



Corporate Directory

BOARD OF DIRECTORS

Dr. Shashi Chand Jain
Chairman and Managing Director

Shri. Pramod Kumar Jain
Managing Director

Shri. Bakul Jain
Managing Director

Smt. Vandana Jain
Executive Director

Shri. F. H. Tapia

Shri. Sushil Kumar Jalan

Shri Yuvraj Saheb of Dhrangadhra

Shri R. V. Ruia

Dr. V. H. Joshi

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

Dhrangadhra 363 315, Gujarat.

HEAD OFFICE

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

BRANCH OFFICE

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

WORKS

Soda Ash Division : Dhrangadhra 363315,
Gujarat.

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

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

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

71st

Annual Report
2009 - 2010

Note: The Balance Sheet, Profit and Loss Account and Key Financial Data are also presented in US \$ on Page Numbers 15, 16 & 17 respectively.



TO THE MEMBERS

Your Directors present their 71st Annual Report and Audited Accounts for the Financial Year ended 31st March, 2010:

1. Financial Results:

	31-3-2010 (Rs. in lacs)	31-3-2009 (Rs. in lacs)
Gross Sales	109,575.61	101,192.73
Gross Profit	14,339.00	6,125.11
Less: Provisions		
Depreciation	4,892.71	4,123.28
Profit Before Tax	9,446.29	2,001.83
Tax: Current	1,725.00	225.00
Previous Period	(155.00)	—
Fringe Benefit Tax	—	52.22
MAT Credit available for (set off) / utilized	638.25	(225.00)
	2,208.25	52.22
Profit After Current Tax & Tax Adjustments	7,238.04	1,949.61
Deferred Tax	475.00	525.00
Profit after Tax	6,763.04	1,424.61
Add: Balance brought forward	2,067.46	3,331.31
Profit available for Appropriation	8,830.50	4,755.92
Appropriations:		
General Reserves	4,000.00	2,000.00
Proposed Dividend	706.16	588.46
Dividend Distribution Tax	120.01	100.01
Balance carried forward	4,004.33	2,067.45

2. Dividend:

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

3. Operations:

Sales during the year were Rs.1095.76 crores as compared to Rs. 1011.93 crores recorded in the previous year, registering an increase of 8%. The Gross Profit for the year(before depreciation) is Rs.143.39 crores

Directors' Report

against Rs. 61.25 crores in previous year. The profit before tax amounted to Rs. 94.46 crores as against Rs. 20.02 crores in the previous year. After providing Rs. 22.08 crores for current taxes, the profit before deferred tax is Rs.72.38crores, as against Rs. 19.50 crores. The profit after provision of deferred tax is Rs. 67.63 crores against previous year's Rs. 14.25 crores registering an increase of 372%. Deferred Tax is only a provision as per accounting guidelines and is not an outflow.

The Company achieved record profits during the financial year on account of improved workings of all Divisions of the company as compared to previous year during which the working of the company suffered due to global slow down.

4. Exports:

The Company's exports were Rs.96.92 crores as compared to Rs. 102.12 crores in the previous year. The 5% decrease in exports was on account of lower export of Beneficated Ilmenite coupled with lower price realization due to global recession in the user industries. However the prices of the product have since improved and the Company is hopeful of

achieving increased exports in the current year.

5. Divisionwise Performance:

a) PVC Division:

The turnover of the division was Rs. 456.66 crores as compared to Rs. 490.15 crores, registering a decrease of 7%. This decrease in sales was due to decrease in quantity sold of PVC compared to previous year. The company sold 85311 MT of PVC resin compared to 90656 MT in the previous year. The sales during previous year has been higher due to higher opening carryover stocks which were sold in the previous year. All major user segments are recording good demand and PVC industry continues to show positive growth. The Government has identified irrigation, power and infrastructure as thrust areas and increased activity in these sectors are likely to boost demand of PVC Resin.

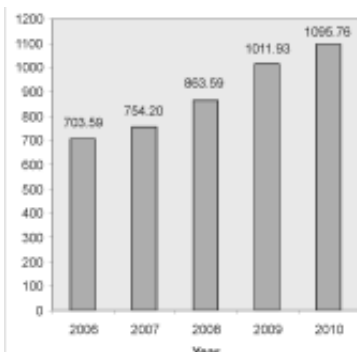
b) Caustic Soda Division:

The turnover of the division was Rs. 438.84 crores as compared to Rs. 305.80 crores in the previous year, registering an increase of 44% in the sales. This increase in turnover was due to better price realisation on Caustic Soda and also due to sale of surplus power generated in the Company's Captive Power Plants at Sahupuram in Tamilnadu. The Company sold 75611 MT of Caustic Soda during the year as compared to 77807 MT in the previous year.

c) Soda Ash Division:

The turnover of the division was Rs. 192.87 crores as compared to Rs. 209.38

SALES (Rs. in Crores)





crores in the previous year registering a decrease of 8%. The decrease in turnover is mainly due to lower realization on Soda Ash and Soda Bicarbonate compared to previous year. The Company sold 80186 MT of Soda Ash, 23741 MT of Soda Bicarbonate and 29721 MT of Detergent during the year as compared to 65426 MT of Soda Ash, 17542 MT of Soda Bicarbonate and 39222 MT of Detergent, in the previous year.

6. PROJECT UNDER IMPLEMENTATION:

6.1 Additional 8.27 MW Turbine In Thermal Power Plant

The Company has successfully completed and commissioned its Captive Thermal Co-generation Power Plant for generating 50MW of power and 85 TPH steam during previous year at Sahupuram unit in Tamilnadu. This Thermal Co-Generation Power plant has been established keeping in view of future expansion plans of the Company. The Power and Steam at present generated by this Thermal Co-Generation Power Plant is not totally consumed Captively and excess power is sold to TNEB and Third Parties in the State of Tamil Nadu. The additional Steam generated will however, be consumed only after the company starts its future projects. Keeping this in view and to run the Thermal Co-Generation Power Plant to its full capacity, Company is establishing an Injection Turbine to generate additional Power to the extent of 8.27 MW from the excess Steam available in this

Thermal Co-generation Power Plant, which can be sold to third parties. This turbine will be commissioned by end May, 2010 and will help in reducing the cost of energy thus improving the bottom line.

6.2 Solway Towers at Dhrangadhra Unit

Solway towers installed at the Soda Ash Unit are still to be commissioned. An assignment has been given to Akzo Noble, Neatherlands, to do basic engineering to utilise the towers to its optimum efficiency and thereby to increase Soda Ash Production. Akzo Noble has already submitted Basic Engineering report and detailed Engineering is under final stages of preparation and the modification necessary for utilizing this towers to its optimum efficiency and the commissioning of the towers is expected to commence soon.

6.3 Calcium Chloride Plant

The Calcium Chloride project at Company's Soda Ash unit has also been assessed by Akzo Noble, Netherlands and they have suggested

improvements in the unit to make it commercially operational. The company has completed detailed Engineering work as per the Basic Engineering package submitted by Akzo Noble, Netherlands. Orders have already been placed for necessary additional equipments required for carrying out the modifications for this project and it is expected to commence commercial production by fourth quarter of 2010 -11.

7. Corporate Governance:

The report on Corporate Governance is annexed to this report.

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

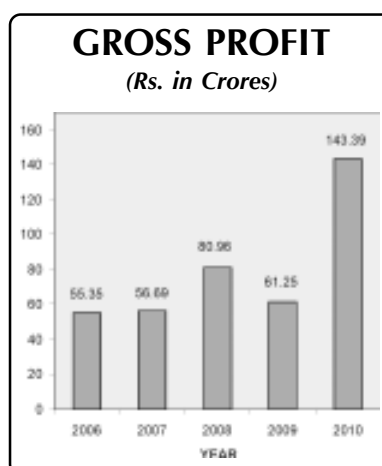
Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is set out in the Annexure forming part of this Report.

9. Particulars of Employees:

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

10. Environment and Safety Measures

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





11. Directors:

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

12. Auditors and Auditors' Report:

M/s V. Sankar Aiyar & Co., Chartered Accountants - Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for reappointment. Regarding qualification in Auditors' Report on interest capitalization, the notes to the accounts referred to in the Auditors' Report are self explanatory and do not call for any further clarification. As regards inclusion of power turnover and profit related thereto as part of Caustic Soda segment is due to the fact that the Thermal Co-generation Power Plant from which surplus power has been sold is Captive Power Plant of the Company's Caustic Soda Division. Surplus power is presently available with the Company on account of delay in establishing / commissioning of certain expansion / new projects. As the sale of power is of a temporary nature, it has not been reported as a separate segment.

13. Cost Audit:

In accordance with the directions received from the Ministry of Corporate Affairs, the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions are being conducted for the Financial Year 2009-2010 by Cost Auditors, M/s. N. D. Birla & Co. and M/s. R. Nanabhoy & Co. respectively. Their appointments were approved by the Ministry of Corporate Affairs. The Cost Audit of these Divisions is conducted every year and the Reports are submitted by the Cost Auditors to the Central Government.

14. Management Discussion and Analysis Report:

Outlook:

The Company has a diversified operation with three business segments viz. PVC, Chloro Alkali and Soda Ash. It is thus reasonably protected from the vagaries of individual business cycles of these products.

PVC Division:

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

Caustic Soda Division:

The Company continues to be a major player in South India with a market share of approximately 15%. The demand for caustic soda

is expected to grow at a steady rate of 4% to 5% over the next 3 years, specially with increased demand from alumina manufacturers. Due to international downtrend in caustic soda demand there is pressure on realization. The company is able to fully use its HCL & Chlorine to maintain Caustic Production at reasonable level. There is sustainable demand for Caustic and Chlorine and the situation is expected to improve during the year.

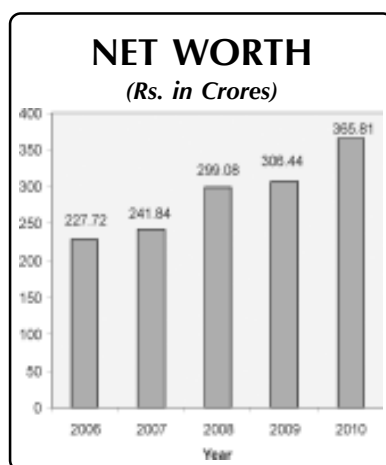
The conversion from Mercury Cell to Membrane Cell technology has not only resulted in substantial capacity addition but also has brought down the consumption of power which has helped in improving the bottom-line.

