Sujata Rangnekar |

* Resigned w.e.f. 22nd March 2022

Note:

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

b. Disclosure of Transactions between the company and related parties and the status of outstanding balances as on 31st March 2022

| ₹ in Lakhs | | | | |
|---|-----------------------------|--|---------------|---------------|
| Particulars | Enterprise / Key Management | Relationship | 31-Mar-22 | 31-Mar-21 |
| Money received towards Convertible warrants | Mr. Ashish Jain | Sr. President | 107.30 | - |
| | Ms. Namita P. Jain | Relative of Director | 72.68 | - |
| | M/s Kishco Pvt. Ltd. | Entity in which key management personnel & or their relatives have significant influence | 70.11 | - |
| | Mrs. Rima Saatvik Jain | Relative of President | 250.00 | - |
| | Total | | 500.09 | |
| Purchase of goods | M/s. Kishco Pvt. Ltd. | Entity in which key management personnel and / or their relatives have significant influence | 0.84 | 0.21 |
| Unsecured loan taken | Mr. Vivek Jain | Managing Director | - | 260.00 |
| | M/s Kishco Pvt. Ltd. | Entity in which key management personnel & or their relatives have significant influence | - | 500.00 |
| | Total | | - | 760.00 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

₹ in Lakhs

| Particulars | Enterprise / Key Management | Relationship | 31-Mar-22 | 31-Mar-21 |
|--|-----------------------------|--|-----------------|---------------|
| Unsecured Loan Repaid | Mr. Vivek Jain | Managing Director | 100.00 | 340.00 |
| | Mr. Mudit Jain | Managing Director | - | 75.00 |
| | Mr. Bakul Jain | Managing Director | - | 30.55 |
| | M/s Kishco Pvt. Ltd. | Entity in which key management personnel & or their relatives have significant influence | 250.00 | 250.00 |
| | | Total | 350.00 | 695.55 |
| Unsecured Loan Balances as on 31 st March, 2022 | Mr. Vivek Jain | Managing Director | - | 100.00 |
| | M/s Kishco Pvt. Ltd. | Entity in which key management personnel & or their relatives have significant influence | - | 250.00 |
| | | Total | - | 350.00 |
| Investment in Equity Shares | DCW Pigment Ltd. | Entity in which key management personnel & or their relatives have significant influence | 0.86 | 0.86 |
| Interest Paid | Mr. Vivek Jain | Managing Director | 0.16 | 23.56 |
| | Mr. Mudit Jain | Managing Director | - | 6.13 |
| | M/s Kishco Pvt. Ltd. | Entity in which key management personnel & or their relatives have significant influence | 0.51 | 16.85 |
| | | Total | 0.67 | 46.54 |
| Remuneration / Commission paid to Key Management Personnel & their Relatives | Mr. Pramod Kumar Jain | Chairman & Managing Director | * 323.48 | 137.95 |
| | Mr. Bakul Jain | Managing Director | * 323.48 | 137.95 |
| | Mr. Vivek Jain | Managing Director | * 323.48 | 137.95 |
| | Mr. Mudit Jain | Managing Director | # 411.38 | 137.95 |
| | Mr. Ashish Jain | Senior President | 150.40 | 134.19 |
| | Mrs. Paulomi Jain | President | 150.40 | 134.19 |
| | Mrs. Malti Bhindi | President | 150.40 | 134.19 |
| | Mr. Saatvik Jain | President | 150.40 | 134.19 |
| | Mr. Vimal Jain | Chief Financial Officer | 79.95 | 119.60 |
| | Mr. Dilip Darji | Sr. General Manager (Legal) & Company Secretary | 29.53 | 25.69 |
| | Mr. Amitabh Gupta | Chief Executive Officer | 138.41 | 92.39 |
| | Mr. Sudarshan Ganapathy | Chief Operating Officer | 99.94 | 133.32 |
| | Total | 2,331.25 | 1,459.55 | |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| ₹ in Lakhs | | | | |
|-------------------------------------|-----------------------------|----------------------|--------------|-------------|
| Particulars | Enterprise / Key Management | Relationship | 31-Mar-22 | 31-Mar-21 |
| Directors Sitting Fees & Commission | Mr. Salil Kapoor | Independent Director | 3.10 | 0.35 |
| | Ms. Sujata Rangnekar | Independent Director | 4.20 | 0.80 |
| | Mr. K. Krishnamoorthy | Independent Director | 4.30 | 0.95 |
| | Mr. Mahesh Vennelkanti | Independent Director | 4.20 | 0.90 |
| | Total | | 15.80 | 3.00 |

* It includes commission

It includes leave encashment and gratuity.

Key Managerial Personnel who are under the employment of the company are entitled to post-employment benefits and other long term benefits recognised as per IND AS 19 Employee Benefits in the financial statements. As the leave encashment is lump sum amount provided on the basis of actuarial valuation, the same is not included above.

NOTE "37" Financial Derivative Instruments:

- a. Derivative contracts entered into by the Company and outstanding as on 31st March, 2022 for Hedging currency and interest related risks.

Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding forward exchange contracts entered into by the company as on:

| As on | Amount in USD \$ | Amount in INR | Buy / Sell | Cross Currency |
|-----------------------------|------------------|----------------|------------|----------------|
| 31 st March 2022 | 1,66,33,116 | 1,26,07,48,610 | Buy | NIL |
| | 55,00,000 | 41,68,86,250 | Sell | NIL |
| 31 st March 2021 | 80,76,200 | 59,40,17,512 | Buy | NIL |

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

| March '22 | | March '21 | |
|------------------------|--|------------------------|--|
| Receivable / (Payable) | Receivable / (Payable) in Foreign Currency | Receivable / (Payable) | Receivable / (Payable) in Foreign Currency |
| ₹ | \$ | ₹ | \$ |
| 21,56,28,728 | 28,44,800 | 29,34,65,756 | 40,14,305 |
| (1,18,20,72,800) | (1,55,95,142) | (2,03,89,71,572) | (2,78,91,000) |

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

NOTE "38"

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

The Company had remitted the above land cost as per State Government order in the year 1989. The assignment deed of the said land in favour of the Company was not executed by the State Government, demanding double the market value of the land and the State Government demanded lease rent from 1989. As the assignment deed of the land was not executed by the State Government,

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

- a. The Company filed writ petition before the Honourable Madras High Court which ordered the State Government to pass orders on merits on the application seeking the said assignment, filed by the Company and granted interim stay against collection of lease rent. The State Government vide order dated 31st March 2017 has finally rejected the request for the assignment of land citing certain non-fulfilment of condition of original lease, and ordered to collect the arrears of lease rent from 1989 to till date with 12% interest amounting to ₹ 698.94 Lakhs and also issued orders to repossess the said land. The Company has filed writ petition against the said order before the Honourable Madras High Court which is pending for hearing. The Company has been legally advised that it has a very good case on the above matter and hence the ownership of the land would eventually be transferred in the name of the Company as per Sec 53A of the Transfer of Property Act. The lease rent demanded has been disclosed under Contingent Liability and therefore the land is treated as "freehold".
- b. In the matter of leasehold land in respect of the salt works at Kuda, Dhrangadhra, which is an "Operating Lease", the Honourable Supreme Court has admitted the SLP filed by the Company against the Order of the Gujarat High Court upholding that the lease of the aforesaid land is not permanent and hence is terminable. The Company is confident of succeeding in the Supreme Court

NOTE "39" Disclosure Pursuant to Ind as-19 "Employee Benefits":

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

a. Defined Contribution Plans:

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

| Particulars | ₹ in Lakhs | |
|---------------------------------|-------------|-------------|
| | 31-Mar-2022 | 31-Mar-2021 |
| Provident Fund | 663.23 | 557.99 |
| Superannuation Fund | 220.01 | 212.12 |
| Employees' Pension Scheme, 1995 | 240.73 | 224.66 |

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

b. Defined Benefit Plans:

| Particulars | ₹ in Lakhs | |
|--|-------------|-------------|
| | 31-Mar-2022 | 31-Mar-2021 |
| 1 Change in Benefit Obligation | | |
| Liability at the beginning of the year 1 st April' 2021 | 4187.77 | 3896.54 |
| Interest cost | 269.69 | 266.52 |
| Current Service Cost | 193.65 | 176.93 |
| Past Service Cost | - | - |
| Benefit Paid | (184.73) | (106.16) |
| Actuarial (gain) / Loss on obligation | 84.46 | (46.06) |
| Liability at the end of the year | 4550.84 | 4187.77 |
| 2 Changes in the Fair Value of Plan Assets | | |
| Present Value of Plan Assets as at 1 st April, 2021 | 3563.24 | 3433.13 |
| Expected Return on Plan Assets | 229.47 | 234.83 |
| Contributions by the Employer | - | - |
| Actuarial (Gain)/Loss | 25.24 | 1.44 |
| Employers' Contributions | | |
| Benefits Paid | (184.73) | (106.16) |
| Present Value of Planned Assets as at 31 st March, 2022 | 3633.22 | 3563.24 |

