



POSITIVE TRANSFORMATION

Becoming a strong engine for
Value Creation.



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Forward-looking Statements

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

For DCW, our commitment to 'maximising shareholder value' is interchangeable with our preoccupation with 'value creation'.



A large industrial chemical plant with tall distillation columns and complex piping, set against a dramatic sunset sky. In the background, a large warehouse with a sign that reads "PRODUCT GODOWN" is visible.

POSITIVE TRANSFORMATION

Becoming a strong engine for Value Creation.

Creating added value lies at the core of DCW. The Company's business model is based on a value creation process that transforms diverse resources into innovative essential chemicals that create value for all stakeholders. For us, real value creation means meeting our customer needs with a rich and diversified portfolio of in-demand products. The numbers in this Annual Report paint a picture of a company devoted to bringing value to its customers, providing not only superior products, but a unique know-how and exceptional service all over the world.

Going off the beaten path is part of DCW's business model. But so is reliability. By ensuring consistent cash flow and efficient use of capital, coupled with prudent decision-making, our business model has been carefully curated, keeping in mind that the world business environment can sometimes be turbulent. Thankfully, our well-diversified market presence across multiple countries has further helped us sail through challenging market downturns. With this, we have evolved into an enduring and diversified, specialty chemicals business with an extensive portfolio of over a dozen products serving more than 100 customers globally.

Carrying Forward A Rich Legacy

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

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

OUR MANUFACTURING UNITS



Dhrangadhra,
Gujarat



Sahupuram,
Tamil Nadu



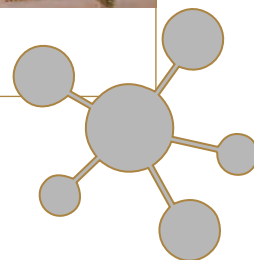
OUR VISION

- To Innovate and Integrate
- Emphasis on the 4R's – Reduce, Reuse, Recycle & Recover
- Enhance stakeholder value
- Diversify in synergistic businesses
- To be a responsible social citizen



OUR MISSION

It is our endeavour to become a chemical powerhouse by growing in a globally competitive market with a focus on the environment and community by optimising the use of all available resources.





MARKETS WE SERVE



₹ 14,643 million

Revenue from Operations

62%

Revenue CAGR growth in
specialty chemicals since FY17

100+

Customers Globally

12+

Countries

15.1%

EBIDTA

70 MW

Captive Power Capacity





A tribute to Dr. Shashi Chand Jain

Chairman Emeritus

With profound sadness and grief, we regret to inform about demise of Dr. Shashi Chand Jain, Chairman Emeritus of DCW Limited on August 6, 2021. He passed away peacefully, surrounded by his family.

Dr. Jain was appointed as Director of the Company in the year 1955 while assuming charge of the Soda Ash segment. He was appointed as the Managing Director of the Company in the year 1969 and the Chairman of the Company in the year 1991.

The Company has immensely benefitted from more than six decades of his association amid various leadership roles. Dr. Jain contributed significantly to the financial success of the Company. His dynamic leadership has helped the Company at various stages of the Company's life cycle. These contributions included the commissioning of three plants that turned the co-product Chlorine into a useful product viz. the Liquid Chlorine Plant; the Trichloroethylene Plant; and Integrated PVC. He initiated a project to manufacture Synthetic Rutile, the first of its kind in the world, to go into commercial production, which is currently finding its market across the world.

During his illustrious life, Dr. Jain was associated with various organisations & institutions:

- Elected as the first president of PVC Resins Manufacturer's Association to represent the interest of the PVC industry in the country
- Special Executive Magistrate by the Government of Maharashtra
- Senate Member of the University of Bombay
- Chairman of the Royal Western India Turf Club Limited
- Chairman of Bombay Wire Ropes Limited

We fondly remember, grieve his loss and carry the great responsibility of upholding his values, vision and legacy. The Board of Directors, Management and Employees of the Company deeply mourn this irreparable loss.

Dr. Jain will be dearly missed by one and all.

Positive Transformation Becoming a strong engine for Value Creation.



“

We have evolved into an enduring and diversified, specialty chemicals business with an extensive portfolio of over a dozen products serving more than 100 customers globally.”

Mr. Pramod Kumar Jain

Chairman & Managing Director

14.6%

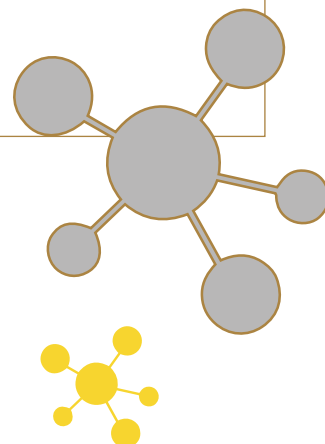
YOY Revenue Growth from Operations

51%

YOY Growth in SIOP Business

44%

YOY Growth in C-PVC Business



Dear Shareholders,

The last two years have been amongst the most testing in over a century. The unprecedented health crisis, caused by the novel coronavirus, has taken an immense human as well as economic toll globally. I share my deep condolences with those of you that have lost dear ones to this global malaise.

It is also with profound grief, that I inform you of the sudden demise of Dr. Shashi Chand Jain, the Chairman Emeritus of DCW Limited on August 6, 2021. He passed away peacefully, surrounded by his loving family. Over the years, the Company benefitted immensely from more than six decades of service through various leadership roles. His dynamic leadership helped DCW at various stages of its evolution. We are all deeply indebted to him.