Soda Ash Division:

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

Sale of Surplus Power:

The Company's Captive Thermal Co-Generation Plant established as part of its Caustic Soda Division has gone on stream in previous year. This power plant has been established to meet company's present and future energy requirements keeping in view of the company's future expansion plans. This Thermal Co-generation plant at present has additional un-utilised capacity. With the demand of power going up due to power shortfall in the country, your company has started selling this excess power to Tamil Nadu





Electricity Board and also to third parties in the State of Tamil Nadu. Selling this excess power available from its Thermal Co-Generation Power Plant till it starts utilizing total power generated from the power plant, captively, will augment the company's bottom line.

Proposed Projects:

Iron Oxide Pigment

The company with the technical know-how developed by its in house R & D Department has established Pilot Plant for Manufacturing Yellow Iron Oxide Pigment from the waste generated in its Synthetic Rutile Plant. Your company has commercialized this product and is at present manufacturing about 500 TPA of Iron Oxide Pigment from the Pilot Plant, which is being sold in local as well as international market and the product has been well accepted. Company is working to establish a Iron Oxide Pigment Plant. With establishment of this project the Company will be generating a value added product from waste and it will be reducing cost of neutralising the waste generated from its Synthetic Rutile Plant thereby improving its bottom line.

Internal Control Systems:

The Company has an adequate internal control procedure commensurate with the nature of its business and size of its operations. Internal Audit is conducted on a regular basis by an independent firm of Chartered Accountants. However the Board of Directors are re-examining the scope of Internal Audit looking into the size of operations of the Company.

The reports of the internal audit along with comments from the management are placed for review before Audit Committee. The Audit Committee also

scrutinizes all the programmes and the adequacy of the internal controls.

Human Resources:

The Company has been following a standard procedure for recruitment of best personnel for all the departments and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The current strength is 2290 employees. The Company sponsors employees for various seminars on finance, operations, marketing and human resource development to update their skills and develop close co-ordination with their counterparts in industries. This is basically done to enhance their skills in order to achieve an optimum output from them.

Cautionary Note:

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

15. Directors' Responsibility Statement:

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

- (a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;

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

16. Insurance:

All the properties of the Company are adequately insured.

17. Industrial Relations:

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

18. Acknowledgement:

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

On behalf of the
Board of Directors

Dr. Shashi Chand Jain
Chairman and
Managing Director

Mumbai, 14th May, 2010.



Annexure to Directors' Report Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

A. MANDATORY REQUIREMENTS

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

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

2. Board of Directors:

● **Size of the Board**

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

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

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

* Holds 1,09,000 Equity Shares of Rs. 2 each of the Company.

Resigned from the Board w.e.f. 08.07.2009

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

During the year four Board Meetings were held on:

18.05.2009, 21.07.2009, 29.10.2009 and 29.01.2010.

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



3. Audit Committee:

- **Terms of Reference:**

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

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

The Audit Committee comprises 3 Non-Executive Independent Directors. Dr. V. H. Joshi is the Chairman of this Committee. Shri Yuvaraj Saheb of Dhrangadhra and Shri F. H. Tapia are the other members of the Committee.

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

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

Date of Meetings	Dr. V. H. Joshi	Shri F. H. Tapia	Shri Yuvaraj Saheb of Dhrangadhra
18.05.2009	Yes	No	Yes
21.07.2009	Yes	Yes	Yes
29.10.2009	No	Yes	Yes
29.01.2010	No	Yes	Yes

4. Remuneration Committee:

- **Terms of Reference:**

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

- **Details of the remuneration paid to the Directors for the Financial year 2009-2010 is given below:**

Directors	Salary (Rs.)	Benefits (Rs.)	Contribution to Provident Fund & Other funds (Rs.)	Commission (Rs.)	Sitting Fees** (Rs.)	Total (Rs.)
Dr. Shashi Chand Jain	36,00,000	7,60,000	10,81,440	1,77,93,000	—	2,32,34,440
Shri Pramod Kumar Jain	36,00,000	7,60,000	10,81,440	1,77,93,000	—	2,32,34,440
Shri Bakul Jain	36,00,000	7,60,000	10,81,440	1,77,93,000	—	2,32,34,440
Smt. Vandana Jain	36,00,000	11,99,303	1,09,440	1,77,93,000	—	2,27,01,743
Smt. Satyawati Jain*#	—	—	—	—	—	—
Shri F. H. Tapia	—	—	—	—	37,500	37,500
Dr. V. H. Joshi	—	—	—	—	26,250	26,250
Shri Yuvaraj Saheb of Dhrangadhra	—	—	—	—	48,750	48,750
Shri Sushil K. Jalan	—	—	—	—	22,500	22,500
Shri R. V. Ruia	—	—	—	—	22,500	22,500

* Holds 1,09,000 Equity Shares of Rs. 2 each of the Company.

resigned from the Board w.e.f. 08.07.2009

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

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

- **Attendance during the year:**

There was only one Remuneration Committee meeting during year held on 21st July, 2009 and Shri F. H. Tapia, Dr. V. H. Joshi and Shri Yuvaraj Saheb of Dhrangadhra were present for the same.

- **Remuneration Policy:**

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



Sitting Fee also includes payment for Board level committee meetings.

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

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

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

No severance fee is payable on termination of appointment.

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

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

5. Shareholders'/Investors' Grievance Committee:

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

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

There were 99 complaints received from the shareholders during the year.

All the Complaints were resolved satisfactorily.

There were no pending complaints as on 31.03.2010

6. General Body Meetings:

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

Year	Location	Date	Time	No. of Special Resolutions Passed
2006-07	Dhrangadhra, Gujarat	23.07.2007	10.00 a.m.	2
2007-08	Dhrangadhra, Gujarat	30.06.2008	10.00 a.m.	1
2008-09	Dhrangadhra, Gujarat	27.08.2009	10.00 a.m.	9

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

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

7. Disclosures:

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

3. DCW Code of Conduct:

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

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

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

4. Compliance with Mandatory Requirements:

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

Compliance with Non-Mandatory Requirements:

1) The Board:

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



2) Remuneration Committee:

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

3) Shareholders' Rights:

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

4) Audit qualification:

The Company move towards a regime of unqualified financial statements.

5) Training of Board Members:

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

6) Mechanism for evaluating non-executive Board Members:

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

7) Whistle Blower Policy:

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

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT/ETHICS:

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

8. Means of Communication:

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

9. General Shareholders information:

ANNUAL GENERAL MEETING:

- *Day & Date* — Thursday, 12th August, 2010.
- *Time* — 10.00 A.M.
- *Venue* — at the Registered Office (at Guest House No. 2), Dhrangadhra, Gujarat – 363 315.

Financial calendar : April 2009 – March 2010

Date of Book closure : 4th August, 2010 to 12th August, 2010. (both days inclusive).

Dividend Payment Date: 16th August, 2010.

Listing on Stock Exchanges:

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

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

Annual Listing fees as prescribed has been paid to the above Stock Exchanges for the year 2010 - 2011.

GDRs of the Company are listed with the Luxembourg Stock Exchange

Stock Code : 500117 (BSE)
DCW (NSE)

Demat ISIN No. : INE 500A01011
(Fully Paid)

Share Transfers and other Communications may be Addressed to : Bigshare Services Pvt. Ltd., (Unit DCW Ltd.), E/2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-72.
Tel: 91-22-28470652, 40430200, 28470653
Fax: 91-22-28475207

Email: investor@bigshareonline.com

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



Market price data:

High/Low during each month in last Financial year:

Month/Year	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	11.65	7.85	11.75	7.85
May, 2009	17.89	9.40	17.90	9.40
June, 2009	17.70	13.00	17.70	12.35
July, 2009	17.25	11.19	17.15	11.20
August, 2009	17.45	14.45	17.35	14.25
September, 2009	20.40	15.00	20.40	15.00
October, 2009	21.65	17.80	21.65	17.90
November, 2009	22.35	18.50	22.30	18.50
December, 2009	22.30	19.50	22.25	19.90
January, 2010	24.90	20.10	24.90	20.00
February, 2010	24.25	19.00	24.30	19.20
March, 2010	21.15	17.25	21.25	17.20

Stock Performance (Indexed):

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



Registrar and Share Transfer Agents:

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

Our RTA, Bigshare Service Pvt. Ltd. recently launched Gen-next Investor interface module "i'Boss" the most advance tool to interact with investor, please login into i'Boss (www.bigshareonline.com) and help them to serve you better.

The Company's shares are traded in the Stock Exchanges compulsorily under demat mode. All the applications received for transfer of physical

shares are approved by the Share Transfer Committee, which normally meets twice in a month depending on the volume of transfers. Share transfers are registered and returned normally within 20 days from the date of lodgement, if documents are complete in all respects.

Distribution of Shareholding as on 31.03.2010 :-

Range	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Total Capital
1 - 5000	61,950	96.75	3,57,77,042	18.24
5001 - 10000	1,113	1.74	82,29,029	4.20
10001 - 20000	544	0.85	74,43,482	3.79
20001 - 30000	168	0.26	40,95,310	2.09
30001 - 40000	58	0.09	20,41,691	1.04
40001 - 50000	48	0.07	21,61,890	1.10
50001 - 100000	63	0.10	46,02,017	2.35
100001 - above	92	0.14	13,18,04,129	67.19
Total	64,036	100.00	19,61,54,590	100.00

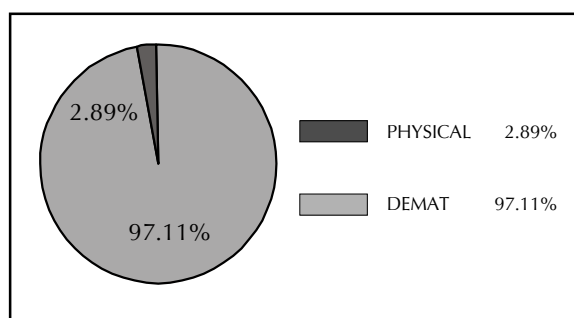
Shareholding Pattern as on 31.03.2010: -