Notes to the financial statements...(Continued)
for the year ended 31st March, 2022

₹ in Lakhs

| Particulars | Gratuity (Funded) | |
|--|--|---|
| | 31-Mar-2022 | 31-Mar-2021 |
| 3 Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets | | |
| Present Value of Defined Benefit Obligation as at 31 st March, 2022 | 4550.84 | 4187.77 |
| Fair Value of Plan Assets as at 31 st March, 2022 | 3633.22 | 3563.24 |
| Net Liability recognized in the Balance Sheet as at 31 st March, 2022 | 917.62 | 624.53 |
| 4. Expenses Recognized in the Statement of Profit and Loss | | |
| A Service Cost | 193.65 | 176.93 |
| B Interest Cost | 269.69 | 266.52 |
| C Past Service Cost | - | - |
| D Expected Return on Plan Assets | (229.47) | (234.83) |
| E Curtailment Cost/(Credit) | - | - |
| F Settlement Cost/(Credit) | - | - |
| G Net Actuarial (Gain)/Loss | - | - |
| Total Expenses recognized in the Statement of Profit and Loss | 233.87 | 208.62 |
| 5 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, 2022 | | |
| Insurance Managed Funds | 3633.22 | 3563.24 |
| Others | - | - |
| Total | 3633.22 | 3563.24 |
| 6. Amount recognised in Other Comprehensive Income (OCI) | | |
| Actuarial (Gains) / Losses on Obligations for the period | 84.46 | (46.07) |
| Re-measurement(Return on Plan Assets Excluding Interest Income) | (25.24) | (1.43) |
| Change in Asset Ceiling | - | - |
| Net (Income) / Expenses for the period recognized in OCI | 59.22 | (47.50) |
| 7. Actuarial Assumptions | | |
| Retirement age | 58 & 60 | 58 & 60 |
| Discount rate | 7.15% | 6.44% |
| Mortality | Indian Assured Lives Mortality (2012-2014) Urban | Indian Assured Lives Mortality (2006-2008) Ultimate |
| Withdrawal rate | 3% | 3% |
| Salary escalation | 4.50% | 4% |
| Other Details | | |
| No of active members | 1851 | 1740 |
| Per month salary for active members | 623.40 | 553.49 |
| Average expected future service - in years | 11 | 10 |
| Projected benefit obligation (PBO) | 4550.84 | 4187.77 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

₹ in Lakhs

| Particulars | Gratuity (Funded) | |
|--|-------------------|-------------|
| | 31-Mar-2022 | 31-Mar-2021 |
| Weighted average duration of the PBO – in years | | |
| Projected benefits payable in future years from the date of reporting | | |
| 1 st following year | 821.06 | 727.00 |
| Sum of years 2 to 5 | 2016.03 | 1769.96 |
| Sum of years 6 to 10 | 2300.04 | 1976.84 |
| Sensitivity analysis on PBO | | |
| Delta effect of 1% increase in rate of discounting | (201.35) | (195.54) |
| Delta effect of 1% decrease in rate of discounting | 222.74 | 217.04 |
| Delta effect of 1% increase in rate of salary escalation | 221.90 | 215.04 |
| Delta effect of 1% decrease in rate of salary escalation | (205.34) | (196.94) |
| Delta effect of 1% increase in rate of attrition | 33.40 | 31.48 |
| Delta effect of 1% decrease in rate of attrition | (36.60) | (34.50) |

NOTE “40” Earning per share (EPS) as per IND AS – 33:

₹ in Lakhs

| Particulars | 2021-22 | 2020-21 |
|--|--------------|--------------|
| Profit/ (Loss) after Tax before OCI | 10,750.62 | 379.31 |
| No. of Equity shares of ₹ 2 each outstanding as on 31.3.2022 | 26,10,30,371 | 26,10,30,371 |
| Weighted Average Number of Equity Shares Outstanding during the year | | |
| For Basic | 26,10,30,371 | 26,10,30,371 |
| For Diluted | 30,45,97,188 | 26,10,30,371 |
| EPS (₹) | | |
| Basic | 4.12 | 0.15 |
| Diluted | 3.78 | 0.15 |

Note:

Convertible Warrants and Optionally convertible debentures if converted into equity shares may potentially dilute the earnings per share for the future period and therefore these are treated as dilutive and included in the weighted average number of equity shares for the purpose of diluted earnings per share.

Note “41” Segment Information:

₹ in Lakhs

| | CAUSTIC | SIOP | PVC | CPVC | SODA ASH | OTHERS | TOTAL |
|-----------------|-----------------|----------------|------------------|-----------------|----------------|---------------|--------------------|
| Segment Revenue | 67,014.59 | 10,753.30 | 1,24,335.58 | 21,526.96 | 20,242.71 | 1,600.36 | 2,45,473.50 |
| | (35,570.97) | (5,977.31) | (70,815.87) | (14,857.25) | (17,869.53) | (1,335.24) | (1,46,426.17) |
| Segment Result | 3,805.41 | -254.85 | 15,604.38 | 5,299.66 | -995.70 | 782.42 | 24,241.32 |
| | (-1,355.09) | (-1,109.53) | (10,721.59) | (3,831.91) | (668.43) | (577.63) | (13,334.94) |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| | ₹ in Lakhs | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | CAUSTIC | SIOP | PVC | CPVC | SODA ASH | OTHERS | TOTAL |
| Add : Unallocated Corporate Income | | | | | | | - |
| | | | | | | | - |
| Less: Finance charges | | | | | | | 11,307.15 |
| | | | | | | | (11,967.43) |
| Add : Exceptional Items | | | | | | | 1,390.80 |
| | | | | | | | - |
| Current Tax & earlier year tax | | | | | | | 2,437.37 |
| | | | | | | | (250.00) |
| Deferred Tax Net of MAT Credit | | | | | | | 1,136.98 |
| | | | | | | | (738.20) |
| Net Profit After Tax | | | | | | | 10,750.62 |
| | | | | | | | (379.31) |
| Other information | | | | | | | |
| Segment Assets | 56,119.41 | 39,818.77 | 15,381.06 | 27,061.26 | 31,981.17 | 19,963.94 | 1,90,325.61 |
| | (52,928.72) | (39,209.27) | (19,241.91) | (27,884.88) | (31,402.84) | (16,718.78) | (1,87,386.39) |
| Add :Unallocated Corporate Assets | | | | | | | - |
| | | | | | | | (137.85) |
| Total | | | | | | | 1,90,325.61 |
| | | | | | | | (1,87,524.24) |
| Segment Liabilities | 10,827.57 | 2,001.73 | 27,910.38 | 1,940.93 | 3,634.57 | 56,541.14 | 1,02,856.33 |
| | (10,646.89) | (2,645.76) | (30,899.06) | (2,301.51) | (3,194.38) | * (62,961.73) | (1,12,649.31) |
| Add :Unallocated Corporate liabilities | | | | | | | 7,287.53 |
| | | | | | | | (6,155.38) |
| Total | | | | | | | 1,90,325.61 |
| | | | | | | | (1,18,804.69) |
| Capital Expenditure | | | | | | | 3,844.65 |
| | | | | | | | (1,785.97) |
| Depreciation | 2,995.87 | 2,098.20 | 709.52 | 1,683.98 | 861.88 | 503.14 | 8,852.59 |
| | (2,928.83) | (2,094.56) | (696.82) | (1,684.17) | (829.61) | (503.14) | (8,737.13) |

Note: The figures in bracket represents previous year amount.

*Borrowings done at Head Office Level are not allocated to specific segments as the same is not practicable.

