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DCW
LIMITED

ANNUAL REPORT 2003-2004

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Corporate Directory

BOARD OF DIRECTORS

Dr. Shashi Chand Jain
Chairman and Managing Director

Shri Sharad Kumar Jain
Vice Chairman & Managing Director

Smt. Satyawati Jain

Shri F.H. Tapia

Dr. V.H. Joshi

Shri Yuvaraj Saheb of Dhrangadhra

Shri Prafull Ojha
(Nominee of I.D.B.I.)

Shri Pramod Kumar Jain
Managing Director

Shri Bakul Jain
Executive Director

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

Dhrangadhra 363 315, Gujarat.

HEAD OFFICE

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

BRANCH OFFICE

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

WORKS

Soda Ash Division	:	Dhrangadhra 363 315, Gujarat.
Caustic Soda Division	:	Arumuganeri P.O., Sahupuram 628 202, Tamil Nadu.
PVC Division	:	Arumuganeri P.O., Sahupuram 628 202, Tamil Nadu.
Salt Works	:	Kuda, Gujarat. Arumuganeri P.O., Sahupuram 628 202, Tamil Nadu.

65th
Annual Report
2003-2004

Note: The Balance Sheet, Profit and Loss Account and Key Financial Data are also presented in US $ on Page Numbers 13, 14 & 15 respectively.

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DCW LIMITED

Directors' Report

TO THE MEMBERS

Your Directors present their 65th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2004:

1. **Financial Results**:

	31-3-2004 (Rs. in lacs)	31-3-2003 (Rs. in lacs)
Sales	**69,136.42**	62,409.11
Gross Profit	**4,241.27**	4,040.36
Add: Balance brought forward	**1,261.24**	1,360.94
Total (A)	**5,502.51**	5,401.30
Less: Provisions:		
Depreciation	**2,312.48**	2,242.92
Tax: Current	**160.00**	275.00
Deferred	**(369.18)**	482.79
Total (B)	**2,103.30**	3,000.69
Balance (A)–(B)	**3,399.21**	2,400.59
Appropriations:		
General Reserves	**750.00**	750.00
Dividend	**345.13**	345.13
Dividend Distribution tax	**44.22**	44.22
Balance carried forward	**2,259.86**	1,261.24

2. **Dividend**:

Your Directors recommend payment of Dividend at Re. 1/- per equity share of Rs. 10/- each.

3. **Operations**:

Sales during the year were Rs. 691.36 crores compared to Rs. 624.09 crores in the previous year registering a 11% growth. The increase in the sales was mainly due to higher sales realisation in PVC, Caustic Soda and higher production and sales in the Soda Ash Unit of the Company. The Gross Profit for the year was Rs. 42.41 crores compared to Rs. 40.40 crores in the previous year registering a 5% growth. The profit before the tax was at Rs. 19.29 crores compared to Rs. 17.97 crores in the previous year. After providing Rs. 1.60 crores for current tax and credit of Rs. 3.69 crores for deferred tax, Net profit for the year was Rs. 21.38 crores compared to Rs. 10.39 crores in the previous year registering a 106% growth in the net profit for the year.

4. **Exports**:

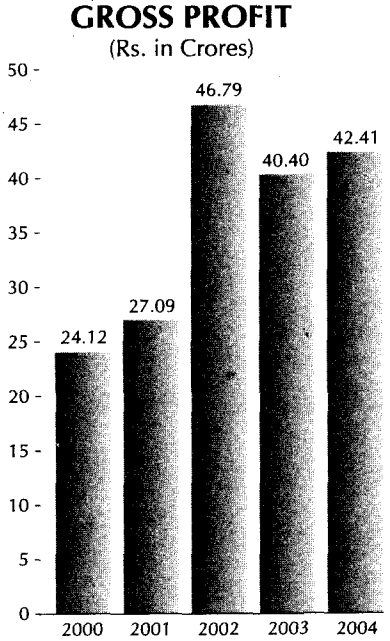
The Company's exports were Rs. 35.92 crores compared to Rs. 51.61 crores in the previous year.

5. **Divisionwise Performance**:

(a) **Soda Ash Division**:

The Turnover of Soda Ash division was Rs. 120.85 crores compared to Rs. 89.24 crores in the previous year registering a growth of 35%. This increase in turnover was mainly due to increased production and sales of the unit. The Company produced 92,475 MT of Soda Ash – (previous year 62,783 MT), 16,469 MT of Soda Bicarb (previous year 13,847 MT), 2,226 MT of Ammonia Bicarbonate (previous year 1,602 MT).