Category of Shareholders	No. of Shares held	Percentage of Shareholding
(A) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP		
1. INDIAN		
(a) Individuals/Hindu Undivided Families	2,88,94,639	14.73
(b) Central Government/State Government(s)	—	—
(c) Bodies Corporate	4,75,53,952	24.24
(d) Financial Institutions/Banks	—	—
(e) Any Others (Specify)	—	—
Sub Total (A)(1)	7,64,48,591	38.97
2. FOREIGN		
(a) Individuals (Non-Residents Individuals/Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any Others (Specify)	—	—
Sub Total (A)(2)	—	—
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7,64,48,591	38.97



Category of Shareholders	No. of Shares held	Percentage of Shareholding
(B) PUBLIC SHAREHOLDING:		
1. INSTITUTIONS		
(a) Mutual Funds/UTI	27,955	0.01
(b) Financial Institutions/Banks	60,475	0.03
(c) Central Government/State Government(s)	—	—
(d) Venture Capital Funds	—	—
(e) Insurance Companies	89,00,110	4.54
(f) Foreign Institutional Investors	2,56,31,865	13.07
(g) Foreign Venture Capital Investors	—	—
(h) Any Other (specify)		
(h-i) Foreign Banks	42,225	0.02
Sub-Total (B)(1)	3,46,62,630	17.67
2. NON-INSTITUTIONS:		
(a) Bodies Corporate	1,31,95,466	6.73
(b) Individuals	5,93,44,103	30.25
(c) Any Other (specify)		
(c-i) Clearing Member	3,32,334	0.17
(c-ii) NRIs	34,07,821	1.74
(c-iii) OCBs	57,79,045	2.95
(c-iv) Trust	35,850	0.02
Sub-Total (B)(2)	8,20,94,619	41.85
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	11,67,57,249	59.52
TOTAL (A)+(B)	19,32,05,840	98.50
(C) Shares held by Custodians and against which Depository Receipts have been issued	29,48,750	1.50
GRAND TOTAL (A)+(B)+(C)	19,61,54,590	100.00

Dematerialisation of shares: 19,04,80,700 Equity shares held by 56,968 Shareholders comprising 97.11 % of the paid up Share Capital have been dematerialised as on 31st March, 2010.



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

Outstanding GDRs as on 31st March, 2010 represent 29,48,750 shares (1.50%). There are no further outstanding instruments, which are convertible into equity in the future.

Plant Location:

Given in the 1st page of this Annual Report

Address for correspondence:

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

Certificate on Clause 49 Compliance

The Board of Directors
DCW LIMITED

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2010.

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

I have conducted my review on the basis of the relevant records and documents maintained by the Company and furnished to me for the review and the information and explanations given to me by the Company.

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

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

Ms. Kumkum R. Shah

Place : Mumbai
Date : 14th May, 2010

Company Secretary
CP No. - 7455



Annexure to the Directors' Report

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

A CONSERVATION OF ENERGY:

1. Installation of supermisers:

Supermisers, the electronic device to reduce energy consumption in three phase induction motors, are being used continuously in all plants to save energy. During the year 165 supermisers have been in service resulting in saving of about 20 lacs units.

2. A walk through energy audit was conducted for Chlor-Alkali Plant by National Productive Council, Chennai. Of the various recommendations emerged as outcome of the audit, 5 proposals were implemented resulting in energy savings to a tune of 6 Lacs units for the year 2009-10.

3. Fan less cooling towers

6 Nos of cooling towers were in service and annual energy savings to a tune of 13 lacs units has been achieved.

4. Suggestion fortnight was organised during December in connection with National Energy Conservation Day celebrations. 24 suggestions were received from employees and implementation of the said proposals have resulted in savings of 0.7 Lacs units up to March 2010.

5. Cost Improvements Programme

In-house cost improvements programme are conducted periodically where mostly energy saving proposals are given by all departments for implementation. During the year under report, 2 programmes were conducted and 24 suggestions resulting in annual savings to the tune of Rs. 23 Lacs have been implemented.

6. DCW-Sahupuram unit has received "Excellent Energy Efficient Unit" award for the year 2009 from Confederation of Indian Industry (CII), Hyderabad in a National level Award Competition held at Chennai. Our unit is one among Top 20 Industries in the country.

B. TECHNOLOGY ABSORPTION:

1. Research and Development:

1.1 SYNTHETIC RUTILE:

1.1.1 Process optimization to reduce cycle time and conserve energy.

Automation trials in one digester have proved encouraging results in terms of improved productivity, enhanced safety, consistent product quality and reduction in effluent. Trials are continued with different grades of ores and after validation of results, extending the system to all digesters will be taken up

1.1.2 Plant expansion

Since automation of digester operation enhances productivity by about 30%, plant expansion by addition of balancing equipments is being explored. While engineering, higher capacity / energy efficient upstream & downstream equipments will be considered.

1.2 PVC

1.2.1 Usage of indigenous catalyst to speed up reaction is successful and hence necessary piping re-engineering has been carried out for regular implementation.

1.2.2 Hot water charging system to minimize batch time has been installed and trials / optimization is in progress.

2. Expenditure on Research & Development:

(i) Capital	Rs.	26.14 lacs
(ii) Recurring	Rs.	10.76 lacs
	Rs.	36.90 lacs

(iii) Total Research & Development Expenditure as a percentage of total turnover (Net of Excise) : 0.04 percentage.

Technology Absorption, Adaptation and Innovation :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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



REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION:

(A) Power and Fuel Consumption:

Particulars	Caustic Soda Unit		PVC Unit		Soda Ash Unit	
	Current Year 2009-2010	Previous Year 2008-2009	Current Year 2009-2010	Previous Year 2008-2009	Current Year 2009-2010	Previous Year 2008-2009
1. ELECTRICITY:						
a) Purchased:						
Unit (Lakh KWH)	8.06	222.64	4.60	70.81	28.49	32.55
Total Amount						
(Rs. in lakhs)	237.11	1,080.00	25.91	323.25	173.32	191.70
Rate/Unit (Rs.)	29.41	4.85	5.64	4.57	6.08	5.89
b) Own Generation:						
(i) Through Diesel Generator						
Unit (Lakh KWH)	1,242.81	822.41	79.49	145.63	—	—
Unit/ltr of LSHS/Diesel Oil	4.99	4.32	0.80	1.32	—	—
Cost/Unit (Rs.)	4.74	4.30	4.74	4.30	—	—
(ii) Through Steam Turbine Generator						
Unit (Lakh KWH)	3,043.07	1,439.69	119.81	67.03	244.30	236.91
Unit/ltr of Fuel						
Oil/Gas	210,890.86	127,455.05	8303.03	5,933.78	—	—
Cost/Unit (Rs.)	3.85	1.13	3.85	1.13	—	—
2. COAL (SPECIFY QUALITY AND WHERE USED)						
Quantity (MT)	219,193.89	133,388.83	—	—	34,685	29,842
Total cost						
(Rs. In Lakhs)	10,783.58	6,256.63	—	—	1,353.23	1,621.45
Average rate (Rs.)	4,919.65	4,690.52	—	—	3,901	5,433
3. FURNACE OIL/LSHS/LSFO:						
Quantity (KL)	37,467.10	19,029.04	460.49	3,739.18	—	—
Total Amount						
(Rs. in Lakhs)	8,235.40	4,737.10	98.57	641.13	—	—
Average Rate (Rs.)	21,980.34	23,117.37	21,404.48	17,146.26	—	—
4. OTHERS:						
(i) Hydrogen						
Quantity (MT)	180.41	235.97	—	—	—	—
Total Amount (Rs. in lakhs)	112.77	106.17	—	—	—	—
Rate/Unit (Rs.)	22,324.18	16,068.37	—	—	—	—
(ii) Lignite						
Quantity (MT)	—	—	—	—	77,591	77,693
Total Amount (Rs. in Lakhs)	—	—	—	—	1,797.68	1,760.12
Rate/Unit (Rs.)	—	—	—	—	2,317	2,265
(iii) HSD						
Quantity (KL)	71.52	335.04	46.04	32.10	—	—
Total Amount (Rs. in lakhs)	24.08	122.45	15.93	13.80	—	—
Rate/Unit (Rs.)	33,673.76	36,547.54	34,590.86	36,547.54	—	—



(B) Consumption per unit of Production:

Particulars	Caustic Soda Unit		PVC Unit		Soda Ash Unit	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
1. Electricity (KWH)	2,467	2,367	242	242	230	245
2. Fuel Oil (MT)	1.057	1.252	1.528	1.316	—	—
3. Coal (MT)	0.18	0.18	—	—	0.329	0.279
4. Others						
(i) Hydrogen (Kgs)	0.01	0.01	—	—	—	—
(ii) LSHS (MT)	—	—	—	—	—	—
(iii) Lignite (MT)	—	—	—	—	0.581	0.622
(iv) HSD (Litres)	0.0001	0.0001	—	—	—	—

Annexure to the Directors' Report

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

Sr. No.	Name	Designation/ Nature of duties	Remuneration (Rupees)	Qualification	Experience (Years)	Date of commence- ment of Employment	Age (Years)	Last employment held. Name of the Company, Designation and period of service
Employed for whole of the year								
1	Dr. Shashi Chand Jain	Chairman & Managing Director	23,234,440	Ph.D (Economics)	54	01.04.1969	77	Sahu Brothers Pvt. Ltd. Director - 12 years
2	Shri Pramod Kumar Jain	Managing Director	23,234,440	B.A. (Hon.) Economics	51	01.04.1969	72	Sahu Brothers Pvt. Ltd.
3	Shri Bakul Jain	Managing Director	23,234,440	B.Com., MBA	26	01.09.1984	55	—
4	Smt. Vandana Jain	Executive Director	22,701,743	B.Com	4	01.08.2006	74	—
5	Shri Vivek Jain	Sr. President	3,242,976	B.Com, MBA, MMS	25	01.09.1984	51	—
6	Shri Mudit Jain	President	3,235,949	B.Com, MBA	21	01.04.1989	47	Sahu Cylinders & Udyog Pvt. Ltd. - Director
7	Shri Ashish Jain	President	3,238,922	B.Com, MBA	14	03.08.1995	39	—
8	Smt. Paulomi Jain	President	3,204,081	B.A.	13	01.11.1996	46	—
9	Shri Amitabh Gupta	Sr. Vice President - Marketing	3,596,010	M.Sc	38	15.07.1971	59	—
10	Shri S Ganapathy	Sr. Vice President - Marketing (PVC)	2,502,906	M.Sc., MMS	24	02.07.1990	49	Colour Chem Ltd., Marketing Executive - 4 Yrs.
11	Dr. B. R. Singhvi	Executive Vice President	3,171,836	M.Sc., Ph.D.	5	01.03.2005	60	Saurashtra Chemicals Ltd. Vice President - Works
Employed for part of the year								
1	Shri J. Jebamani	Sr. Engineer (Civil)	458,846	D.C.E.	22	26.06.89	44	Worked as Tech.Asst. in Killikulam Agricultural College for 22 months.
2	Shri A. Murugan	Officer (Stores)	517,450	B. Sc., PGDMM	30	18.01.80	58	—
3	Shri S. Paul Ponniah	Officer (EPF)	699,840	PUC	36	15.09.78	58	Worked as Sr.Clerk in Kamlavati Hr.Sec.School, Sahapuram for 5 yrs.
4	Shri T. M. Bhandari	Sr. V. P. (Finance)	6,843,413	B.Com. CA	50	11.01.1982	74	Worked as Accountant in Bombay Wireropes Pvt. Ltd.
5	Shri Deepak M. Londhe	Manager (Insurance)	1,205,504	BSC	31	03.08.1992	57	Worked as Supervisor (Insurance) in Bayer India Ltd. for 5 years