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

NOTE "42" Expenditure Incurred on Corporate Social Responsibility (CSR) Activities:

- a. Gross amount required to be spent during the year is ₹ NIL (P.Y. NIL)
- b. Amount spent during the year:

₹ in Lakhs

| | Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---|---|-------------|-------------|
| 1 | Construction/acquisition of any asset | - | - |
| 2 | Other purposes other than above | 60.92 | 63.77 |
| 3 | Shortfall / (Excess) at the end of the year | (60.92) | (63.77) |
| 4 | Total of previous years shortfall | - | - |
| 5 | Reason for shortfall | N.A. | N.A. |
| 6 | Nature of CSR activities | | |
| | <ul style="list-style-type: none"> ● Promoting health care including Preventive health care ● Eradicating hunger, poverty and malnutrition ● Promoting education ● Green Cover & Environment Conservation ● Animal Welfare Activities ● Protection of old temples of historical importance ● Training to sports personnel ● Rural Development ● Disaster Relief Activities | | |

NOTE "43" Fair Value Measurements:

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

a. **Accounting classification and fair values**

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

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

₹ in Lakhs

| Financial Liabilities | Carrying amount at Amortised Cost | Fair value | Fair value measurement hierarchy level |
|---|-----------------------------------|------------|--|
| As on 31st March.2022 | | | |
| Fixed Rate Borrowings | 41,389.35 | - | Level 2 |
| As on 31st March.2021 | | | |
| Fixed Rate Borrowings | 38,808.26 | - | Level 2 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

b. Measurement of fair values:

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

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

c. Financial risk management

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

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

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

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

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

d. Credit Risk

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

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

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

| Sundry Debtors | | | | | ₹ in Lakhs |
|---|---------------|--------------------|-------------------|-------------------|------------|
| | Upto 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| As on 31st March 2022 | | | | | |
| Gross Carrying Amount | 11,651.28 | 3.83 | 27.92 | 74.58 | 11,757.61 |
| Specific Provision / ECL | | | | | (110.71) |
| Carrying Amount | | | | | 11,646.90 |
| As on 31st March 2021 | | | | | |
| Gross Carrying Amount | 8,856.03 | 134.27 | 408.36 | 336.49 | 9,735.15 |
| Specific Provision / ECL | | | | | (215.19) |
| Carrying Amount | | | | | 9,519.96 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

Cash and cash equivalents:

The Company held cash and cash equivalents of ₹ 8,766.90 as at 31st March 2022 (31st March 2021: ₹ 5,000.50 lakhs). The cash and cash equivalents are held with reputed banks.

e. Liquidity Risk:

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

₹ in Lakhs

| | Carrying amount | Contractual cash flows | | | | Total |
|--------------------------------------|-----------------|------------------------|-----------|-----------|-----------|-----------|
| | | Up to 1 year | 1-2 years | 2-5 years | > 5 years | |
| As on 31-Mar-2022 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 55,153.40 | 11,062.22 | 11,259.37 | 32,813.46 | 18.35 | 55,153.40 |
| Interest | 214.21 | 214.21 | - | - | - | 214.21 |
| Trade payables | 29,579.66 | 29,579.66 | - | - | - | 29,579.66 |
| As on 31-Mar-2021 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 62,306.18 | 10,032.48 | 13,514.70 | 32,066.67 | 6,692.33 | 62,306.18 |
| Interest | 1,594.27 | 1,594.27 | - | - | - | 1,594.27 |
| Trade payables | 29,798.37 | 29,798.37 | - | - | - | 29,798.37 |

f. Market Risk

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

Interest rate risk:

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

Exposure to Interest rate risk:

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

₹ in Lakhs

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--|------------------|------------------|
| Fixed-rate instruments | | |
| Financial liabilities - measured at amortised cost | 41,389.35 | 38,808.26 |
| Variable-rate instruments | | |
| Financial liabilities - measured at amortised cost | 13,764.05 | 16,986.11 |
| Total | 55,153.40 | 55,794.37 |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by ₹ 137.64 lakhs and ₹ 169.86 lakhs for the outstanding balance as on 31.3.2022 and 31.3.2021 respectively. Similarly a reasonable possible increase by 100 basis points in interest rate would have negative impact (before tax) by same amounts.

Currency risk:

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

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

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

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31 March 2022 & 31 March 2021 are as below

| | ₹ in Lakhs | | |
|-------------------------------------|------------------|------------------|------------------------------------|
| | Total | INR | Exposure to USD converted into INR |
| As on 31-Mar-2022 | | | |
| Financial assets | | | |
| Cash and cash equivalents | 8,766.90 | 8,766.90 | - |
| Short-term loans and advances | 110.58 | 110.58 | - |
| Trade and other receivables | 11,646.90 | 9,490.61 | 2,156.29 |
| Other Non-current financial asset | 961.87 | 961.87 | - |
| Other Current financial asset | 2,477.35 | 2,477.35 | - |
| Exposure for assets (A) | 23,963.60 | 21,807.31 | 2,156.29 |
| Financial liabilities | | | |
| Long term borrowings | 44,091.18 | 44,091.18 | - |
| Short term borrowings | 11,062.22 | 11,062.22 | - |
| Interest accrued | 198.90 | 198.90 | - |
| Trade and other payables | 29,579.66 | 8,362.76 | 21,216.90 |
| Other Current financial liabilities | 4,518.31 | 4,518.31 | - |
| Non-Current Financial Liabilities | 4,366.02 | 4,366.02 | - |
| Exposure for liabilities (B) | 93,816.29 | 72,599.39 | 21,216.90 |
| Net exposure (B-A) | 69,852.69 | 50,792.08 | 19,060.61 |
| As on 31-Mar-2021 | | | |
| Financial assets | | | |
| Cash and cash equivalents | 5,000.50 | 5,000.50 | - |
| Short-term loans and advances | 119.86 | 119.86 | - |
| Trade and other receivables | 9,519.96 | 6,585.30 | 2,934.66 |
| Other Non-current financial asset | 4,795.39 | 4,795.39 | - |
| Other Current financial asset | 7,244.88 | 7,244.88 | - |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

₹ in Lakhs

| | Total | INR | Exposure to USD converted into INR |
|-------------------------------------|--------------------|------------------|------------------------------------|
| Exposure for assets (A) | 26,680.59 | 23,745.93 | 2,934.66 |
| Financial liabilities | | | |
| Long term borrowings | 52,273.70 | 52,273.70 | - |
| Short term borrowings | 10,032.48 | 10,032.48 | - |
| Interest accrued | 1,204.12 | 1,204.12 | - |
| Trade and other payables | 29,798.37 | 10,824.84 | 18,973.53 |
| Other Current financial liabilities | 4,167.84 | 4,167.84 | - |
| Non-Current Financial Liabilities | 3,737.61 | 3,737.61 | - |
| Exposure for liabilities (B) | 1,01,214.12 | 82,240.59 | 18,973.53 |
| Net exposure (B-A) | 73,329.41 | 57,290.54 | 16,038.87 |

Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupee against USD at March 31 by 4% would have positive impact (before tax) by ₹ 762.42 lakhs and ₹ 641.55 lakhs for the net outstanding balance as on 31.3.2022 and 31.3.2021 respectively. Similarly a reasonably possible weakening of the Indian Rupee against USD would have a negative impact (before tax) by same amounts.

Capital Management

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

Note "44" Recent Accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTE “45”

Section 115BAA in the Income Tax Act 1967 (“Act”) provides a non-reversible option to domestic companies to pay corporate tax at a reduced rate effective from 1st April 2019 subject to certain conditions. The company has assessed the applicability of the Act and opted to continue the existing tax rate (i.e. 34.944%) for the year ended 31st March 2022.

NOTE “46”

During the year ended 31st March 2022, the Company has received ₹ 1390.80 lakhs towards maturity proceeds of insurance policies.

NOTE “47”

Dividends declared by the Company are based on profits available for distribution. On 24th May 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 0.40 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 10.44 Crore.

NOTE “48”

The Company has informed the stock exchanges on 5th April 2022 in respect of NCLT order received.

- The Company has been admitted in Corporate Insolvency Resolution Process (“CIRP”) vide an Order pronounced by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad on 31st March, 2022 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC), After online hearing (which was on account of courts not working in person due to CORONA Pandemic) in last week of March 2022. The copy of the order for initiation of CIRP has been received by the Company only on 4th April 2022, in case of disputed outstanding payment to operational creditor amounting to ₹ 1.57 crs and interest payable there on. The Company has made provision for Interest payable to the party during the year amounting to ₹ 1.43 crs and which was subsequently paid.
- Though the Hon'ble NCLT has appointed an Interim Resolution Professional (IRP) pursuant to above order, the company engaged with operational creditor and settled the matter amicably, accordingly the operational creditor has filed the Form FA under the IBC for withdrawal of its application admitted under Section 9 of IBC in the terms of the settlement agreement between the parties.

The Company has further informed the stock exchanges on 27th April 2022 in respect of withdrawn of NCLT order.

- On 27th April 2022, the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench has uploaded the order on their website allowing the withdrawal application filed with NCLT by Interim Resolution Professional (IRP) under Section 12A of Insolvency & Bankruptcy Code, 2016 (“IBC”) read with regulation 30-A of Corporate Insolvency Resolution Process (“CRIP”) for withdrawal of the application admitted under Section 9 of the IBC and accordingly the said matter stands disposed of as withdrawn.

