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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 Sushil Kumar Jalan

Shri Nirmal Kumar R. Ruia

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.

66th
Annual Report
2004-2005

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

Directors' Report

TO THE MEMBERS

Your Directors present their 66th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2005:

1. Financial Results:

	31-3-2005 (Rs. in lacs)	31-3-2004 (Rs. in lacs)
Sales	76,967.20	69,136.91
Gross Profit	4,442.24	4,241.27
Add: Balance brought forward	2,259.85	1,261.23
Total (A)	6,702.09	5,502.50
Less: Provisions		
Depreciation	2,074.46	2,312.48
Tax: Current	170.00	160.00
Deferred	94.46	(369.18)
Total (B)	2,338.92	2,103.30
Balance (A) – (B)	4,363.17	3,399.20

Appropriations:		
General Reserves	1,000.00	750.00
Dividend	414.16	345.13
Dividend		
Distribution Tax	54.13	44.22
Balance carried forward	2,894.88	2,259.85

2. Dividend:

Your Directors recommend payment of Dividend at Rs. 1.20 per equity share of Rs. 10/- each.

3. Operations:

Sales during the year were Rs. 769.67 crores as compared to Rs. 691.36 crores recorded in the previous year, registering a growth of 11%. The increase in sales was mainly due to higher sales realisation. The Gross Profit for the year increased from Rs. 42.41 crores to Rs. 44.42 crores. The profit before tax amounted to Rs. 23.67 crores as against Rs. 19.28 crores in the previous year. After providing Rs. 1.70 crores for current taxes and Rs. 0.95 crores towards deferred taxes the net profit for the year amounted to Rs. 21.03 crores as against Rs. 21.38 crores.

4. Exports:

The Company's exports increased to Rs. 72.14 crores as compared to Rs. 35.91 crores in the previous year. This 101% increase in exports enabled the Company to take advantage of the target plus scheme offered by the Government of India.

5. Divisionwise Performance:

(a) PVC Division:

The turnover of the division was Rs. 426.27 crores as compared to Rs. 372.90 crores, registering 14% increase, mainly on account of better Sales realisation. The cost of VCM in the international market continued to rule high throughout the year bringing the margins under pressure.

(b) Caustic Soda Division:

The turnover of the division was Rs. 217.72 crores as compared to Rs. 195.15 crores in the previous year, registering a growth of 12% in the sales. The increase in turnover was on account of increased exports of ilmenite and better realisation of Caustic Soda. The production

of Caustic Soda was 61,420 MT as compared to 59,060 MT in the previous year.

(c) Soda Ash Division:

The turnover of the division was Rs. 122.83 crores as compared to Rs. 120.85 crores in the previous year. The Company produced 83,091 MT of Soda Ash (previous year 92,475 MT), 16,458 MT of Soda Bi Carb (previous year 16,469 MT) and 1,950 MT of Ammonia Bi Carbonate (previous year 2,226 MT).

The Company also produced 25,654 MT of detergents compared to 28,362 MT in the previous year.

6. New Projects:

Seven, out of the 14 new wind mills of capacity of 11.2 MW, in the state of Tamilnadu, have gone into production and selling power to TNEB. The balance seven wind mills are expected to be commissioned in the next couple of months.

The Company is evaluating, conversion of its Caustic Plant, from the present Mercury Cell Technology to Membrane Cell Technology. Various evaluations are being carried on the viability, and for the execution of the project. This may also result in increase in production capacity apart from cost savings.

The Company is also evaluating a substantial increase in its Yellow Synthetic Iron Oxide capacities from the present 1 MT capacity per day to 20 MT per day. Increase in ilmenite production capacity to 36,000 MT per annum is under completion.

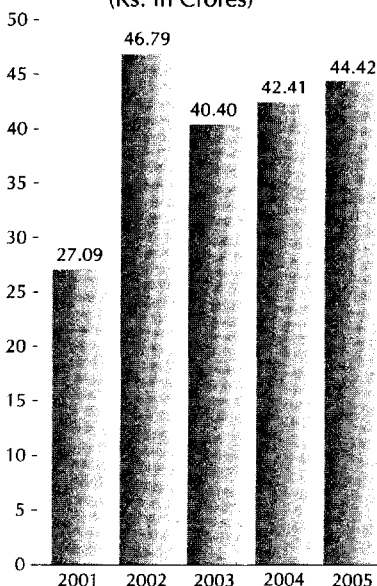
In order to utilize the unfiltered waste effluent at the Soda Ash unit, the company is undertaking a project to manufacture Calcium Chloride, Edible Salt and regenerate Water which is expected to be completed during the year.

7. Fixed Deposits:

The Company has not accepted any fresh Deposits during the year.

GROSS PROFIT

(Rs. in Crores)



Deposits matured but not claimed as at the end of the financial year, amounted to Rs. 0.85 lac. None of these deposits have been claimed since then.