Notes:

- In case of Managing Directors and Executive Director the gross remuneration shown above (subject to tax) comprise salary, Perquisites, Commission, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
- In case of other employees, the gross remuneration shown above (subject to tax) comprise salary, perquisites, Company's Contribution to Provident Fund and gratuity paid.
- The nature of employment of the Managing Directors & the Executive Director is contractual.
- Dr. Shashi Chand Jain, Shri Pramod Kumar Jain, Shri Bakul Jain - Managing Directors and Smt. Vandana Jain - Executive Director are related to each other.
- Shri Vivek Jain - Sr. President, Shri Mudit Jain, Shri Ashish Jain and Smt. Paulomi Jain - Presidents are related to Dr. Shashi Chand Jain, Shri Pramod Kumar Jain, Shri Bakul Jain - Managing Directors and Smt. Vandana Jain - Executive Director.



Balance Sheet AS AT 31ST MARCH, 2010

	As at 31.03.2010 US\$ in Millions*	As at 31.03.2009 US\$ in Millions#
SOURCES OF FUNDS		
Shareholders Funds:		
Capital	8.74	7.73
Reserves & Surplus	74.71	54.49
Loan Funds:		
Secured Loans	69.66	83.81
Unsecured Loans	—	0.01
Deferred Tax Liability:		
Deferred Tax Liability	18.59	15.52
Deferred Tax Asset	—	—
	18.59	15.52
TOTAL	171.70	161.56
APPLICATION OF FUNDS		
Fixed Assets:		
Gross Block	223.62	198.43
Less: Depreciation	80.61	62.49
	143.01	135.94
Capital Work-in-progress	20.00	13.12
	163.01	149.06
Investments	0.18	0.06
Current Assets, Loans and Advances:		
Inventories	33.41	23.36
Sundry Debtors	22.66	19.17
Cash and Bank balances	0.39	0.31
Loans and advances	12.72	10.63
	69.18	53.47
Less: Current liabilities and Provisions		
Liabilities	56.80	37.85
Provisions	3.87	3.18
	60.67	41.03
Net Current Assets	8.51	12.44
TOTAL	171.70	161.56

* One US \$ = Rs. 44.90

One US \$ = Rs. 50.72



Profit & Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31.03.2010 US\$ in Millions*	For the year ended 31.03.2009 US\$ in Millions#
INCOME		
Sales (including Excise Duty)	244.04	199.51
Less: Excise Duty	15.37	20.68
	228.67	178.83
Other income	0.52	6.50
	229.19	185.33
EXPENDITURE		
Manufacturing and other expenses	188.65	167.38
Interest & Finance Charges	8.62	5.88
	197.27	173.26
Profit Before Depreciation	31.92	12.07
Depreciation	10.90	8.13
Profit Before Tax	21.02	3.94
Provision For Tax		
Current tax	3.84	0.44
Fringe Benefit Tax	—	0.10
MAT Credit Available for Set off / Utilized	1.42	(0.44)
Excess Provision of Income Tax Written Back	(0.35)	—
Profit after Current & Tax Adjustments	16.11	3.84
Deferred Tax	1.06	1.03
Profit After Deferred Tax	15.05	2.81
Add: Surplus brought forward from last year	4.60	6.57
	19.65	9.38
APPROPRIATION		
Transfer to General Reserve	8.91	3.94
Proposed Dividend on Equity Shares	1.57	1.16
Tax on Dividend	0.27	0.20
Profit Carried forward	8.90	4.08

* One US \$ = Rs. 44.90

One US \$ = Rs. 50.72



Key Financial Data

	2009-2010		2008-2009	
	Rs. In Millions	US \$ in Millions*	Rs. In Millions	US \$ in Millions#
Gross Sales	10,957.56	244.04	10,119.27	199.51
Fixed Assets – Gross Block	10,040.73	223.62	10,064.34	198.43
Net Block	7,319.14	163.01	7,559.91	149.05
Export Earnings	969.18	21.59	1,021.20	20.13
Earning Before Depreciation and Interest	1,820.91	40.55	910.83	17.96
Interest	387.01	8.62	298.32	5.88
Earnings Before Depreciation	1,433.90	31.94	612.51	12.08
Depreciation	489.27	10.90	412.33	8.13
Earnings Before Tax	944.63	21.04	200.18	3.95
Taxation				
Current	172.50	3.84	22.50	0.44
Fringe Benefit Tax	—	—	5.22	0.10
MAT Credit available for (set off)/Utilized	63.83	1.42	(22.50)	(0.44)
Excess Provision of Income Tax Written Back	(15.50)	(0.35)	—	—
Deferred Tax	47.50	1.06	52.50	1.04
Earnings After Tax	676.30	15.06	142.46	2.81
No. of shares of Rs.2/- each (Million Nos.)@	196.15	196.15	196.15	196.15
Earnings per Shares (Rs./US \$)	3.45	0.08	0.73	0.01
Net Worth (Excl.Revaluation Reserve)	3,658.13	81.47	3,064.44	60.42
Book value per share in Rs.	18.65	0.42	15.62	0.31
Gross profit to sales (%) (Earnings Before Depreciation)	13.09	13.09	6.05	6.05
Interest coverage Ratio	4.71	4.71	3.05	3.05
Debt/Equity	0.85:1	0.85:1	1.34:1	1.34:1
Current Assets/Current Liabilities	1.14	1.14	1.30	1.30

* 1 US \$ = Rs. 44.90

1 US \$ = Rs. 50.72



TO

THE SHAREHOLDERS
DCW LIMITED

1. We have audited the attached Balance Sheet of DCW Limited as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the

Auditor's Report

Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable, *except as indicated in Note B14 of Schedule 'N' to the Accounts regarding interest capitalization of Rs. 78.85 lacs on carbonators and inclusion of power turnover and profit related thereto as part of Caustic Soda segment which is not in accordance with the Accounting Standard 17 on "Segment Reporting"*

- (v) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to our observation in para 4(iv) above which has consequential impact of Rs. 78.85 lacs on profits of the year and reserves* and read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
 - (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

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

S. Venkatraman
Partner

Membership No. 34319
Firm Reg No. 109208W

Place : Mumbai
Dated : 14th May, 2010



***Annexure referred to in paragraph 3 of Auditor's Report
to the Shareholders of DCW Limited on the Accounts for the
year ended 31st March, 2010***

- | | | |
|--|---|---|
| <p>i. (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets.</p> <p>(b) We are informed that the fixed assets have been physically verified by the Management with the assistance of external agencies during the year. In our opinion the frequency of verification is reasonable. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets verified during the year.</p> <p>(c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.</p> | <p>company and the nature of its business.</p> <p>(c) In our opinion, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the record of inventories.</p> <p>iii. Based on the audit procedures applied by us and according to the information and explanations given to us; the company has not granted/ taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that for purchase of certain raw materials, stores, components, and fixed assets, alternative sources of supply are limited with reference to quality, delivery schedules, credit period and some of the items purchased are of special nature, and hence comparable alternative quotations are not available for these, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.</p> | <p>according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.</p> <p>(b) Sub clause (b) of sub-para (v) of para 4 of the Order is not applicable as there are no such transactions exceeding the value of Rupees Five Lacs in respect of any party in the financial year.</p> |
| <p>ii. (a) The inventories of finished goods (except goods lying with consignees and in transit), stores, spare parts and raw materials (except salt at Sahupuram, coal with outside party and stocks in transit) have been physically verified by the management with the help of external agencies. In our opinion, the frequency of physical verification is reasonable.</p> <p>(b) In our opinion, the procedures in respect of Inventories physically verified are reasonable and adequate in relation to the size of the</p> | <p>v. (a) Based on the audit procedures applied by us, to the best of our knowledge and belief and</p> | <p>vi. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of the Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, with regard to deposits accepted from the public.</p> <p>We are informed by the Management 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 any other Tribunal under Sections 58A and 58AA of the Companies Act, 1956.</p> <p>vii. The Company has, in general, an internal audit system commensurate with the size and nature of the Company's business.</p> <p>viii. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion</p> |



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

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

income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues that are required to be deposited regularly with authorities, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31st March,

2010, for a period of more than six months from the date they became payable.