Further the Company has also produced 28,362 MT of detergent compared to 20,443 MT in the previous year. Sales realisations were at par with the previous year levels.



(b) **Caustic Soda Division**:

Turnover of the division was Rs. 195.15 crores compared to Rs. 173.14 crores registering growth of 13% in the sales. The increase in the turnover was mainly due to trading in caustic soda lye and increase in realisation of Caustic Products. The Company produced 59,060 MT of Caustic compared to 61,217 MT in the previous year.

(c) **PVC Division**:

Turnover of the division was Rs. 372.90 crores compared to Rs. 348.36 crores registering 7% increase in the sales turnover. This was mainly due to increase in the realisation of PVC resins. The Company produced 80,246 MT of PVC resins compared to 79,339 MT in the previous year.

6. **New Projects:**

During the year the Company installed wind mills of 1.15 MW in the state of Gujarat. The power generated by the wind mill is being wheeled to Gujarat Electricity Board (GEB) and the same is set-off against the power drawn by the Company from the GEB Grid.

The project to replace the existing 33 carbonators with 3 carbonation towers at the Soda Ash unit at Dhrangadhra is in an advanced stage of implementation and the same is expected to be commissioned by August 2004.

The Company has finalised the replacements of 3 Glass Lined reactors with Stainless Steel reactors along with additional storage facility for imported VCM at its PVC unit at Sahupuram. The reactors and the storage facility is likely to be commissioned by March, 2005.

7. **Fixed Deposits**:

The Company has not accepted any fresh Deposits during the year. Deposits matured but not claimed as at the end of the financial year amounted to Rs. 0.85 lacs. (Since then, deposits amounting to Rs. Nil has been repaid).

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8. **Corporate Governance:**

The report on Corporate Governance is annexed to this report.

9. **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.

10. **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.

11. **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 of the Company has been granted ISO 14001 Certificate for complying with environment protection and safety.

12. **Directors:**

Unit Trust of India (UTI) has withdrawn the nomination of Shri B.L. Chhibber, Nominee Director – Unit Trust of India on the Board of the Company w.e.f. 15th December, 2003 due to the repayment of the debentures held by UTI in the Company. The Board places on record its appreciation on the valuable contribution made by Shri B.L. Chibber during his tenure as the Director of the Company.

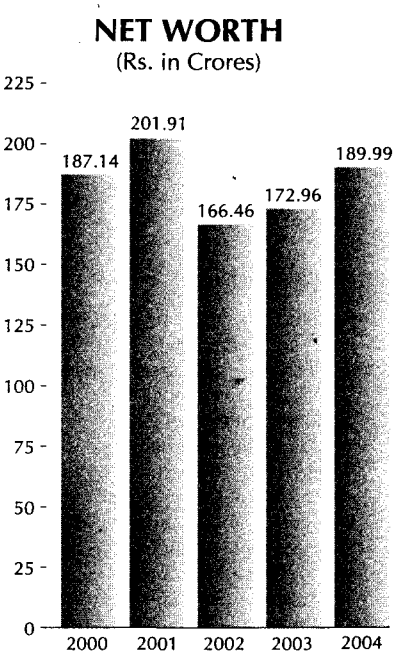
Shri Pramod Kumar Jain, Dr. V.H. Joshi and Shri Yuvaraj Saheb of Dhrangadhra, Directors, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment. The term of office of Shri Sharad Kumar Jain, Managing Director is due to expire on 30th September, 2004. He has been re-appointed by the Board at their meeting held on 21st June, 2004 for a further period of 5 years w.e.f. 1st October, 2004 subject to the approval of the members at the forthcoming Annual General Meeting.

13. **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 re-appointment. Regarding the qualification in the Audit Report, the notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further clarification.

14. **Cost Audit:**

In accordance with the directions received from the Department of Company Affairs, the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions were conducted for the Financial Year 2003-2004 by Cost Auditors, M/s. N.D. Birla & Company and M/s. R. Nanabhoy & Company respectively. Their appointments were approved by the Department of Company Affairs. The Cost Audit of these Divisions are conducted every year and the Reports are submitted by the Cost Auditors to the Central Government.



15. **Management Discussion And Analysis Report:**

OUTLOOK

The Company is operating in 3 business segment PVC 55%, Soda Ash 17% , Chlor Alkali 28%, and is hence reasonably protected from the vagaries of business cycle.