Our fiscal year 2021 saw multiple national lockdowns when only essential stores could run, and people were asked stay at home. These restrictions placed significant pressure on our people and our operations. Apart from setting up stringent SOPs at our operations for protecting the health and safety of our staff and workers, we organised multiple vaccination drives without charge for all our employees and their family members to combat the second wave of pandemic.

RESPONDING TO THE PANDEMIC

Throughout, our priority has been the wellbeing of our people. The Company has already extended hybrid model of work culture. In the manufacturing

plants, the Company rolled out its operations with minimum workforce to continue delivering the committed output to its customers. We have also worked hard to foster employee engagement through online resources to create a culture of support and understanding where everyone has access to the assistance they need. Our employee-led staff networks were a valuable source of advice, practical support and entertainment and played a key role in preserving the culture of our business while we worked from home. The Board recognises just how tough delivering on the job has been this year and we are immensely grateful to everyone for their vigorous work and commitment throughout this time.

As with most industries, DCW too faced several challenges from the less than exuberant domestic and global demand for its products. Nevertheless, we are fortunate to belong to an Industry that has shown remarkable resilience through these two years. The Indian chemical industry still remains one of the fastest-growing industries in the world. Currently, it ranks 3rd in Asia and is the 6th largest market in the world with respect to output, after the US, China, Germany, Japan and South Korea and it makes up 3.4% of the global chemicals industry. The industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025.

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our business model has been carefully curated, keeping in mind that the world business environment can sometimes be turbulent. Thankfully, our well-diversified market presence across multiple countries has further helped us sail through challenging market downturns. With this, we have evolved into an enduring and diversified, specialty chemicals business with an extensive portfolio of over a dozen products serving more than 100 customers globally.

I can say, we have delivered well for FY2021 - all things considered. We grew earnings for FY2021, even though market conditions continued to be challenging, and turned in a profit for the first time after several years. The key factors to accomplishing this were being focused towards our balanced portfolio and following a strict cost discipline. Towards this end, I am pleased to share with you our performance for FY2021.

OUR PERFORMANCE

Our revenue from operations for FY21 stood at ₹ 14,643 Million, compared to ₹ 12,773 Million in FY2020, giving us growth of 14.6% YoY. This was due to the overall improvement in demand scenario for our products, especially PVC, CPVC & SIOP, and our ability to sweat our assets to convert demand to sales. The overall revenue growth in specialty chemicals was driven by 51% and 44% YoY growth in SIOP and C-PVC business, respectively. Efficient handling of raw material and rationalisation of operational overheads also contributed significantly to improvement in margins.

Positive Transformation Becoming a strong engine for Value Creation.

WWFor FY2021, our EBITDA grew by 42% YoY to ₹ 2,207 million, compared to ₹ 1,550 million in FY2020. PVC and CPVC dominated the higher share in overall EBITDA. EBITDA margin for FY2021 stood at 15.1 %, improving by 300bps on a YoY basis. Various cost control measures coupled with better market dynamics led to higher growth in EBITDA.

During Q4FY21, DCW was able to successfully fundraise ₹ 4,100 million via Non-convertible Debentures (“NCDs”) of ₹ 3,500 million and Optionally Convertible Debentures (“OCDs”) of ₹ 600 million. Through these transactions, DCW has been able to extend its debt stack maturities and added additional liquidity to the balance sheet. These NCD’s carry a moratorium of 18 months and a tenure of six years. We are utilising the funds to refinance our existing term loans and augment the Company’s working capital. This fundraise should enhance our capacity utilisation, and meet increasing product demand. We are pleased to see strong investor interest for NCD and OCD. Through these transactions, the company has been able to extend its debt stack maturities and inject additional liquidity to the balance sheet. Today, DCW’s credit profile remains stable with positive bias. With the completion of this refinancing, the company has managed to enhance financial flexibility and is on a firmer footing to achieve long-term growth.

Today, we are a recognised leading manufacturer of specialty chemicals in Synthetic Rutile, Synthetic Iron Oxide Pigments (SIOP) and the only

manufacturer of Chlorinated Polyvinyl Chloride (C-PVC) in India with technical license from Arkema. We have already invested in various CAPEX and expansion programs over the years, and have sufficient capacity to see through demand growth in the medium term.

Our revenue from our bulk portfolio including the Soda Ash business tapered down to ₹ 1,787 million in FY2021 from ₹ 1,983 million in the previous fiscal period, and our Caustic Soda business also dipped to ₹ 3,577 million as compared to ₹ 4,675 million in the previous fiscal period. The market for Soda ash remained stagnant with lacklustre demand in the near term.

In contrast, our PVC segment reported a revenue of ₹ 7,082 million in FY21; a 56% growth YoY. Higher PVC prices coupled with higher capacity utilisation has led to robust performance for this division. Our C-PVC revenues increased by 44% YoY and stood at ₹ 1,486 million in FY21 as against ₹ 1,029 Million in FY20. The growth was primarily driven by higher capacity utilisation and firm domestic prices. Our SIOP business also turned around as capacity utilisation increased 2x YoY which has resulted into revenue growth of 55% YoY for Q4FY21.

Over the last 4 years, DCW has added niche, value-added, high margin specialty chemicals to its portfolio. The Company has various products in its specialty chemicals portfolio like C-PVC, SIOP and Synthetic Rutile. The Company is one of the few large-scale synthetic iron oxide manufacturers for red and yellow pigments and the only C-PVC manufacturer in India.