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

(Amount in Rs. lacs)

Name of the Statute / Nature of Dues	Period	Forum where Dispute is pending					
		High Court	Appellate Tribunal*	Appellate Authority**	Commissioner	State Government	Grand Total
Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable)	1997 to 2010	32.55	127.05	—	—	—	159.61
Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1997 to 2010	128.50	148.69	35.78	-	-	312.97
Sales Tax legislations (sales tax, including penalty & interest wherever applicable)	1982 to 2010	2.57	415.68	458.08	418.89	-	1295.22
Local cess, local cess surcharge [land revenue including penalty and interest wherever applicable]	1989 to 2010	—	—	—	—	12.69	12.69
Income Tax Act, 1961	2004-2005 to 2006-2007	—	—	110.85	—	—	110.85
GRAND TOTAL		163.63	691.42	604.71	418.89	12.69	1891.34

* Appellate Tribunal includes STAT, CESTAT & ITAT

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



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

Place : Mumbai
Dated : 14th May, 2010

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

S. Venkatraman
Partner
Membership No. 34319
Firm Reg No. 109208W



Balance Sheet

AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010 Rs. in lacs	As at 31.03.2009 Rs. in lacs
SOURCES OF FUNDS			
Shareholders' Funds:			
Capital	A	3,923.09	3,923.09
Reserves and Surplus	B	33,544.80	27,637.23
Loan Funds:			
Secured Loans	C	31,276.55	42,508.11
Unsecured Loans	D	—	3.41
Deferred tax liability (Net) (Refer Note B-5 of Schedule - N)		8,344.90	7,869.90
		39,621.45	50,381.42
TOTAL		77,089.34	81,941.74
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	E	1,00,407.30	1,00,643.36
Less: Depreciation		36,195.86	31,694.46
		64,211.44	68,948.90
Capital Work-in-progress		8,980.00	6,612.80
Machinery/spares for erection and replacement		—	37.42
		73,191.44	75,599.12
Investments	F	81.15	32.34
Current Assets, Loans and Advances			
Inventories	G	14,999.40	11,847.83
Sundry Debtors	H	10,172.60	9,724.98
Cash and Bank Balances	I	174.51	158.08
Loans and Advances	J	5,712.20	5,390.03
		31,058.71	27,120.92
Less: Current Liabilities and Provisions			
Liabilities	K	25,503.52	19,197.56
Provision	L	1,738.44	1,613.08
		27,241.96	20,810.64
Net Current Assets		3,816.75	6,310.28
Contingent Liabilities not provided for	M		
Significant Accounting Policies and Notes forming	N		
part of Balance Sheet and Profit and Loss Account			
TOTAL		77,089.34	81,941.74

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director

Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Dr. V. H. Joshi

Yuvaraj Saheb of Dhrangadhra

Sushil Kumar Jalan
Directors



Profit and Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31.03.2010 Rs. in lacs	For the year ended 31.03.2009 Rs. in lacs
INCOME:			
Sales	'1'	1,09,575.61	1,01,192.73
Less: Excise Duty		(6,895.30)	(10,489.53)
Net Sales		1,02,680.31	90,703.20
Other Income	'2'	234.02	3,298.82
		1,02,914.33	94,002.02
EXPENDITURE:			
Manufacturing and Other expenses	'3'	84,705.24	84,893.75
Interest & Finance Charges (Net)	'4'	3,870.09	2,983.16
		88,575.33	87,876.91
Depreciation	'5'	4,892.71	4,123.28
		93,468.04	92,000.19
Profit before tax		9,446.29	2,001.83
Current Tax		1,725.00	225.00
Fringe Benefit Tax		—	52.22
MAT Credit Available for (set off) / utilized		638.25	(225.00)
Excess Provision of Income Tax Written Back		(155.00)	—
Profit after Current Tax & Tax Adjustments		7,238.04	1,949.61
Deferred Tax (Refer Note B-5 of Schedule N)		475.00	525.00
Profit after Deferred tax		6,763.04	1,424.61
Add: Surplus brought forward from last year		2,067.46	3,331.31
Available for appropriation		8,830.50	4,755.92
APPROPRIATION			
Transfer to General Reserve		4,000.00	2,000.00
Proposed Dividend on Equity Shares		706.16	588.46
Tax on Dividend		120.01	100.01
		4,826.17	2,688.47
Profit Carried forward		4,004.33	2,067.45
Notes to Profit & Loss Account			
Earning per share (Face Value Rs. 2)	'6'		
Basic		3.45	0.73
Diluted		3.45	0.73

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
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Sr. Vice President (Finance)

Dr. V. H. Joshi

Yuvaraj Saheb of Dhrangadhra

Sushil Kumar Jalan
Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10 Rs. in Lacs	2008-09 Rs. in Lacs
A. Cash flow from operating Activities		
Net profit before tax and extraordinary items	9,446.32	2001.83
Adjustments for :		
Non-cash items	169.50	58.27
Depreciation	4,892.71	4123.28
Unrealised foreign exchange loss/ (gain)	(246.89)	(1135.46)
Interest (net)	3,870.09	2709.78
Dividend income	(22.89)	(30.76)
	<u>8,662.52</u>	<u>5725.11</u>
Operating profit before working capital changes	18,108.84	7726.94
Adjustments for :		
Trade and other receivable	(1,535.24)	(812.55)
Inventories	(3,151.57)	618.91
Current liabilities and provisions	6,704.69	(1328.11)
	<u>2,017.88</u>	<u>(1521.75)</u>
Cash generation from operations	20,126.72	6205.19
Direct taxes paid	(1,692.04)	(320.05)
	<u>18,434.68</u>	<u>5885.14</u>
Cash flow before Extraordinary items	—	—
Extraordinary items	—	—
Net cash flow from operating Activities	18,434.68	5885.14
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(3,874.33)	(6612.32)
Sale of Fixed Assets	26.45	64.61
Purchase / Sales of Investments	(48.81)	1245.93
Dividend Income	22.89	30.76
Interest income	28.61	346.89
	<u>—</u>	<u>—</u>
Net cash used in investing Activities	(3,845.19)	(4924.13)
C. Cash from financing activities		
Proceeds from issue of share capital	—	—
Repayment of loans	(10,623.89)	(4238.62)
Repayment of Other borrowings	(21.24)	(202.57)
Proceeds from Long Term Borrowings	164.16	827.17
Proceeds from Short Term Borrowings	410.00	6261.49
Interest paid	(3,813.62)	(3236.57)
Dividend paid	(588.46)	(588.46)
Tax on dividend	(100.01)	(100.01)
	<u>(14,573.06)</u>	<u>(1277.57)</u>
Net cash used in financing Activities	16.43	(316.56)
Net increase in Cash and Cash equivalents	158.08	(474.64)
Cash & Cash Equivalents as at 1st April 2009	174.51	158.08
Cash & Cash Equivalents as at 31st March 2010	<u>16.43</u>	<u>(316.56)</u>

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

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director

Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Dr. V. H. Joshi

Yuvaraj Saheb of Dhrangadhra

Sushil Kumar Jalan
Directors



Schedules
FORMING PART OF THE BALANCE SHEET

SCHEDULE "A"

SHARE CAPITAL

Authorised Capital

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

TOTAL

Issued, subscribed and Paid-up Capital

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

TOTAL

As at 31.03.2010 Rs. in lacs	As at 31.03.2009 Rs. in lacs
6,500.00	6,500.00
6,500.00	6,500.00
3,923.09	3,923.09
3,923.09	3,923.09

Notes:

Of the Equity Shares

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



Schedules

FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs. in lacs	As at 31.03.2009 Rs. in lacs
SCHEDULE "B"		
RESERVES AND SURPLUS		
Capital Reserve:		
As per last balance sheet	406.88	406.88
 Capital Redemption Reserve:		
As per last Balance sheet	5.30	5.30
 Share Premium:		
As per last balance sheet	9,440.70	9,440.70
 Revaluation Reserve:		
As per last balance sheet	915.86	932.65
Less: Transferred to Profit and Loss Account	29.31	16.79
	886.55	915.86
 General Reserve:		
As per last balance sheet	14,801.04	12,801.04
Add: Transfer from P&L account	4,000.00	2,000.00
	18,801.04	14,801.04
 PROFIT AND LOSS ACCOUNT	4,004.33	2,067.45
 TOTAL	33,544.80	27,637.23



SECURED LOANS

Banks

Other Loans

TOTAL	31,276.55	42,508.11
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Notes:

LOANS

Secured by

Banks

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

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

Other loans

Equipments Finance Loan from a Financial Institution and term loan from NBFC are secured by creation of first pari-passu charge on all the movable fixed assets, both present and future by way of hypothecation and further secured by mortgage on all the immovable properties situated in the states of Tamilnadu and Gujarat on first pari-passu charge basis.

SCHEDULE "D"

UNSECURED LOANS

Others

TOTAL	—	3.41
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Due within one year Rs. Nil (Previous Year Rs. 3.41 lacs)



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE "E" (Consolidated)

FIXED ASSETS

Rs in Lacs

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION		NET BLOCK		
	At cost or Revalued Book Value as at 1/4/2009	Additions and other transfers	Adjustments (refer Note)	Sales and other deductions	At cost or Revalued Book Value as at 31/3/2010	Depreciation For The Year	Depreciation As at 31/3/2010	As at 31/3/2010	As at 31/3/2009
Land	466.25	34.74	—	—	500.99	—	—	500.99	466.25
Buildings	7,660.84	655.72	84.81	344.09	7,887.66	(71.39)	2,055.08	5,832.57	4,852.29
Plant and Machinery	90,600.85	493.90	1,079.20	126.63	89,888.92	4,503.16	33,027.91	56,861.01	62,751.45
Furniture & Fittings	751.83	82.09	—	19.42	814.51	27.65	574.27	240.24	206.72
Vehicles	1,163.57	278.08	—	126.42	1,315.23	52.02	538.59	776.63	672.17
TOTAL	100,643.34	1,544.52	1,164.00	616.57	100,407.30	4,511.44	36,195.86	64,211.44	68,948.90
Previous Year	83,983.15	17,309.66	—	649.47	100,643.36	3,724.20	31,694.46	68,948.90	55,962.21

Notes:

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



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE "F"

INVESTMENTS (AT COST)

1. LONG TERM

In Subsidiary Company - Non-Trade (Unquoted)

M/s. DCW Pigment Ltd.,

10 49,500 4.95

10 49,500 4.95

In Government & Trust Securities (Unquoted)

7 years National Savings Certificates

1000 10 0.10

1,000 10 0.10

In other Companies - Non-Trade (Unquoted)

The Dhrangadhra Peoples Co-op Bank Ltd

25 10 *250

25 10 *250

In other Companies - Non-Trade (Quoted)

Fully paid Equity Shares

Global Trust Bank Ltd

10 19,000 1.90

10 19,000 1.90

LIC Housing Finance Ltd

10 17,400 10.44

10 17,400 10.44

12.34

12.34

Less : Deminution of value in shares of Global Trust Bank

19,000 1.90

19,000 1.90

10.44

10.44

II. CURRENT INVESTMENTS :

Fully paid Equity Shares

Tata Consultancy Services Ltd.,

Reliance Industries td.,

(Previous year Reliance Petroleum Ltd.,)

1 6 0.03

1 6 0.03

10 3,504 16.82

10 28,040 16.82

16.85

16.85

MUTUAL FUNDS

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

10 500,000 50.00

— — —

Less : Deminution of value in Principal Mutual Fund

1.19

—

48.81

—

TOTAL

81.15

32.34

* Figures Denote Amount in Rupees

Aggregate value of long term quoted investments

151.73

39.07

Aggregate value of current quoted investments

36.57

26.71

TOTAL

188.30

65.78

Aggregate value of unquoted investments

5.05

5.05

Market value of quoted investments

189.48

65.79



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE "F" (Contd.)