NOTE “49” Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- The below table summarises the transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended/ as at 31st March 2022

| Name of struck off Company | Nature of transactions with struck-off Company | Amount of Transactions (₹ In Lakhs) | Balance outstanding (₹ In Lakhs) | Relationship with the struck off Company |
|-------------------------------------|--|-------------------------------------|----------------------------------|--|
| Maxin Hydro Dynamic India Pvt. Ltd. | Material Purchase | 9.68 | 0.29 | External Vendor |

NOTE "50" Ratio Analysis (to the extent applicable)

| Ratio | Numerator | Denominator | 31-March-2022 | 31-March-2021 | Change | Explanation for change in the ratio by more than 25% |
|---------------------------|------------------------------------|---------------------|---------------|---------------|--------|--|
| Liquidity Ratio | | | | | | |
| Current Ratio (times) | Current Assets | Current Liabilities | 1.02 | 0.76 | 34.5% | Increase in Current Assets and reduction in Current liabilities as compared to previous year which was due to company infusing long term funds into the operations by retaining cash generated from operations resulted in improved ratio. |
| Solvency Ratio | | | | | | |
| Debt-Equity Ratio (times) | Borrowings (Current + Non-current) | Total Equity | 0.69 | 0.91 | -24.1% | Reduction in Borrowings coupled with improved profitability from operations for the current year resulted in debt to equity going down substantially. |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| Ratio | Numerator | Denominator | 31-March-2022 | 31-March-2021 | Change | Explanation for change in the ratio by more than 25% |
|--|--|---|---------------|---------------|---------|---|
| Debt Service Coverage Ratio (times) | Profit for the year + Depreciation + Finance costs + Other Non Cash Operating expenses | Finance costs + Repayment of Borrowings (net of Proceeds) | 1.63 | 1.33 | 22.1% | Increased profitability for the current year resulted in improvement in this ratio |
| Profitability Ratio | | | | | | |
| Net profit ratio (%) | Profit for the year | Revenue from Operations | 4.38% | 0.26% | 1590.7% | Increase in capacity utilisation coupled with Improvement in margin on various products being manufactured by the company during the year has resulted in substantial improvement in this ratio |
| Return on Equity Ratio (%) | Profit for the year | Average Total Equity | 14.4% | 0.6% | 2498.2% | As explained above improvement in Net Profit for the year has resulted in improved Return on Equity ratio. |
| Return on Capital employed (%) | Profit before exceptional items and tax + Finance costs | Tangible Net Worth + Total Debt + Deferred Tax Liability | 17.00% | 9.72% | 74.9% | As explained above substantial improvement in net profits from the operations of the company has resulted in improved Return on Capital Employed as compared to previous year. |
| Utilization Ratio | | | | | | |
| Inventory turnover ratio (times) | Net Sales (sale of product) | Average Inventories | 11.79 | 8.45 | 39.6% | Higher sales and better inventory management resulted in improvement in this ratio |
| Trade Receivables turnover ratio (times) | Net Sales (sale of product) | Average Trade Receivables | 23.19 | 17.41 | 33.1% | Higher sales comparatively lower receivables has resulted in improvement in this ratio |

Notes to the financial statements...(Continued)

for the year ended 31st March, 2022

| Ratio | Numerator | Denominator | 31-March-2022 | 31-March-2021 | Change | Explanation for change in the ratio by more than 25% |
|---------------------------------------|--|---|---------------|---------------|---------|--|
| Trade payables turnover ratio (times) | Purchase of Raw material + Purchase of Stock in Trade + Consumption of Packing Materials + Consumption of Power & Fuel | Average Trade Payables | 6.16 | 3.09 | 99.5% | Comparatively lower Trade Payables to purchases has resulted in Higher Trade payable turnover. |
| Net capital turnover ratio (times) | Net Sales (sale of product) | Average Working Capital (Inventories + Trade receivables -Trade payables) | 144.07 | 27.27 | -628.4% | Improvement in Current assets coupled with better management of Working capital as compared to net sales has helped in Improvement in Ratio. |

NOTE "51"

The financial statements were authorised for issue in accordance with the resolution passed by the Board of Directors on 24th May, 2022.

NOTE "52"

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

As per our report of even date attached

For and on behalf of the Board

For **Chhajer & Doshi**
Chartered Accountants
FRN No. 101794W

Pramod Kumar Jain
Chairman & Managing Director
DIN 00380458

Bakul Jain
Managing Director
DIN 00380256

CA Nitesh Jain
Partner
Membership No. 136169

Vivek Jain
Managing Director
DIN 00502027

Vimal Jain
Chief Financial Officer

Place : Mumbai
Date : 7th June, 2022

Dilip V Darji
Sr. GM (Legal) & Company Secretary
Membership No. A22527

Amitabh Gupta
Chief Executive Officer
Date : 7th June, 2022

Place : Mumbai
Date : 24th May, 2022

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AGM NOTICE





DCW LIMITED

CIN No.: L24110GJ1939PLC000748

Registered Office: Dhrangadhra - 363 315, Gujarat

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

Tel. No.: 022-22871914, 022-22871916, 022-22020743, **Fax:** 022-2202 8838,

Website: www.dcwlimited.com, **Email:** legal@dcwlimited.com

NOTICE

NOTICE is hereby given that the Eighty-third Annual General Meeting ("AGM") of the Members of **DCW LIMITED** will be held on **Tuesday, September 27, 2022** at **12:00 Noon IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM

Ordinary Business:

Item No. 1 – Adoption of Audited Financial Statements

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

Item No. 2 – Declaration of Dividend

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT a dividend at the rate of ₹ 0.40 /- (Forty Paise only) per equity share of ₹ 2/- (Two Rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2022 and the same be paid out of the profits of the Company for the financial year ended March 31, 2022."

Item No. 3 – Re-appointment of a Director

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Bakul Premchand Jain (DIN:00380256), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby appointed as a Director of the Company."

Item No. 4: Appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. V. Sankar Aiyar & Co., Chartered Accountants, (ICAI Firm Registration No. 109208W), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, who shall hold office from the conclusion of this 83rd Annual General Meeting till the conclusion of the 88th Annual General Meeting to be held in the financial year 2027, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

Special Businesses:

Item No. 5 – Increase the Overall Maximum Limit of Managerial Remuneration

To consider and if thought fit, to pass following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the said Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”), the Articles of Association of the Company and subject to such other approvals as may be necessary and based on the recommendation of Audit Committee, Nomination and Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded to increase the overall maximum managerial remuneration payable beyond specified limits as prescribed in Section 197 read with Schedule V of the Companies Act, 2013 in respect of any financial years, from 11% (eleven percent) to 16% (sixteen percent) to the Directors (including Managing Director and Whole-time Director and Manager) of the Company and that the aggregate remuneration payable to all the Managing Directors (including Whole-time Director and Manager, if any) upto 15% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, as set forth in detail in the explanatory statement annexed to the notice, effective from April 1, 2022.

RESOLVED FURTHER THAT if in any financial year, the Company has no profits, or its profits are inadequate, the remuneration including salary, perquisites and other allowances, as set forth in detail in the explanatory statement annexed to the notice, shall be paid as minimum remuneration without any further reference to the Shareholders of the Company in the General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

Item No. 6 – Re-appointment of Mr. Bakul Premchand Jain (DIN:00380256) as Managing Director of the Company

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”), the Articles of Association of the Company and subject to such other approvals as may be necessary and pursuant to recommendation of the Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Bakul Premchand Jain (DIN:00380256), as Managing Director of the Company for a period of 3 years with effect from July 27, 2023, with such salary, perquisites and commission as set out in the Explanatory Statement annexed to the Notice of this Annual General Meeting and on such other terms and conditions as set out in the draft agreement between Mr. Bakul Premchand Jain (DIN:00380256) and the Company submitted to this Meeting and such agreement is hereby approved by the Shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Mr. Bakul Premchand Jain (DIN:00380256).

RESOLVED FURTHER THAT if in any financial year during the tenure of Mr. Bakul Premchand Jain (DIN:00380256) as Managing Director, the Company has no profits, or its profits are inadequate, Mr. Bakul Premchand Jain (DIN:00380256) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, as set forth in detail in the explanatory statement annexed to the notice in such financial year as minimum remuneration without any further reference to the Shareholders of the Company in the General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

Item No. 7 – Re-appointment of Mr. Vivek Shashichand Jain (DIN: 00502027) as Managing Director of the Company

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“Listing Regulations”), the Articles of Association of the Company and subject to such other approvals as may be necessary and pursuant to recommendation of the Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Vivek Shashichand Jain (DIN:00502027), as Managing Director of the Company for a period of 3 years with effect from March 1, 2023, with such salary, perquisites and commission as set out in the Explanatory Statement annexed to the Notice of this Annual General Meeting and on such other terms and conditions as set out in the draft agreement between Mr. Vivek Shashichand Jain (DIN:00502027) and the Company submitted to this Meeting and such agreement is hereby approved by the Shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Mr. Vivek Shashichand Jain (DIN:00502027).