PVC Division:

The Company is one of the six major producers of PVC and accounts for nearly 10% of the all India market share. The PVC industry continues to grow at a compounded average annual growth rate of 10% and the present demand in our country is slightly higher than the supply in the market. Your Company mainly caters to the pipe, cable, construction and profiles industries. The Company has finalised its order for replacement of 3 old glass line reactors with modern stainless steel reactors, which will increase its production capacity to around 90000 M.T. from the end of F.Y. 2004-05. The Company is also augmenting its storage capacity of VCM at its Sahupuram Plant as the Company feels that this is essential for achieving higher level of production.

The recent reduction in the import duty on PVC from 25% to 20% has narrowed the differential between our imported raw material, Vinyl Chloride Monomer (VCM) and the finished product PVC to 5%. This could have adverse impact on the profitability of the division.

Caustic Soda Division:

Your Company is a major player in South India having 15% market share and has 5% market share on all India basis. Working of the Division improved considerably due to imposition of Anti Dumping duty in the last quarter of F.Y. 2002-03 which has given protection to the local industries from cheap imports and dumping by overseas suppliers. Major aluminum producers have shifted from import to procurement from local suppliers, which ensured steady prices of the product in the F.Y. 2003-04. The profitability of

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this division is dependent on the continued procurement by Aluminum majors from the local suppliers.

The industry is highly power intensive and the Company has taken various measures to reduce cost of captive power like import of Furnace Oil through oil company, duty free imports of oil based on exports etc. The Company is also exploring various possibilities to reduce the cost of power. However volatile international oil market is always a concern for the Company and may have an adverse impact on the profitability of the division.

Soda Ash Division:

Soda Ash industry has been growing at the rate of 5% p.a. and the same is expected to continue in the coming years also. Major producers of Soda Ash have been exporting a portion of their production, which has resulted in stabilisation of prices in the local market. This trend is expected to continue in the coming year.

The Company is in the process of replacing the 33 old carbonators with 3 carbonation towers which is expected to be completed by August 2004. This will increase the production of Soda Ash by 7000 MT per annum and is likely to reduce the variable cost marginally.

The Company has also increased its production of detergent in the current year by almost 8000 tonnes which has helped the Company to capitively consume Soda Ash.

Internal Control Systems:

The Company has adequate internal control systems commensurate with the nature of its business and size of its operations.

Internal Audit is conducted by an independent firm of Chartered Accountants.

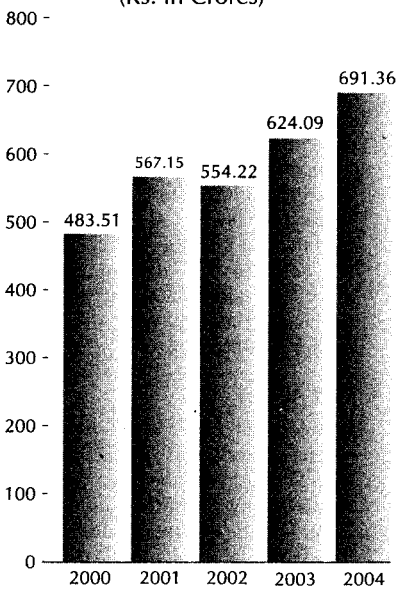
The Audit Committee reviews on a regular basis the internal audit programme reports and adequacy of internal controls.

Human Resources:

The Company has been following a standard procedure for recruitment of best personnel for all the departments

SALES

(Rs. in Crores)



and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The current strength is 2857 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.

16. **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.

17. **Insurance:**

All the properties of the Company are adequately insured.

18. **Industrial Relations:**

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

19. **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, 21st June, 2004

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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 Memberships	Other Committee Chairmanships
		Board Meetings	Last AGM			
Promoter/ Executive Directors	Dr. Shashi Chand Jain (Chairman & Managing Director)	5	No	5	2	—
	Shri Sharad Kumar Jain (Vice Chairman & Managing Director)	5	No	2	—	—
	Shri Pramod Kumar Jain (Managing Director)	4	Yes	4	—	—
	Shri Bakul Jain (Executive Director)	4	No	9	—	—
Promoter/Non-Executive Director	Smt. Satyawati Jain	4	No	2	—	—
Non-Executive and Independent Directors	Shri Yuvaraj Saheb of Dhrangadhra	4	No	—	—	—
	Shri F. H. Tapia	3	No	1	—	—
	Dr. V. H. Joshi	4	Yes	—	—	—
Nominee Directors	Shri Prafull Ojha (Nominee of IDBI as Lender)	4	No	2	—	—
	Dr. S. S. Nayak* (Nominee of UTI as Lender)	1	N/A*	—	—	—
	Shri B.L. Chhibber** (Nominee of UTI as Lender)	2	No	—	—	—

* ceased to be a Director due to withdrawal of nomination by U.T.I w.e.f. 17th June, 2003.