Investments Purchased and Redeemed / Sold during the year:

1. MUTUAL FUND UNITS

	Face Value	No. of Units
321 SD ICICI Prudential Flexible Income Plan Premium - Daily Dividend	10	6,900,542.37
28Q SD ICICI Prudential Flexible Income Plan Premium - Daily Dividend	10	7,379,706.83
1564 SD ICICI Prudential Flexible Income Plan Premium - Daily Dividend	100	8,467,512.12
1524 SD ICICI Prudential Flexible Income Plan Premium - Daily Dividend	100	2,871,488.07
Principal Floating Rate Fund FMP - Institutional Option - Dividend reinvestment Daily	10	29,985,350.93
Principal Cash Management Fund - Liquid Option Institutional Prem. Plan-Dividend reinvestment.	10	203,065,936.10
S258 SBNPP Ultra ST Fund Retail Dividend Daily (Sundaram Paribus MF)	10	1,594,655.83
S130 BNPP Money Fund Institutional - Daily Dividend Plan (Sundaram BNP Paribus)	10	1,981,598.80

SCHEDULE "G"

INVENTORIES

(As Certified by the Management)

(Refer Note A-10 of Schedule 'N')

Stores, Spare Parts, Fuel (Including in Transit)

Packing Materials (at or below cost)

STOCK-IN-TRADE

Raw materials on hand & in transit

Finished Goods

Stock in process

Packing Drums & Scrap

Coke dust, Gypsum

Shares (Refer Statement below)

TOTAL

As at 31.03.2010 Rs. in lacs	As at 31.03.2009 Rs. in lacs
5,867.88	3,418.87
72.86	54.06
6,036.45	5,038.07
2,819.14	3,120.60
107.00	117.62
44.95	45.96
42.54	44.07
8.58	8.58
14,999.40	11,847.83

Investments in shares (Stock in Trade)

Particulars

Quoted

Reliance Industries Ltd	10	1,122	0.44
Reliance Communication Ltd.,	5	553	—
Reliance Infrastructure Ltd., (Previous year Reliance Energy Ltd.,)	10	41	—
Reliance Natural Resources Ltd.,	5	553	—
Reliance Capital Ltd.,	10	27	—
Grasim Industries Ltd	10	700	2.01
Ranbaxy Laboratories Ltd	5	5,426	5.60
Reliance Industrial Infrastructure Ltd.,	10	1,900	0.19
Indian Telephone Industries Ltd.,	10	3,400	0.34

TOTAL

31 st March, 2010			31 st March, 2009	
Face Value per Share Rs.	No. of Shares	Amount Rs. in Lacs	No. of Shares	Amount Rs. in Lacs
			561	0.44
			553	—
			41	—
			553	—
			27	—
			700	2.01
			5,426	5.60
			1,900	0.19
			3,400	0.34
		8.58		8.58



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE "H"

SUNDRY DEBTORS (UNSECURED UNLESS OTHERWISE STATED)

	As at 31.03.2010 Rs. in lacs	As at 31.03.2009 Rs. in lacs
a) Over 6 Months		
Considered good (Secured)	30.00	30.00
Considered good	699.31	230.38
Considered doubtful	276.47	276.47
b) Other Debts (considered good)	9,349.60	9,059.90
c) Claims against Insurance, Railways, Custom etc.	93.69	404.70
	10,449.07	10,001.45
Less: Provision for doubtful debts	276.47	276.47
TOTAL	10,172.60	9,724.98

SCHEDULE "I"

CASH AND BANK BALANCES

1. Cash on hand	3.78	1.33
2. Cheques, Stamps, Hundi papers on hand	0.06	0.05
3. Balance with Scheduled Banks:		
a. in Current Account	167.88	150.01
b. in Fixed Deposits (Pledged with Bank as Margin Money)	2.76	6.66
4. Post office Savings Deposit (Pass Book Pledged with Central Excise Department)	0.01	0.01
5. Balance with Dhrangadhra People's Co-op. Bank Ltd. (Maximum amount outstanding Rs. 0.02 lacs)	0.02	0.02
TOTAL	174.51	158.08

SCHEDULE "J"

LOANS AND ADVANCES (Unsecured, Considered Good)

Advances recoverable in cash or kind or for value to be received (Including advance for capital items)	1,218.90	1,350.34
Inter Corporate Deposits – Considered Good	0.10	0.10
Staff loans	60.18	47.29
Interest accrued on Inter Corporate Deposits	0.31	0.23
Electricity and other Deposits	290.98	149.87
Balance with Customs, Central Excise etc.	4,082.73	3,144.95
Mat Credit Entitlement	59.00	697.25
TOTAL	5,712.20	5,390.03



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE "N"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

A. SIGNIFICANT ACCOUNTING POLICIES:

1. SYSTEM OF ACCOUNTING:

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

2. USE OF ESTIMATES:

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

3. FIXED ASSETS AND DEPRECIATION:

A) Fixed Assets:

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

B) Depreciation and Amortisation:

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

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

4. REVENUE RECOGNITION:

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

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

5. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS:

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



Schedules

FORMING PART OF THE BALANCE SHEET

6. INVESTMENTS:

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

7. INVENTORIES:

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

8. ACCOUNTING FOR CENVAT AND SERVICE TAX CREDITS:

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

9. FOREIGN CURRENCY TRANSACTIONS:

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

10. RESEARCH & DEVELOPMENT EXPENDITURE:

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

11. BORROWING COSTS:

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

12. EMPLOYEE BENEFITS:

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



Schedules

FORMING PART OF THE BALANCE SHEET

13. PROVISIONS & CONTINGENCIES:

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

14. TAXES ON INCOME:

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

15. IMPAIRMENT OF ASSET:

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

B. NOTES ON ACCOUNTS:

1. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is Rs. 2675.04 lacs (previous year Rs. 242.59 lacs)
2. The depreciation charge on the assets revalued on 31-3-1993 is more by Rs. 23.54 lacs (previous year Rs. 16.79 lacs) than the depreciation charge thereon under section 205(2)(b) of the Companies Act, 1956 and the same is met by drawing from Revaluation Reserve. The uplift on revalued assets discarded amounting to Rs. 5.76 lacs (previous year Rs. NIL) has also been met by drawing from Revaluation Reserve.
3. Consignment sales and expenses are incorporated on the basis of sale notes when received from consignees.
4. Confirmation of balances from some of the Debtors and Creditors, have not been received.
5. The break up of Deferred Tax Assets/ Liabilities are as under :

(Rs. in lacs)

Nature of timing difference	Deferred Tax Liability/(Asset) as at 1 st April, 2009	(Debit/Credit) for the year	Deferred Tax Liability/(Assets) as at 31 st March, 2010
(a) DEFERRED TAX LIABILITIES			
Depreciation	8599.08	(-)32.02	8567.06
SUB-TOTAL	8599.08	(-)32.02	8567.06
(b) DEFERRED TAX ASSETS			
Expenses allowed on payment basis	184.87	37.28	222.16
Unabsorbed depreciation	544.31	(-)544.31	—
SUB-TOTAL	729.18	(-)507.02	222.16
	7869.90	475.00	8344.90

Deferred Tax Assets in respect of unabsorbed depreciation under tax laws is recognised in view of continued and consistent performance and profitability by the company.



Schedules

FORMING PART OF THE BALANCE SHEET

6. RELATED PARTY INFORMATION:

(I) RELATIONSHIPS:

(a) SUBSIDIARY COMPANIES:

DCW Pigments Ltd

(b) WHERE CONTROL EXISTS:

Double Dot Finance Ltd.

Crescent Finstock Ltd.

Sahu Brothers Pvt. Ltd.

Dhrangadhra Trading Company Pvt. Ltd.

Kishco Ltd.

Crescent Holdings Pvt. Ltd.

(c) KEY MANAGEMENT PERSONNEL:

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

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

ii) Disclosure of Transactions between the group and related parties and the status of outstanding balances as on 31st March, 2010

(Rs. In lacs)

Particulars	Enterprises where control exists	Key Management Personnel
Remuneration paid	—	1053.27
Purchases	2.28	—
Balances as on 31st March, 2010	0.48	—



Schedules

FORMING PART OF THE BALANCE SHEET

SEGMENT INFORMATION FOR THE YEAR 2009-2010

Rs. in lacs

	CAUSTIC	PVC	SODA ASH	OTHERS	TOTAL
SEGMENT REVENUE:					
External Revenue	42,388.53	41,978.66	17,785.71	738.53	102,891.43
	29,706.88	43,415.73	18,571.36	1,116.24	92,810.21
Inter Segment Revenue	—	—	—	—	—
	—	—	—	—	—
Total Revenue	42,388.53	41,978.66	17,785.71	738.53	102,891.43
	29,706.88	43,415.73	18,571.36	1,116.24	92,810.21
RESULT:					
Segment Result	5,511.24	5,115.54	2,343.31	323.40	13,293.49
	2,022.69	(1,673.52)	3,595.61	736.07	4,680.85
Add: Unallocated Corporate Income	—	—	—	—	22.89
	—	—	—	—	30.76
Less:					
Finance charges					3,870.09
					2,709.78
Current Tax					2,208.25
					52.22
Deferred Tax					475.00
					525.00
NET PROFIT					6,763.04
					1,424.61
OTHER INFORMATION					
Segment Assets	69,227.24	12,303.50	16,713.40	5,308.91	103,553.04
	69,020.76	9,646.80	17,164.22	6,191.14	102,022.92
Add: Unallocated Corporate Assets	—	—	—	—	778.30
	—	—	—	—	729.49
TOTAL	69,227.24	12,303.50	16,713.40	5,308.91	104,331.34
	69,020.76	9,646.80	17,164.22	6,191.14	102,752.41
Segment Liabilities	35,011.68	16,851.68	2,777.02	2,956.73	57,597.12
	39,863.45	17,503.98	3,399.32	1,649.70	62,416.45
Add: Unallocated Corporate liabilities	—	—	—	—	9,266.33
	—	—	—	—	8,775.61
TOTAL	35,011.68	16,851.68	2,777.02	2,956.73	66,863.45
	39,863.45	17,503.98	3,399.32	1,649.70	71,192.06
Capital Expenditure	—	—	—	—	3,874.28
	—	—	—	—	8,796.36
Depreciation	3,698.48	353.42	536.26	304.55	4,892.71
	2,870.05	349.15	599.54	304.54	4,123.28