RESOLVED FURTHER THAT if in any financial year during the tenure of Mr. Vivek Shashichand Jain (DIN:00502027) as Managing Director, the Company has no profits, or its profits are inadequate, Mr. Vivek Shashichand Jain (DIN:00502027) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, as set forth in detail in the explanatory statement annexed to the notice in such financial year as minimum remuneration without any further reference to the Shareholders of the Company in the General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

Item No. 8 – Ratification of Remuneration of the Cost Auditors for the Financial Year ending March 31, 2023

To consider and if thought fit, to pass following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for payment of Remuneration as set out in the Explanatory Statement annexed hereto to M/s. Nanabhoy & Co. and M/s N. D. Birla & Co., Cost Auditors of the Company appointed by the Board of Directors at their meeting held on May 24, 2022, to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2022 be and is hereby confirmed, approved and ratified.

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

By Order of the Board of Directors

Sd/-

Dilip Darji

Sr. General Manager (Legal) & Company Secretary
Membership No. ACS-22527

Registered Office:

Dhrangadhra - 363 315, Gujarat

Email: legal@dcwlimited.com

CIN: L24110GJ1939PLC000748

Website: www.dcwlimited.com

Date: August 12, 2022

Place: Mumbai

NOTES:-

1. In view of the massive outbreak of the COVID-19 pandemic, Ministry of Corporate Affairs has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as "SEBI Circulars") and all other relevant circulars issued from time to time permitted the holding of the Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM"), without the physical presence of the Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Promoter Group, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business(es) to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
5. In line with the MCA Circulars and SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.dcwLtd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
6. The AGM of the Company is being held through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with MCA Circulars & SEBI Circulars.
7. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Item No. 4, 5, 6, 7 & 8 forms part of this Notice. Additional information, pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India in respect of the Director seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') in terms of Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of Secretarial Standard – 2 is furnished as Annexure(s) to this Notice.
8. A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
9. Institutional/Corporate Members (i.e. other than individuals / HUF, NRI, etc.) intending to send their authorized representative(s) to attend the Meeting through VC / OAVM, are requested to send a Certified True Copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf

at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to skjaincs1944@gmail.com with a copy marked to evoting@nsdl.co.in

10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection electronically up to the date of AGM. Members seeking to inspect such documents can send an email to legal@dcwltd.com. The relevant Registers maintained under the Act and required to be placed at AGM will be available electronically for inspection by the members during the AGM.
12. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.dcwlimited.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
13. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 21, 2022 to Tuesday, September 27, 2022**, (both days inclusive) for the purpose of the Meeting.
14. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd. /DP for receiving Annual Reports and other communications electronically from the Company in the future.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

16. Updation of Members' Details

The format of the Register of Members prescribed by the Ministry of Corporate Affairs ('MCA') under the Act requires the Company/ RTA to record additional details of members including their Permanent Account Number ('PAN'), e-mail address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their details to the Company's RTA.

17. DIVIDEND

The dividend, as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, after September 27, 2022, to those persons or their mandates: whose names appear as Beneficial Owners as at the end of the business hours on **Tuesday, September 20, 2022** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and whose names appear as Members in the Register of Members of the Company as at the end of the business hours on **Tuesday, September 20, 2022** after giving effect to valid request(s) received for transmission/ transposition of shares.

Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to provide timely credit of dividend in their bank accounts.

In case, the Company is unable to pay dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/demand draft to such Member by post/courier.

18. During the Financial Year 2018-19, SEBI and MCA have mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at legal@dcwltd.com or contact the Company's RTA - Bigshare Services Pvt. Ltd. at investor@bigshareonline.com ('RTA Email') and 022-62638200 ('RTA Number') for assistance in this regard.

19. Members are hereby informed that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:
- a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
 - b. Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
 - c. Folios wherein any one of the said document(s)/detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
 - d. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/Company shall verify and process the service requests and issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

20. As per the provisions of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participants.
21. Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.
22. The said forms can be downloaded from the Company's website at www.dcwlimited.com Members are requested to submit the said forms to the RTA at investor@bigshareonline.com, in case the shares are held in physical form, quoting their folio no(s), number of securities held, certificate no. and distinctive nos. of the securities held.
23. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/ HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at www.dcwlimited.com. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
24. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at www.dcwlimited.com and on the website of the Company's RTA at www.bigshareonline.com. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its circular dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

25. Members desiring any information as regards the Accounts are requested to write to the Company at an earlier date through email on legal@dcwlttd.com. The same will be replied by the Company suitably.
26. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's RTA the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
27. Non-Resident Indian members are requested to inform the Company's RTA/respective DPs, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
28. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
29. Pursuant to Sections 124 (5) of the Companies Act, 2013 the amount of dividend remaining unclaimed for a period of 7 years shall be transferred to the Investor Education Protection Fund. Pursuant to Section 124(6) of the Companies Act 2013, all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund.

Accordingly, the Company has transferred all the unclaimed dividends declared till the financial year 2013-14 to the said Fund. Members who have not en-cashed their dividend warrants for the financial year ended March 31, 2014 onwards may claim for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) alongwith requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per IEPF Rules.

30. Process and manner of Voting through Electronic Means.
 - a. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI Listing Regulations, each as amended from time to time and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to its Members to cast their votes electronically on resolutions set forth in this Notice. The Company has engaged the services of National Securities Depository Limited ('NSDL') as the Agency to provide e-voting facility. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') and the services will be provided by NSDL.
 - b. Instructions for remote e-voting (including process and manner of e-voting) are given herein below.
 - c. The Resolution(s) passed by remote e-voting shall be deemed to have been passed as if they have been passed at the AGM. The Notice of the AGM indicating the instructions of remote e-voting process can be downloaded from NSDL's website www.evoting.nsdl.com or the Company's website www.dcwlttd.com.
 - d. The facility for e-Voting shall be made available at the Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
 - e. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again. Members can opt for only one mode of voting i.e. remote e-voting or voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered as final.
 - f. Members holding shares in physical form or dematerialized form as on **Tuesday, September 20, 2022 ('Cut- Off Date')** shall be eligible to cast their vote by remote e-voting.

- g. The remote e-voting period commences on **Saturday, September 24, 2022 at 9:00 a.m. (IST) and ends on Monday, September 26, 2022 at 5:00 p.m. (IST)**. During this period, the members of the Company holding shares either in physical form or in dematerialized form as on the Cut-Off Date, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5:00 p.m. (IST) on Monday, September 26, 2022. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Tuesday, September 20, 2022**.
31. Any person(s) who acquires shares of the Company and becomes a Member(s) of the Company after dispatch of the Notice of AGM and holding shares as on the Cut-Off date i.e., **Tuesday, September 20, 2022** may obtain the login ID and password by sending a request at 'evoting@nsdl.co.in' or 'admission@bigshareonline.com' However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/ Password' or 'Physical User Reset Password' option available on 'www.evoting.nsdl.com' or contact NSDL at the following Toll Free No.: 1800-222-990 or e-mail at 'evoting@nsdl.co.in'
32. Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM .
33. The Board of Directors has appointed M/s. S K Jain & Co, Practicing Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process as well as voting at the Meeting in a fair and transparent manner.
34. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and shall within three days or two working days of conclusion of the Meeting whichever is earlier submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman in writing, who shall countersign the same.
35. The Chairman or any other person authorised by him in writing shall declare the result of voting forthwith.
36. The results declared along with Scrutinizer's Report, will be placed on the Company's website 'www.dcwlimited.com' and the website of NSDL 'www.evoting.nsdl.com' immediately after the result is declared by Chairman or any other person authorized by the Chairman and the same shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where the Securities of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.
37. In case of any grievances with respect to the facility for voting by electronic means, Members are requested to contact at evoting@nsdl.co.in (1800 222 990) or write to NSDL at National Securities Depository Limited, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai – 400 013.
38. E-Voting Instructions
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

- B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 121965 then user ID is 121965001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated

to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to skjaincs1944@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Sanghetia at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to legal@dcwltd.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to legal@dcwltd.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no., No. of shares, PAN, mobile number at legal@dcwltd.com on or before **Tuesday, September 20, 2022**. Those Members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

Statement / Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and additional information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued thereunder

ITEM NO. 4

Members of the Company at the 78th Annual General Meeting of the Company held on September 28, 2017 approved the appointment of M/s. Chhajed & Doshi, Chartered Accountants (ICAI Firm Registration No. 101794W), ("Retiring Statutory Auditors") as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the 78th Annual General Meeting held on September 28, 2017 until the conclusion of the 83rd Annual General Meeting of the Company. M/s. Chhajed & Doshi will complete their present term on conclusion of this Annual General Meeting.

