



ALIGNMENT. ACTIVATION. EXECUTION.

Taking positive transformation to growth

Contents

STRATEGIC REPORT

At a Glance	06
Chairman's Message	08
Prioritising Health & Safety	12
Manufacturing Excellence	14
Strengthening Our Financial Capital	18
Our Responsibility To Society	20
Our Portfolio	22
Key Performance Indicators	24
Corporate Information	25
Board of Directors	26

MANAGEMENT DISCUSSION & ANALYSIS 30

STATUTORY REPORTS

Board's Report	50
Report on Corporate Governance	78
Business Responsibility Report	100

FINANCIAL STATEMENTS

Financial Statements	110
----------------------	-----

NOTICE 172

Forward-looking Statements

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



ALIGNMENT. ACTIVATION. EXECUTION.

Taking positive transformation to growth

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

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

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



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



206.08
+3.48

1.549.62
+22.38

25,645.39
+329.15

8,342.59
+45.27

12,345.32
+129.84

26,343.98
+28.62

20,605.58
+854.24

96.80
+0.68

78.29
+1.80

1,218.38

208.33

26.42

19.05

456.60

25,10.41

7,513.08

2,168.02

64%

76%

98%

65%

STRATEGIC REPORT

- At a Glance
- Chairman's Message
- Prioritising Health & Safety
- Manufacturing Excellence
- Our Responsibility To Society
- Our Portfolio
- Key Performance Indicators
- Corporate Information
- Board of Directors



At a Glance

Carrying Forward Upholding A Rich Legacy

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

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

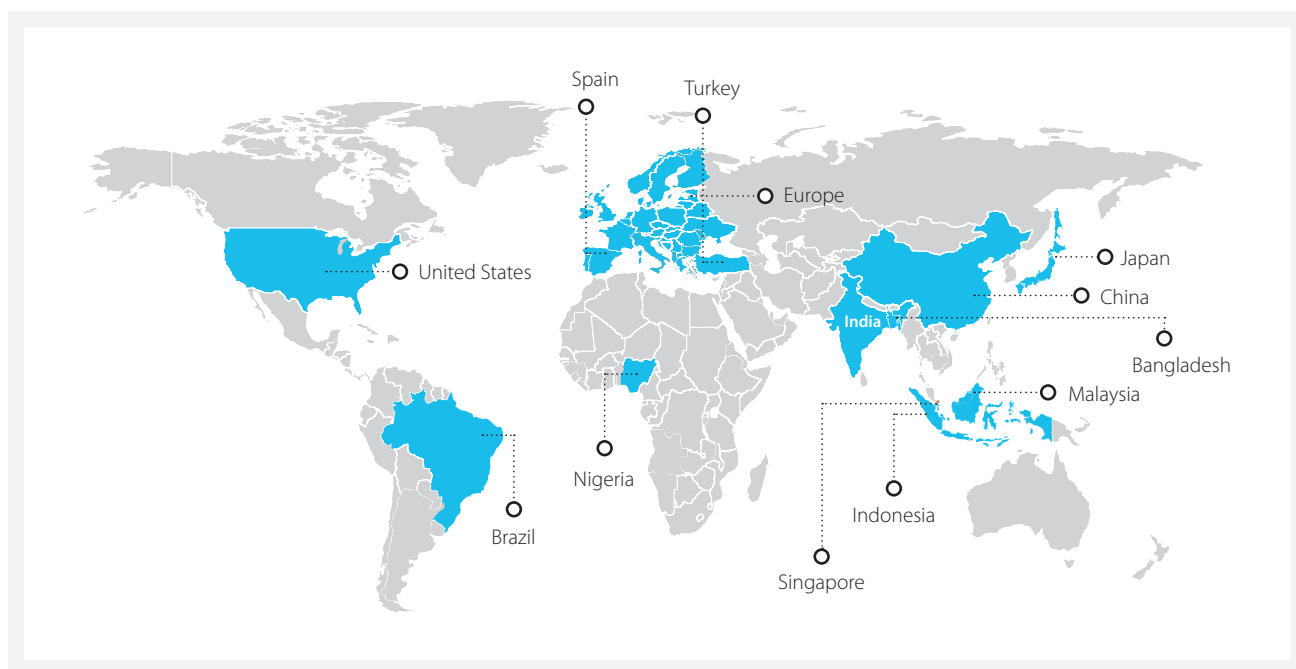


Dhrangadhra, Gujarat



Sahupuram, Tamil Nadu

Markets We Serve



12+

Countries

13.5%

EBITDA

100+

Customers Globally

₹ 24,547 million

Revenue from Operations

60%

Revenue CAGR growth in
specialty chemicals since FY17

70^{MW}

Captive Power capacity

Chairman's Message



Mr. Pramod Kumar Jain
Chairman & Managing Director



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

Dear Shareholders,

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

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

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

Positioned for Growth

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

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



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

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

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

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

Chairman's Message

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

Performance by Numbers

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

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

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

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

49.9 % YoY
EBITDA growth FY2022

67.6 % YoY
Revenue from operations FY2022

79.9 % YoY
SIOP overall revenue growth 2022

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

The Future Beckons

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