Schedules

FORMING PART OF THE BALANCE SHEET

7. Encroachers have occupied some portions of the land belonging to the Company at Sahupuram. Efforts are being made to evict them.
8. Sales Tax Assessments of Dhrangadhra Unit are pending from 1994-95, 1995-96, 1997-98 and 2004-05 to 2008-09 (except for 1996-97, 1998-99 to 2003-04 which has been completed). Central Sales Tax Assessments and Tamilnadu General Sales tax act of Sahupuram Unit are completed upto 2005-06.
9. In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2010 amount to Rs. 92.95 lacs (previous year Rs. 95.43 lacs)
10. The company has opted for accounting foreign currency exchange difference on realignment of long term foreign currency loan related to acquisition of a depreciable capital asset, as per AS-11 amended by Companies (Accounting Standard) Amendment Rules 2009. Accordingly exchange difference of Rs.1164 lacs, relating to current year has been reduced from the cost of fixed assets and depreciation charged to the Profit and Loss Account.
11. The company has entered into option to hedge its exposure on US\$ Libor related to its external commercial borrowing aggregating to US\$ 20 Mn.
The year end foreign currency exposure that have not been hedged by derivative instrument or otherwise Payables Rs. 10505.26 Lacs.
12. In the matter of custom duty on imported calciner, the Hon'ble Gujarat High Court, has vide order dated 15th December, 2005, partly allowed company's civil application for refund of Rs. 41.48 lacs, to the extent of Rs. 17.50 lacs, that has since been received and denied claim for refund of balance Rs. 23.98 lacs on account of unjust enrichment. The Company has filed special leave petition before Hon'ble Supreme Court in this regard. The case is pending for hearing.
13. Computation of net profits under section 349 of the Companies Act, 1956.

(Rs.in lacs)

Particulars	Amount
Profit before tax as per Profit & Loss Account	9446.29
Add:Wealth Tax paid	4.55
Managerial remuneration	924.05
Directors' sitting fees	1.58
Less :	
Interest capitalized	78.85
Insurance Claims Received	111.28
Net profit U/S 349	10186.34
10% thereof i.e. (10186.34 X 10/110)	926.03
Less: Managerial remuneration paid	214.31
Commission payable	711.72

14. Based on Management's review of the Capital Expenditure on Carbonation Towers and Calcium Chloride plant at Soda Ash plant in 2004-05 & 2006-07 respectively and based on detailed study by technical experts, justifying additions and modifications, the same are being held as capital work in progress. Till such time the Carbonation Towers and Calcium Chloride plant becomes operational, interest of Rs.78.85 lacs, for this year has been capitalized.



Schedules

FORMING PART OF THE BALANCE SHEET

15. The Tamilnadu Government has passed fresh legislation imposing Electricity Tax on captive power generated with retrospective effect from 2003. The company along with other captive power producers has challenged the levy in the Madras High Court, which has admitted the writ-petition.
16. (a) Due to Micro & Small Enterprises include Rs.10.62 lacs, outstanding for more than 30 days. This amount has been determined to the extent such parties have been identified from available information. This has been relied upon by the auditors.
- (b) The Micro & Small Enterprises from whom amounts outstanding for more than 30 days are as under:
1.Warkin Enterprises Pvt. Ltd. 2.Tamilnadu Synthetics 3. Ganesh Polymer
17. Due from a company in which Director(s) of the company is director is Rs.5.64 Lacs (Previous year Rs. Nil lacs).
18. Disclosure pursuant to Accounting Standard - 15 (Revised) "Employee Benefits"
- a. Effective 1st April'07, the company has adopted accounting standard 15 (revised 2005) " Employee Benefits" issued by ICAI. The Company has classified the various benefits provided to employees as under:

b. **Defined Contribution Plans:**

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

	Rs. In Lacs
Provident Fund	213.70
Superannuation Fund	86.72
Employees Pension Scheme, 1995	126.73

The Rules of the Corporate Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest of at the rate declared to Employees Provident Fund by the Government under the Employees Provident Fund Scheme, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments the Company does not expect any deficiency in the foreseeable future.

c. **Defined Benefit Plans:**

		Gratuity Funded Rs. lacs	Leave Wages Non-Funded Rs. lacs
1.	Change in Benefit Obligation		
	Liability at the beginning of the year 1 st April 2009	1926.61	432.76
	Interest cost	154.13	35.88
	Current Service Cost	115.00	58.72
	Benefit Paid	8.54	(57.10)
	Actuarial (gain)/Loss on obligation	(189.20)	28.07
	Liability at the end of the year	1998.00	498.32
2.	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at 1 st April, 2009	1652.64	—
	b) Expected Return on Plan Assets	155.10	—
	c) Actuarial (Gain)/Loss	—	—



Schedules
FORMING PART OF THE BALANCE SHEET

		Gratuity Funded Rs. lacs	Leave Wages Non-Funded Rs. lacs
	d) Employers' Contributions	—	—
	e) Benefits Paid	8.54	—
	f) Present Value of Planned Assets as at 31 st March, 2010	1799.20	—
3.	Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
	a) Present Value of Defined Benefit Obligation as at 31 st March, 2010	1998.00	(498.32)
	b) Fair Value of Plan Assets as at 31 st March, 2010	1799.20	—
	c) Net Liability recognized in the Balance Sheet as at 31 st March, 2010	198.80	498.32
4.	Expenses Recognized in the Profit and Loss Account		
	a) Service Cost	115.00	58.72
	b) Interest Cost	154.13	35.88
	c) Expected Return on Plan Assets	155.10	—
	d) Curtailment Cost/(Credit)	—	—
	e) Settlement Cost/(Credit)	—	—
	f) Net Actuarial (Gain)/Loss	(189.20)	28.07
	g) Total Expenses recognized in the Profit and Loss A/c.	(75.17)	122.67
5.	Actual Return on Plan Assets		
6.	Estimated Contribution to be made in the next annual year		
7.	The Composition of Plan Assets: i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31 st March, 2010		
	a) Govt of India Securities	—	—
	b) Corporate Bonds	—	—
	c) Special Deposit Scheme	—	—
	d) Equity Shares of Listed Companies	—	—
	e) Property	—	—
	f) Insurance Managed Funds	1799.20	—
	g) Others	—	—
	h) Total	1799.20	—
8.	Actuarial Assumptions		
	Retirement age	58	58
	Discount rate	8%	8%
	Mortality	LIC (1994-96) Ultimate	
	Withdrawal rate	1% – 3%	—
	Salary escalation	3.5%	3.5%



Schedules

FORMING PART OF THE BALANCE SHEET

19. Earning per share (EPS) as per Accounting Standard - 20

	2009-10 Rs. Lacs	2008-09 Rs. Lacs
Profit after Tax	6,763.04	1,424.61
No. of Equity shares of Rs. 2/- each as on 31.3.2010		
Basic	19,61,54,590	19,61,54,590
Diluted	19,61,54,590	19,61,54,590
EPS (Rs.)		
Basic	3.45	0.73
Diluted	3.45	0.73

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

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

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

Signature to Schedule "A" to "N"

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director

Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Dr. V. H. Joshi

Yuvaraj Saheb of Dhrangadhra

Sushil Kumar Jalan
Directors



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "1"

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

	For the year ended 31.03.2010 Rs. in lacs	For the year ended 31.03.2009 Rs. in lacs
Direct Sale *	73,949.80	56,527.57
Consignment Sales	25,468.44	33,476.40
Export Sales #	9,691.78	10,211.97
Other Sales *	465.59	976.79
TOTAL	1,09,575.61	1,01,192.73

* Includes Sale of Traded Goods Rs. 16.59 Lacs
(Previous Year Rs. 1203.66 lacs)

Includes exchange fluctuation (Loss)/gain of Rs. 285.53 Lacs.
previous year Rs. (643.15) Lacs.

SCHEDULE "2"

OTHER INCOME:

Towards shortfall in performance of equipments	—	1,447.00
Profit on Sale of Fixed Assets	0.40	8.31
Unclaimed balance written back	12.16	15.37
Dividend received on current Investments	20.28	28.34
Dividend received on Long Term Investments	2.61	2.42
Gain on Foreign Exchange Transactions (Net)	—	1,161.07
Miscellaneous Income	198.57	636.31
TOTAL	234.02	3,298.82



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "3"

MANUFACTURING AND OTHER EXPENSES

1. Consumption of Materials: Raw Materials

Stock in hand and in process as at opening

Add: Purchases *

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

TOTAL

* Includes Exchange fluctuation (Loss)/gain of Rs. 1238.19 Lacs. Previous Year Rs. (5291.84) Lacs.

2. a) Increase/Decrease in Stock:

Closing Stock:

Manufactured Products

Stock in process

Packing Drums and Scrap

Coke Dust & Gypsum

Stock of Traded Shares

Opening Stock:

Manufactured Products

Stock in process

Packing Drums and Scrap

Coke Dust & Gypsum

Stock of Traded Shares

Opening Stock - Closing Stock

Closing Stock Excise Duty

Opening Stock Excise Duty

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

TOTAL

3. SALARIES, WAGES & BENEFITS TO EMPLOYEES

Salaries & Wages

Contribution to Provident and other Funds

Employees' Welfare

TOTAL

4. Power and Fuel

For the year ended 31.03.2010 Rs. in lacs	For the year ended 31.03.2009 Rs. in lacs
5,038.07	2,485.58
55,300.15	59,234.06
6,036.45	5,038.07
54,301.77	56,681.57
2,602.47	2,787.53
107.00	117.62
44.95	45.96
42.54	44.07
8.58	8.58
2,805.54	3,003.76
2,787.53	3,632.96
117.62	87.79
45.96	269.90
44.07	40.29
8.58	8.58
3,003.76	4,039.52
198.22	1,035.76
(216.67)	(333.06)
333.06	502.97
116.39	169.91
16.59	1,203.66
331.20	2,409.33
4,128.19	3,761.13
486.97	450.42
424.77	386.96
5,039.93	4,598.51
12,096.81	11,196.17



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "3" (Contd.)