The Board of Directors of the Company ("the Board"), at its meeting held on August 12, 2022 has considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants [Firm Registration Number: 109208W] ("VSA"), as Statutory Auditors of the Company in place of the Retiring Statutory Auditors, for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 88th Annual General Meeting of the Company to be held in financial year 2027, at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Statutory Auditors of the Company.

While considering the candidature of VSA, the Audit Committee considered various parameters like capability to serve a diverse business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found VSA to be best suited to handle the scale and diversity associated with the audit of the financial statements of the Company.

M/s V. Sankar Aiyar & Co., Chartered Accountants is one of the oldest serving professional firms in India since 1952 having diversified client base of large corporates in different sectors. VSA is headquartered in Mumbai, with 14 full time Partners - 4 at Mumbai, 7 at New Delhi and 3 at Chennai and have well qualified and experienced staff strength of more than 150 persons. VSA have extensive experience and fundamentally strong in audit and assurance related services, regulatory compliance and corporate tax advisory, tax representation and tax planning including Transfer Pricing and International Taxation etc.

M/s V. Sankar Aiyar & Co., Chartered Accountants, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013 and the Rules framed thereunder. M/s V. Sankar Aiyar & Co., Chartered Accountants, have also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

The proposed remuneration to be paid to Statutory Auditors for the financial year 2022-23 is ₹ 37.50 Lakhs (including Limited Review Reports and Tax Audit). The said remuneration excludes certification charges, if any, applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

There is no material change in the remuneration proposed to be paid to Statutory Auditors for the financial year 2022-23 and the remuneration paid to the Retiring Statutory Auditors for the financial year 2021-22.

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

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO. 5

Pursuant to Section 197 of the Companies Act, 2013 (the Act), the total managerial remuneration payable by a public company, to its Directors, including Managing Director and Whole-time Director, and its Manager in respect of any financial year, shall not exceed 11% of net profits of that Company for that financial year computed as per provisions of Section 198 of the Act, as detailed hereunder

a) To Managing Director / Whole-time Director / Manager: -

| Condition | Maximum Remuneration in any financial year |
|---|--|
| Company with one Managing Director (MD) or Whole-time Director (WTD) or Manager | shall not exceed 5 % of the net profits of the company |
| Company with more than one MD or WTD or Manager | shall not exceed 10% of the net profits of the company |

b) To other Directors who are neither Managing Directors nor Whole-time Directors:

| Condition | Maximum Remuneration in any financial year |
|---|---|
| Company with one Managing Director (MD) or Whole-time Director (WTD) or Manager | shall not exceed 1% of the net profits of the company |
| Company with more than one MD or WTD or Manager | shall not exceed 3% of the net profits of the company |

As per the Companies (Amendment) Act, 2017, w.e.f. September 12, 2018, the Companies may pay remuneration exceeding the aforesaid limit of 11%, subject to the provisions of Schedule V to the Act, as well as other above limits, with the approval of the members of the Company in general meeting by way of Special Resolution.

Further, pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018;

- the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity

Over the years, the Company has been paying Managerial Remuneration within the limits of 10% of the net profits to the Managing Directors of the Company in pursuance of the provisions of the Companies Act, 2013. Further, the Managing Directors, to strengthen the finances of the Company, as a gesture of goodwill, had foregone their salaries for the period of 3 years from June, 2017 to March 31, 2020.

Over the past few years and through the challenging times during COVID 19 Pandemic, the Company has made significant growth in terms of business as well as profits with the consistent commitment and hard work of the Managing Directors in the best interest of the Company, investors and other stakeholders. However, the terms of compensation paid to them remain at the same level.

In order to structure the remuneration of Managing Directors (including Whole-time Director and Manager, if any), providing for fixed component of the remuneration and performance based commission, it's considered expedient to increase the overall percentage of the remuneration payable to all the Managing Directors (including Whole-time Director and Manager, if any), of the Company, over and above the overall maximum limit as specified under statute, to 15% from existing 10% of the net profits of the Company, with effect from Financial Year 2022-23.

Non-executive Directors are entitled for commission aggregating not more than 1% of the net profits of the Company in a financial year subject to maximum of ₹ 3,00,000/- per Director as approved by the members of the Company at the Extra-ordinary General Meeting held on December 19, 2013. The same will remain unchanged.

Accordingly, the overall maximum managerial remuneration payable beyond specified limits as prescribed in Section 197 read with Schedule V of the Companies Act, 2013 in respect of any financial years will be increased from 11% (eleven percent) to 16% (sixteen percent) to the Directors (including Managing Director and Whole-time Director and Manager) of the Company and that the aggregate remuneration payable to all the Managing Directors (including Whole-time Director and Manager, if any) upto 15% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, as set forth in detail as below.

Proposed Remuneration:

a) Remuneration:

- i) Salary : ₹ 10,00,000/- per month
- ii) Perquisites :

In addition to Salary, the Managing Director(s) (including Whole-time Director and Manager, if any), shall also be entitled to perquisites like;

- Accommodation (Furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs, medical reimbursement for himself and family, medical insurance and travel expenses including foreign travel for himself and family etc. and such other allowances & perquisites in accordance with the Rules of the Company or as may be agreed to between the Board and the Managing Director(s); the amount of such perquisites to be restricted to ₹ 20,00,000/- per annum; and
- Reimbursement of upto Two Club Membership Fees, Credit Card(s) Annual Fees;
- The Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half-a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.
- The Company shall provide the Managing Director(s), a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to respective Managing Director(s).

iii) Commission:

Commission shall be paid in addition to the above salary and perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be the difference between 15% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors (including Whole-time Director and Manager, if any), of the Company in that year shall be equally distributable amongst the Managing Directors of the Company.

- iv) If in any Financial Year during the tenure of the Managing Director(s), the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration as specified below as minimum remuneration
 - Remuneration in that year; salary and perquisites not exceeding ₹ 1,20,00,000/- per annum or ₹ 10,00,000/- per month or such other limit as may be prescribed by the Government from time to time in this regard; and
 - Reimbursement of upto Two Club Membership Fees, Credit Card(s) Annual Fees;
 - The Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half-a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites;
 - The Company shall provide the Managing Director(s), a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to respective Managing Director(s).
 - Managing Director(s) shall not be entitled to any commission.

- b) The terms and conditions of reappointment of the Managing Director may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to between the Board and the Managing Director(s).
- c) The Managing Director(s), shall be entitled to reimbursement of expenses incurred by him towards furtherance of the Company's business.

For the purpose of calculating the above ceiling, perquisites provided to the Managing Director shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, Perquisites shall be evaluated at actual cost.

Based on the recommendations of Nomination and Remuneration Committee and Audit Committee at their Meetings held on August 12, 2022, the Board of Directors at their meeting held on August 12, 2022, considered and approved the proposal, subject to the approval of shareholders, to increase the overall maximum managerial remuneration payable from 11% to 16% of the net profits of the Company, consisting of 15% to all the Managing Directors (including Whole-time Director and Manager, if any), and 1% to Non-Executive Directors, in accordance with the provisions of the Companies Act, 2013. The table including the details as required under Schedule V of the Companies Act, 2013 is annexed to the notice as Annexure II.

Mr. Pramodkumar Shriyansprasad Jain (DIN:00380458), Chairman & Managing Director; Mr. Bakul Premchand Jain (DIN:00380256) and Mr. Vivek Shashichand Jain (DIN:00502027), Managing Directors are interested in the Resolution set out in Item No. 5 of the Notice, since it pertains to their remuneration. The relatives of Mr. Pramodkumar Shriyansprasad Jain, Mr. Bakul Premchand Jain and Mr. Vivek Shashichand Jain may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said Resolution.

The Board commends the Special Resolution as set out at Item No. 5 of the Notice for approval by the members.

ITEM NO. 6

At the Extra-Ordinary General Meeting of the Company held on Thursday, February 27, 2020, Mr. Bakul Premchand Jain (DIN: 00380256) was re-appointed as the Managing Director of the Company for a period of 3 years effective from July 27, 2020. In terms of provision of Section 196(2) of the Companies Act, 2013 a Managing Director can be re-appointed within one year before the expiry of his present term.

The Nomination and Remuneration Committee ("the NRC") of the Company, on the basis of the performance evaluation, has approved & recommended re-appointment of Mr. Bakul Premchand Jain as Managing Director of the Company for a period of 3 years with effect from July 27, 2023 on the terms & conditions including the remuneration payable to him as detailed below by passing a Resolution at their Meeting held on May 24, 2022.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Bakul Premchand Jain would be beneficial to the Company and it is desirable to continue to avail his services as Managing Director. Accordingly, it is proposed to re-appoint Mr. Bakul Premchand Jain as Managing Director of the Company, for a further period of 3 (Three) years on the Board of the Company with effect from July 27, 2023.