** ceased to be a Director due to withdrawal of nomination by U.T.I w.e.f. 15th December, 2003.

- **Number of Board Meetings held during the year along with the dates of the meeting:**

  During the year five Board Meetings were held on:
  24.04.2003, 17.06.2003, 31.07.2003, 31.10.2003, 30.01.2004.

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

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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, Meetings and Attendance:**

  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
17.06.2003	Yes	Yes	No
31.07.2003	Yes	No	Yes
31.10.2003	Yes	Yes	Yes
30.01.2004	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.

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

  The Remuneration Committee comprises 4 Non-Executive Independent Directors. Shri F.H. Tapia is the Chairman of this Committee. Dr. V.H. Joshi, Shri Yuvaraj Saheb of Dhrangadhra and Shri Prafull Ojha (Nominee Director) are the other members of the Committee.

- **Attendance during the year:**

  The Remuneration Committee was constituted on 27th April, 2004.

- **Remuneration Policy:**

  The Remuneration of Managing Directors and Wholetime Director is approved by the Remuneration Committee and thereafter 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, prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration Structure comprises Salary, Perquisites, Commission, 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.

- **Details of the remuneration paid to the Directors for the Financial year 2003-2004 is given below:**

Directors	Salary (Rs.)	Benefits (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Dr. Shashi Chand Jain	12,00,000	6,00,480	28,38,000	–	46,38,480
Shri Sharad Kumar Jain	12,00,000	6,00,480	28,38,000	–	46,38,480
Shri Pramod Kumar Jain	12,00,000	6,00,480	28,38,000	–	46,38,480
Shri Bakul Jain	12,00,000	6,00,480	28,38,000	–	46,38,480
Smt. Satyawati Jain	–	–	–	10,000	10,000
Shri F. H. Tapia	–	–	–	15,000	15,000
Dr. V. H. Joshi	–	–	–	17,500	17,500
Shri Yuvaraj Saheb of Dhrangadhra	–	–	–	17,500	17,500
Shri Prafull Ojha	–	–	–	10,000	10,000
Dr. S. S. Nayak				2,500	2,500
Shri B. L. Chhibber	–	–	–	5,000	5,000

Sitting Fee also includes payment for Board Level Committee meetings.

Dr. Shashi Chand Jain, Shri Sharad Kumar Jain, Shri Pramod Kumar Jain and Shri Bakul 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.

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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:

- Smt. Satyawati Jain, Non-executive Director is the Chairperson of the Shareholders' / Investors' Grievance Committee.
- Ms. Kumkum Shah, Asst. Company Secretary is the Compliance Officer of the Company.
- There were 107 complaints received from the shareholders during the year, which have been resolved.
- There were no pending share transfers at the close of the financial year ended 31.03.2004

6. General Body Meetings:

Location and time of last 3 Annual General Meetings were:

Year	Location	Date	Time
2000-01	Dhrangadhra, Gujarat	23.08.2001	12 noon
2001-02	Dhrangadhra, Gujarat	11.09.2002	11.00 a.m.
2002-03	Dhrangadhra, Gujarat	07.08.2003	11.00 a.m.

No Special Resolutions were required to be put through postal ballot in the last AGM nor are there any matters requiring postal ballot at this Meeting.

7. Disclosures:

1. During the year, there were no transactions of material nature with the Promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large.
2. 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 for Prevention of Insider Trading:

   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.

   Ms. Kumkum Shah, Asst. Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Code of Conduct for the prevention of Insider Trading.

8. Means of Communication:

- The Quarterly results are published in 'Financial Express' in all editions in India including in the Gujarati edition published from Ahmedabad. These are not sent individually to the shareholders.
- The above results are also displayed on the Company's web-site viz. www.dcwltd.com
- There were no presentations made to the institutional investors or to the analysts.
- The Management Discussion and Analysis report appears in para 15 of the Directors' Report.

9. General Shareholders information:

ANNUAL GENERAL MEETING:

- Day & Date : Thursday, 12th August, 2004
- Time : 11.00 a.m.
- Venue : at the Registered Office (at Guest House No. 2), Dhrangadhra, Gujarat - 363 315

Financial calendar: April 2004 – March 2005:

First Quarter results ending 30th June 2004	: last week of July, 2004
Second Quarter results ending 30th September 2004	: last week of October, 2004
Third Quarter results ending 31st December 2004	: last week of January, 2005
Last Quarter results ending 31st March 2005	: last week of April, 2005
Date of Book closure	: Wednesday, 4th August, 2004 to Thursday, 12th August, 2004 (both days inclusive).