5. OPERATION AND MAINTENANCE

Repairs and Maintenance – Buildings	395.39	370.53
Repairs and Maintenance – Plant & Machinery	3,383.71	2,348.91
Repairs and Maintenance – Other Assets	253.12	243.14
Packing Charges	1,738.52	1,946.42
Other Operation & Maintenance Expenses	1,962.29	929.27

TOTAL

7,733.03

5,838.27

6. ASSETS SOLD OR WRITTEN OFF

Fixed Assets discarded, obsolete, written off

120.72

34.35

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

49.18

32.23

TOTAL

169.90

66.58

7. ADMINISTRATION EXPENSES

Rent	47.17	36.46
Rates, Taxes and licence fees	168.47	86.93
Insurance	277.09	228.47
Investment Written off	1.19	—
Wealth tax paid	4.55	3.45
Donation	42.46	4.37
Other expenses	1,247.22	1,047.53

TOTAL

1,788.15

1,407.21

8. SELLING AND DISTRIBUTION

Freight, Transportation, Loading and Other Charges (Net)	1,320.39	1,880.17
Commission to wholesalers/others	602.80	575.35
Cash discount	381.16	80.08
Octroi – Consignment Sale	2.13	2.94

TOTAL

2,306.48

2,538.54

9. a. PAYMENT TO AUDITORS

i. Audit Fees	6.00	6.00
ii. Tax Audit	1.50	1.50
iii. Representation in Tax matters	0.40	0.40
iv. Retainer fees	3.60	3.60
v. Other Services	1.80	1.75
vi. Reimbursement of Expenses	3.43	2.36

TOTAL

16.73

15.61



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "3" (Contd.)

b. Details of Directors' Remuneration under Section 198

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

	For the year ended 31.03.2010 Rs. in lacs	For the year ended 31.03.2009 Rs. in lacs
Salary	144.00	96.00
Perquisites on House	9.60	9.60
Gas, Electricity expenses	10.05	14.04
Company's Contribution to PF	12.96	8.64
Leave Travel Concession	6.20	1.88
Medical Expenses	8.93	10.45
Company's Contribution to Superannuation	16.20	10.80
Commission	711.72	28.30
ii. Directors Sitting Fees	1.58	1.73

Less: Amount capitalised

TOTAL

SCHEDULE "4"

INTEREST AND FINANCE CHARGES

Interest Fixed loans	3,198.24	2,547.24
Interest Others	109.93	144.98
Bank Charges	384.53	364.45
Exchange loss on forward cover	206.00	273.38

Less: Interest from banks & others (TDS Rs. 6.34 lacs)
(Previous Year Rs. 79.33 lacs)

TOTAL

SCHEDULE "5"

DEPRECIATION

Depreciation on Fixed Assets for the year	4,916.25	4,140.07
Less: Drawn from Revaluation Reserve	23.54	16.79
TOTAL	4,892.71	4,123.28

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director

Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Dr. V. H. Joshi

Yuvaraj Saheb of Dhrangadhra

Sushil Kumar Jalan
Directors



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "6"

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

PARTICULARS		CAPACITY - MT		OPENING STOCK		PRODUCTION	SELF CONSUMPTION	CLOSING STOCK		SALES	
		Licensed	Installed	Quantity MT	Value Rs. In lacs			Quantity MT	Quantity MT	Quantity MT	Value Rs. In lacs
DHARANGADHRA UNIT:											
Soda Ash		96,000 (96,000)	96,000 (96,000)	6,236 (1,428)	737 (153)	85,740 (81,974)	10,329 (11,740)	1,462 (6,236)	162 (737)	80,186 (65,426)	11,052 (10,388)
Soda Bicarbonate		12,000 (12,000)	12,000 (12,000)	2,925 (716)	387 (84)	21,047 (19,780)	— (29)	231 (2,925)	30 (387)	23,741 (17,542)	3,384 (2,814)
Amonium Bicarbonate		5,000 (5,000)	—	9 (15)	1 (2)	722 (631)	— (—)	18 (9)	2 (1)	713 (636)	93 (70)
Detergent - Green		— (—)	— (—)	— (220)	— (23)	12,623 (3,679)	— (—)	37 (—)	5 (—)	12,586 (3,899)	1,960 (6,707)
Detergent - Active		— (—)	— (—)	380 (418)	59 (51)	16,863 (35,284)	— (—)	108 (380)	15 (59)	17,135 (35,322)	2,696 (814)
SAHUPURAM UNIT											
Caustic Soda Lye		100,000 (100,000)	100,000 (100,000)	2,692 (2,495)	591 (443)	77,612 (80,532)	27,999 (25,203)	2,963 (2,692)	478 (591)	49,342 (55,132)	10,854 (9,754)
Caustic Soda Solid		— (—)	— (—)	6 (20)	1 (5)	155 (77)	— (1)	1 (6)	— (1)	160 (90)	40 (24)
Caustic Soda Flakes		— (—)	— (—)	638 (236)	154 (51)	25,910 (23,020)	158 (149)	453 (638)	80 (154)	25,937 (22,469)	5,295 (5,788)
Sodium Hypochlorine		— (—)	— (—)	— (—)	— (—)	4,030 (6,599)	18 (29)	— (—)	— (—)	4,012 (6,570)	141 (237)
Hydrochloric Acid 100%		90,000 (90,000)	66,000 (66,000)	187 (58)	2 (1)	50,156 (51,297)	37,823 (31,570)	43 (187)	— (2)	12,477 (19,598)	208 (347)
Liquid Chlorine		36,000 (36,000)	36,000 (36,000)	151 (263)	1 (8)	18,963 (20,795)	7,117 (4,706)	46 (151)	1 (1)	11,951 (16,201)	303 (559)
Trichloroethylene		7,200 (7,200)	7,200 (7,200)	273 (684)	135 (276)	4,715 (3,032)	— (15)	174 (273)	75 (135)	4,814 (3,428)	2,716 (1,877)
Upgraded Ilmenite		72,000 (72,000)	48,000 (48,000)	422 (3,339)	109 (735)	36,384 (27,566)	— (—)	3,535 (422)	795 (109)	33,271 (30,483)	10,356 (9,246)
Utox		No Licence Required	600 (600)	830 (796)	175 (142)	1,612 (1,656)	5 (4)	893 (830)	171 (175)	1,544 (1,618)	477 (530)
Ferrie Chloride		— (—)	10,000 (10,000)	77 (146)	1 (2)	3,005 (1,875)	— (15)	179 (77)	2 (1)	2,903 (1,929)	148 (68)
Yellow Iron oxide		— (—)	— (—)	65 (12)	23 (4)	297 (261)	— (—)	19 (65)	7 (23)	343 (208)	152 (87)
PVC Resin		90,000 (90,000)	90,000 (90,000)	1,598 (4,319)	700 (2,103)	85,758 (87,938)	— (3)	2,046 (1,598)	971 (700)	85,310 (90,656)	45,661 (49,007)
Caustic Soda Lye (Traded Goods)		— (—)	— (—)	— (—)	— (—)	— (7,087)	— (—)	— (—)	— (—)	— (7,087)	— (1,204)
Barium Carbonate (Traded Goods)		— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	105 (—)	15 (—)
Liquid Chlorine (Traded Goods)		— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	31 (—)	1 (—)
TOTAL											95,537 (98,317)

Note: 1. Licensed capacity is not applicable in view of the company's products having been delicensed as per the new liberalised licensing policy announced by the Government of India.
2. Ammonium Bicarbonate production is out of part of Soda ash plant.
3. Self consumption quantity mentioned includes quantity lost in handling, lost in transit, wash loss, samples, etc.
4. Previous year figures are given in bracket.



Schedule
FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "6" (Contd.) Consolidated

b) Expenditure in Foreign Currency:

i) Consultant fees	124.93 (24.07)
ii) Others	682.61 (722.57)

c) Earnings in Foreign Exchange:

i) Export on F.O.B. basis	9,437.03 (10,018.59)
ii) Others	13.30 (15.73)

d) Consumption of imported/indigenous Raw Materials, Stores and Spares at Landed Cost:

Raw Material Imported	42,639.62 (38,455.99)
Indigenous	11,662.14 (14,352.55)
Stores and Spare parts (Including Consumption for Capital jobs)	
Imported	232.85 (200.27)
Indigenous	5,062.65 (4,517.44)

e) Value of Imports on C.I.F. basis:

i) Raw Materials	44,090.18 (37,468.29)
ii) Stores and Spare parts	427.38 (155.12)
iii) Capital Goods	152.83 (33.31)



Schedule
FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "6" (Contd.)

g) Raw Materials consumed:

	TOTAL Quantity (M.T)	Value Rs. in lacs
Salt	346,900 (403,525)	1,626.64 (1,986.77)
Ilmenite Sand	74,527 (56,690)	3,733.32 (2,513.95)
Calcium Carbide	3,653 (2,308)	1,164.39 (866.52)
Vinyl Chloride Monomer	86,834 (88,943)	30,488.11 (36,642.12)
Lauryl Peroxide	18 (21)	65.58 (65.85)
Limestone	152,402 (170,516)	1,070.86 (1,184.13)
Coke	16,393 (16,096)	1,898.34 (2,109.86)
Coal	219,194 (—)	10,775.35 (6,175.22)
Ammonia	1,220 (1,334)	190.20 (284.96)
Others	— (—)	3,344.27 (4,982.91)
Consumption of own manufactured products and Intermediates	— (—)	(55.30) (-130.72)
TOTAL	— (—)	54,301.76 (56,681.57)

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director

Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Dr. V. H. Joshi

Yuvaraj Saheb of Dhrangadhra

Sushil Kumar Jalan
Directors



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

1. Name of Subsidiary	DCW Pigments Limited
2. Financial year ended	31 st March, 2010
3. Holding Company's Interest: Equity Capital: Number of Shares of Rs. 10/- each Extent of Holding	49,500 99%
4. The net aggregate of Profit/(Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company: (a) Not dealt with in the accounts of the Company for the year ended 31 st March, 2010: (1) For the Subsidiary's financial year ended as in 2 above (2) For the previous financial years of the Subsidiary (b) Dealt with in the accounts of the Company for the year ended 31 st March, 2010: (1) For the Subsidiary's financial year ended as in 2 above (2) For the previous financial years of the Subsidiary	 — — — —

As per our Report attached

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

S. Venkatraman
Partner

Place : Mumbai
Dated : 14th May, 2010

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