The detailed terms and conditions of re-appointment and remuneration payable to Mr. Bakul Premchand Jain as Managing Director are as follows:

- a) Period : 3 years with effect from July 27, 2023
- b) Remuneration:
 - i) Salary : ₹ 10,00,000/- per month
 - ii) Perquisites :

In addition to Salary, Mr. Bakul Premchand Jain shall also be entitled to perquisites like;

- Accommodation (Furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs, medical reimbursement for himself and family, medical insurance and travel expenses including foreign travel for himself and family etc. and such other allowances & perquisites in accordance with the Rules of the Company or as may be agreed to between the Board and Mr. Bakul Premchand Jain; the amount of such perquisites to be restricted to ₹ 20,00,000/- per annum; and
- Reimbursement of upto Two Club Membership Fees, Credit Card(s) Annual Fees;
- The Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half-a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.
- The Company shall provide Mr. Bakul Premchand Jain, a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Mr. Bakul Premchand Jain.

iii) Commission:

Commission shall be paid in addition to the above salary and perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be the difference between 15% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors (including Whole-time Director and Manager, if any), of the Company in that year shall be equally distributable amongst the Managing Directors of the Company.

iv) If in any Financial Year during the tenure of the Mr. Bakul Premchand Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration as specified below as minimum remuneration

- Remuneration in that year; salary and perquisites not exceeding ₹ 1,20,00,000/- per annum or ₹ 10,00,000/- per month or such other limit as may be prescribed by the Government from time to time in this regard; and
- Reimbursement of upto Two Club Membership Fees, Credit Card(s) Annual Fees;
- The Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half-a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites;
- The Company shall provide Mr. Bakul Premchand Jain, a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Mr. Bakul Premchand Jain.
- Mr. Bakul Premchand Jain shall not be entitled to any commission.

c) The terms and conditions of re-appointment of Mr. Bakul Premchand Jain may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to between the Board of Directors and Mr. Bakul Premchand Jain.

d) Mr. Bakul Premchand Jain shall be entitled to reimbursement of expenses incurred by him for the business of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, Perquisites shall be evaluated at actual cost.

Mr. Bakul Premchand Jain is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a Managing Director.

Details of Mr. Bakul Premchand Jain are provided in the "Annexure I & II" to the Notice, pursuant to the provisions of (i) Listing Regulations (ii) Companies Act, 2013 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The draft of the agreement between the Company and Mr. Bakul Premchand Jain is available for inspection by the Members electronically. Members seeking to inspect the same can send an email legal@dcwltd.com.

Mr. Bakul Premchand Jain is interested in the Resolution set out in Item No. 6 of the Notice, since it pertains to his re-appointment and remuneration for a period of three years. The relatives of Mr. Bakul Premchand Jain may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said Resolution.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

The Board commends the Special Resolution as set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 7

At the Extra-Ordinary General Meeting of the Company held on Thursday, February 27, 2020, Mr. Vivek Shashichand Jain (DIN:00502027) was re-appointed as the Managing Director of the Company for a period of 3 years effective from March 1, 2020. In terms of provision of Section 196(2) of the Companies Act, 2013 a Managing Director can be re-appointed.

The Nomination and Remuneration Committee ("the NRC") of the Company, on the basis of the performance evaluation, has approved & recommended re-appointment of Mr. Vivek Shashichand Jain as Managing Director of the Company for a period of 3 years with effect from March 1, 2023 on the terms & conditions including the remuneration payable to him as detailed below by passing a Resolution at their Meeting held on May 24, 2022.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Vivek Shashichand Jain would be beneficial to the Company and it is desirable to continue to avail his services as Managing Director. Accordingly, it is proposed to re-appoint Mr. Vivek Shashichand Jain as Managing Director of the Company, for a further period of 3 (Three) years on the Board of the Company with effect from March 1, 2023.

The detailed terms and conditions of re-appointment and remuneration payable to Mr. Vivek Shashichand Jain (DIN: 00502027) as Managing Director are as follows:

- a) Period: 3 years with effect from March 1, 2023
- b) Remuneration:
 - i) Salary: ₹ 10,00,000/- per month
 - ii) Perquisites :

In addition to Salary, Mr. Vivek Shashichand Jain shall also be entitled to perquisites like;

- Accommodation (Furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs, medical reimbursement for himself and family, medical insurance and travel expenses including foreign travel for himself and family etc. and such other allowances & perquisites in accordance with the Rules of the Company or as may be agreed to between the Board and Mr. Vivek Shashichand Jain; the amount of such perquisites to be restricted to ₹ 20,00,000/- per annum; and
- Reimbursement of upto Two Club Membership Fees, Credit Card(s) Annual Fees;

- The Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half-a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.
- The Company shall provide Mr. Vivek Shashichand Jain, a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Mr. Vivek Shashichand Jain.

iii) Commission:

Commission shall be paid in addition to the above salary and perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be the difference between 15% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors (including Whole-time Director and Manager, if any), of the Company in that year shall be equally distributable amongst the Managing Directors of the Company.

iv) If in any Financial Year during the tenure of Mr. Vivek Shashichand Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration as specified below as minimum remuneration

- Remuneration in that year; salary and perquisites not exceeding ₹ 1,20,00,000/- per annum or ₹ 10,00,000/- per month or such other limit as may be prescribed by the Government from time to time in this regard; and
- Reimbursement of upto Two Club Membership Fees, Credit Card(s) Annual Fees;
- The Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half-a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites;
- The Company shall provide Mr. Vivek Shashichand Jain, a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Mr. Vivek Shashichand Jain.
- Mr. Vivek Shashichand Jain shall not be entitled to any commission.

c) The terms and conditions of reappointment of Mr. Vivek Shashichand Jain may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to between the Board of Directors and Mr. Vivek Shashichand Jain.

d) Mr. Vivek Shashichand Jain shall be entitled to reimbursement of expenses incurred by him for the business of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, Perquisites shall be evaluated at actual cost.

Mr. Vivek Shashichand Jain (DIN:00502027) is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a Managing Director.

Details of Mr. Vivek Shashichand Jain (DIN:00502027) are provided in the "Annexure I & II" to the Notice, pursuant to the provisions of (i) Listing Regulations (ii) Companies Act, 2013 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The draft of the agreement between the Company and Mr. Vivek Shashichand Jain (DIN: 00502027) is available for inspection by the Members electronically. Members seeking to inspect the same can send an email legal@dcwltd.com.

Mr. Vivek Shashichand Jain (DIN: 00502027) is interested in the Resolution set out in Item No. 7 of the Notice, since it pertains to his re-appointment and remuneration for a period of three years. The relatives of Mr. Vivek Shashichand Jain (DIN:00502027) may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said Resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution as set out at Item No. 7 of the Notice for approval by the members.

ITEM NO. 8

The Board, on the recommendations of the Audit Committee, had approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023, as detailed below:

| Sr. No | Name of the Cost Auditor | Industry | Audit Fees |
|--------|--------------------------|-----------|--|
| 1. | Nanabhoy & Company | Chemicals | ₹ 100,000/- (Rupees One Lakh only) |
| 2. | N. D. Birla & Company | Chemicals | ₹ 65,000/- (Rupees Sixty Five thousand only) |

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 8 of the Notice.

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

The Board commends the Ordinary Resolution as set out at Item No. 8 of the Notice for ratification by the members.