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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 2004-2005. GDRs of the Company are listed with the Luxembourg Stock Exchange

Stock Code : 117 (BSE), DCW (NSE)

Demat ISIN Nos. : INE 500A01011 (Fully Paid)
9500 A01019 (Partly 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 (East), Mumbai 400 072.

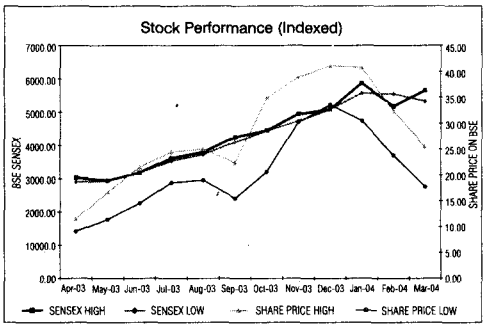
Investors' complaints may be Addressed to : The Asst. Company Secretary
DCW Limited
Nirmal, 3rd floor,
Nariman Point,
Mumbai 400 021

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

Month/Year	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2003	11.70	8.95	11.50	9.10
May 2003	17.30	11.00	16.75	11.40
June 2003	21.65	14.50	21.49	14.55
July 2003	24.45	18.60	24.45	18.55
August 2003	25.50	19.50	25.00	19.00
September 2003	22.25	18.10	22.35	15.50
October 2003	35.00	20.80	34.85	20.60
November 2003	39.40	30.00	38.90	30.25
December 2003	43.00	33.60	41.10	33.55
January 2004	40.80	30.50	40.75	30.50
February 2004	31.65	23.80	32.35	23.80
March 2004	24.70	18.50	25.45	17.75

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.

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 31.03.2004:

No. of Shares	SHAREHOLDERS		SHAREHOLDING	
	Nos.	%	Nos.	%
Upto 250	19002	70.82	1715984	4.98
251 - 500	3942	14.69	1546958	4.48
501 - 1000	2137	7.97	1693144	4.90
1001 - 2000	914	3.41	1379668	4.00
2001 - 3000	298	1.11	756788	2.19
3001 - 4000	117	0.44	421587	1.22
4001 - 5000	99	0.37	462098	1.34
5001 - 10000	157	0.59	1132485	3.28
10001 & above	160	0.60	25404622	73.61
TOTAL	26826	100.00	34513334	100.00

Shareholding Pattern as on 31.03.2004:

Shareholder	No. of Shares	Percentage of Capital
Foreign Investors:		
Non-resident individuals/OCBs	2261219	6.55
FII'S	1364520	3.95
Non-Domestic Companies	1184	0.01
Shares Underlying GDR's	1147750	3.33
Total Foreign Holding	4774673	13.84

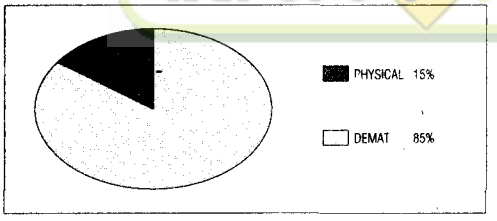
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Shareholder	No. of Shares	Percentage of Capital
Indian Institutions		
Life Insurance Corpn. of India	1873093	5.43
Unit Trust of India	4300	0.01
Banks	20128	0.05
Mutual Funds	6491	0.02
Others	499056	1.44
Total Indian Institutions Holding	2403068	6.95
Indian Bodies Corporate		
Domestic Companies	2162892	6.27
Other Non-nationalised Banks	570	0.01
Total Indian Bodies Corporate Holding	2163462	6.28
Directors & Relatives	5709332	16.54
Companies Associated with Directors	8989284	26.04
Other Indian Investors	10473515	30.35
GRAND TOTAL	**34513334**	**100**

Dematerialisation of shares:

29446998 Equity shares held by 13069 Shareholders comprising 85.32% of the paid up Share Capital have been dematerialised as on 31st March, 2004.



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

Outstanding GDRs as on 31st March, 2004 represent 1147750 shares.(3.33%). 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

B. NON-MANDATORY REQUIREMENTS:

1. Chairman of 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. Postal Ballot:

The provisions relating to Postal Ballot will be complied with in respect of matters where applicable.

Auditors' Certificate on Corporate Governance

To the Members of
DCW LIMITED

We have examined the compliance of conditions of Corporate Governance by DCW Limited, for the year ended 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the 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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances against the Company remaining unattended/pending for more than 30 days.

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

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

S. Venkatraman
Partner

Place : Mumbai
Date : 21st June, 2004

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