By Order of the Board of Directors

Sd/-

Dilip Darji

Sr. General Manager (Legal) & Company Secretary
Membership No. ACS-22527

Registered Office:

Dhrangadhra - 363 315, Gujarat

Email: legal@dcwLtd.com

CIN: L24110GJ1939PLC000748

Website: www.dcwLtd.com

Date: August 12, 2022

Place: Mumbai

ANNEXURE-I

Pursuant to the Provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), details in respect of Director seeking Appointment/Re-appointment at the Annual General Meeting is furnished below:

| Name of Director | Mr. Vivek Shashichand Jain | Mr. Bakul Premchand Jain |
|--|--|--|
| Date of Birth | 28-05-1958 | 14-04-1955 |
| Age | 64 Years | 67 Years |
| DIN | 00502027 | 00380256 |
| Date of first appointment on the Board of the Company | 01-03-2014 | 01-11-1996 |
| Qualification | MBA (Babsons College, USA) and MMS (Jamnalal Bajaj Institute of Management Studies, Mumbai) | Bachelor's Degree of Commerce from University of Mumbai and Master Degree in Management from IMD, Lausanne, Switzerland |
| Experience | 38 years | 40 years |
| Expertise in specific functional area | Leadership qualities, strategic thinking, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company | Leadership qualities, strategic thinking, corporate governance, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company |
| Brief Resume | Mr. Vivek Jain is in-charge of the PVC division of the Company. He is with the Company since 1984 and prior to his appointment as Managing Director in the year 2014, he was Sr. President of the Company. He has an overall 38 years of wide experience in the Industry. He was instrumental in the expansion of the PVC capacity. Under his leadership, the Company has set up Chlorinated Poly Vinyl Chloride Project in its Sahupuram Works. | Mr. Bakul Jain joined the service of the Company as the Vice President in Caustic Soda Division in the year 1982. He was appointed as the Managing Director of the Company in the year 2006. He has an overall 40 years of wide experience in the Industry and presently looks after the overall general management including strategic planning and financial functions of the Company. He is in charge of new projects and diversifications. Under his leadership, the Company has also set-up a 2 x 25 MW. Thermal Co-generation plant at its Works at Sahupuram, Tamil Nadu, making the Company not only self sufficient units power requirements but also having surplus power to sell to Electricity Boards/third parties. |
| Terms and Conditions of Appointment/ Re-appointment | As per the resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto. | As per the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto. |
| Remuneration last Drawn (including sitting fees, if any) | For remuneration please refer the Corporate Governance Report | For remuneration please refer the Corporate Governance Report |
| Remuneration Proposed to be paid | Same as mentioned in the resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto | Same as mentioned in the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto |
| Number of Board Meeting attended during the year 2021-22 | 6 | 5 |

| | | |
|---|---|--|
| Directorship held in other Listed Companies (As on March 31, 2022) | Not Applicable | <ul style="list-style-type: none"> • JK Tyre & Industries Limited • Bengal & Assam Company Limited |
| Directorship in other Companies (excluding foreign companies and Section 8 companies) (As on March 31, 2022) | <ul style="list-style-type: none"> • Sahu Brothers Private Limited • Jain Sahu Brothers Properties Private Limited • DCW Pigments Limited | <ul style="list-style-type: none"> • Canvas Shoe Co (Goa) Private Limited • DCW Pigments Limited • J.K. Fenner (India) Limited • Cashco Holdings Private Limited • Sahu Brothers Private Limited • D.P.B. Holdings Private Limited • BJ Holdings Private Limited • Jain Sahu Brothers Properties Private Limited |
| Chairmanship/ Membership of Committees of the Board of Directors of other listed companies as on March 31, 2022 | Not Applicable | <p>Chairmanship: Audit Committee of Bengal & Assam Company Limited and JK Tyre & Industries Limited Stakeholders Relationship Committee of JK Tyre & Industries Limited</p> <p>Membership: Stakeholders Relationship Committee of Bengal & Assam Company Limited</p> |
| Chairmanship/ Membership of Committees of the Board of Directors of other companies as on March 31, 2022 | Not Applicable | <p>Membership: Audit Committee of J.K. Fenner (India) Limited</p> |
| Shareholding of Director in the Company (As on March 31, 2022) | 71,08,911 Equity Shares | 12,63,332 Equity Shares |
| Relationship with other Director/ Key Managerial Personnel ("KMP") | The Appointee Managing Directors belong to the same promoter group, however they are not related to each other and other Directors in accordance with the provisions of Section 2(77) of the Companies, Act, 2013 | |

Note: For further details related to remuneration drawn and proposed please refer to Board's Report, Corporate Governance Report and Resolutions proposed in the Notice.

ANNEXURE-II

The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013:

I General Information

| | | | | |
|---|--|--|-------------|-------------|
| 1 | Nature of industry | The Company is engaged in the manufacture and sale of chemicals such as Soda Ash, Caustic Soda, Synthetic Rutile, PVC etc. | | |
| 2 | Date or expected date of commencement of commercial production | The Company commenced its business in the year 1939 i.e. the year in which it was incorporated | | |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable | | |
| 4 | Financial performance based on given indicators are as under: | | | |
| 5 | Financial Parameters (in Lakhs) | 2019-20 | 2020-21 | 2021-22 |
| | Total Revenue | 127727.68 | 1,46,426.17 | 245473.50 |
| | Total Expenses | 132555.72 | 1,46,191.85 | 2,33,149.54 |
| | Profit/Loss After Tax | (2676.16) | 379.31 | 10,750.62 |
| | Dividend Rate | - | - | - |
| 6 | Foreign investments or collaborations, if any. | Not Applicable | | |

II Information about the appointee/Managing Director(s):

| | | | | |
|---|--------------------|--|--|--|
| 1 | Name | Mr. Bakul Premchand Jain | Mr. Vivek Shashichand Jain | Mr. Pramodkumar Sriyansprasad Jain |
| 2 | Background details | Mr. Bakul Jain joined the service of the Company as the Vice President in Caustic Soda Division in the year 1982. He was appointed as the Managing Director of the Company in the year 2006. He has an overall 40 years of wide experience in the Industry and presently looks after the overall general management including strategic planning and financial functions of the Company. He is in charge of new projects and diversifications. Under his leadership, the Company has also set-up a 2 x 25 MW. Thermal Co-generation plant at its Works at Sahupuram, Tamil Nadu, making the Company not only self sufficient units power requirements but also having surplus power to sell to Electricity Boards/third parties. | Mr. Vivek Jain is in-charge of the PVC division of the Company. He is with the Company since 1984 and prior to his appointment as Managing Director in the year 2014, he was Sr. President of the Company. He has an overall 38 years of wide experience in the Industry. He was instrumental in the expansion of the PVC capacity. Under his leadership, the Company has set up Chlorinated Poly Vinyl Chloride Project in its Sahupuram Works. | Mr. Pramod Kumar Jain joined the service of the Company as President in 1969. He was appointed as the Director in the year 1992 and became the Managing Director in the year 1996 and was in-charge of the Soda Ash division of the Company. He has more than 50 years of wide experience in the Industry. Under his leadership, the capacity of Soda Ash Plant at Dhurangadhra has been increased from 65,000 TPA to 96,000 TPA in the year 1992-93. Presently, he is also Chairman of the Board and oversees the entire operations of the Company. |

| | | | | |
|---|---|--|--|---|
| 3 | Past remuneration | As mentioned in the the Notice of Extra Ordinary General Meeting held on February 27, 22020 and Corporate Governance Report. | | |
| 4 | Recognition or awards | - | - | - |
| 5 | Job profile and his suitability | Mr. Bakul Jain is a Managing Director of the Company having leadership qualities, strategic thinking, corporate governance, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company and taking into consideration his vast experience he is best suited for the assigned role. | Mr. Vivek Jain is a Managing Director of the Company having leadership qualities, strategic thinking, investor relations, industry knowledge and experience in overall general management including strategic planning and financial functions of the Company and taking into consideration his vast experience he is best suited for the assigned role. | Mr. Pramodkumar Jain is a Chairman&Managing Director of the Company having leadership qualities, industry knowledge, strategic thinking, corporate governance, internal control systems and experience in overall general management including strategic and financial planning of the Company and taking into consideration his vast experience he is best suited for the assigned role. |
| 6 | Remuneration proposed | Same as mentioned in the resolutions at Item No. 5, 6, & 7 of the Notice convening this Meeting read with explanatory statement thereto. | | |
| 7 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The proposed remuneration commensurate with size and nature of the business of the Company and the responsibilities of the appointee/Managing Director(s). The remuneration do differ from Company to Company in the industry depending of the respective operations. | | |
| 8 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Managing Directors have pecuniary relationship with the Company, in terms of remuneration payable to them in their capacity as Managing Directors and all of them are also Promoters of the Company | | |
| 9 | Foreign investments or collaborations, if any. | - | | |

III Other information:

| | | |
|---|--|--|
| 1 | Reasons of loss or inadequate profits | Not Applicable |
| 2 | Steps taken or proposed to be taken for improvement. | The Company has been taking appropriate steps to reduce costs, improve the efficiency of the operations and to avoid losses. |
| 3 | Expected increase in productivity and profits in measurable terms. | Company expects to continue to drive profitability in the coming years |

IV Disclosures:

The information and disclosures related to Remuneration and Period of Appointment, Number of Board Meeting attended during the financial year 2021-22, Chairmanship/ Membership of Committees of the Board of Directors of other listed companies are mentioned in Annexure – I herein above and Corporate Governance Report..

| | | |
|---|------------------------------|---|
| a | Termination: | The appointment may be terminated by either Party by giving Three (3) months' notice in writing of such termination or basic salary in lieu of notice period. |
| b | Duties and Responsibilities: | All the appointees / Managing Director(s) shall perform such duties and responsibilities as entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors. |



REGISTERED OFFICE

Dhrangadhra – 363 315,
Gujarat.

www.dcwlimited.com

DICKENSON

www.dickensonworld.com