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 has been granted ISO 14001 Certificate for complying with environment protection and safety.

12. Directors:

The Company has repaid its dues to Industrial Development Bank of India (IDBI), and hence IDBI has withdrawn, the nomination of Shri Prafull Ojha, as nominee from our Board with effect from 6th July, 2004.

Smt. Satyawati Jain who was a Director of the Company resigned from the Board with effect from 25th October, 2004 due to personal reasons. Smt. Satyawati Jain was appointed as Additional Director with effect from 31st January, 2005.

The Company has also appointed two Additional Directors, Shri Sushil K. Jalan on 26th October, 2004 and

Shri Nirmal Kumar R. Ruia on 31st January, 2005. The said Additional Directors hold office till the date of the forthcoming Annual General Meeting. The Company has received notices under Section 257 of the Companies Act 1956, from the members of their intention to propose the candidature of the aforesaid Additional Directors for the office of Director.

Dr. Shashi Chand Jain and Shri Sharad Kumar Jain, Directors, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

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 Auditors' 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 is 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 has diversified operations with three business segments viz. PVC 55%, Chlor Alkali 28.5%, and Soda Ash 16.5%, contributing to its performance. It is thus reasonably protected from the vagaries of business cycles of these products.

PVC Division:

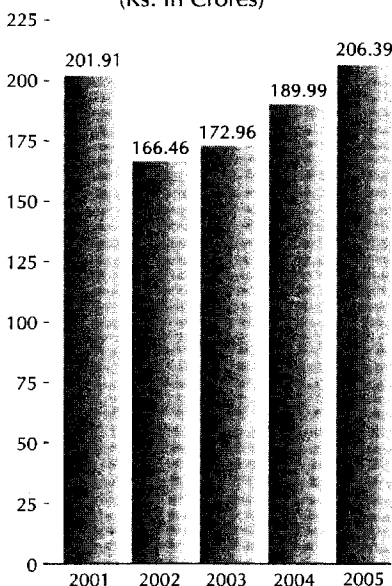
The Company, one of the six producers of the PVC resin and despite competition, has maintained its market share of nearly 10%. The PVC Industry continues to grow at a compounded rate of 10%. Pipes, Cables and Films which are the major user segments are showing satisfactory growth. The new application sectors like construction and profiles have excellent potential.

The de-bottlenecking and replacement of the old glass-lined reactors with modern stainless steel reactors have been successfully completed and will result in increase in capacity to around 90,000 MT during current financial year.

Caustic Soda Division:

The Company continues to be a major player in South India with a market share of approximately 15%. The working of the division has been quite satisfactory. Due to good demand from Alumina industry the realisation is expected to be higher during the year.

NET WORTH (Rs. in Crores)



The demand for Caustic Soda will increase on account of the increase in existing demand and new Alumina Companies coming up in Orissa. The demand from 2006 onwards is likely to be about 2 Million tonnes per annum.

We have been able to establish the quality of Yellow Synthetic Iron Oxide which has a huge export potential.

Soda Ash Division:

The Soda Ash Industry continues to grow at a compounded rate of 4% to 5% p.a. and this trend is expected to continue. Due to good demand, the realisation of Soda Ash has gone up. This is expected to further increase during the current year.

Internal Control Systems:

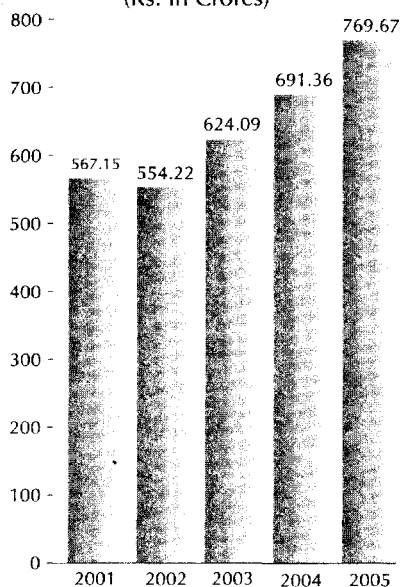
The Company has an adequate internal control procedure commensurate with the nature of its business and size of its operations. Internal Audit is conducted at regular intervals. Internal Audit is conducted on a regular basis by an independent firm of Chartered Accountant. However the Board of Directors 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 2,336 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

SALES (Rs. in Crores)



counterparts in industries. This is basically done to enhance their skills in order to achieve an optimum output from them.

Cautionary Note:

Statements 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. The Company has entered into a long-term wage settlement Agreement with the workers at Sahapuram unit.

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, 28th June, 2005

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 10 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)	4	No	2	—	—
	Shri Pramod Kumar Jain (Managing Director)	5	Yes	5	—	—
	Shri Bakul Jain (Executive Director)	4	No	9	—	—
Promoter/Non-Executive Director	Smt. Satyawati Jain	3	No	2	—	—
Non-Executive and Independent Directors	Shri Yuvaraj Saheb of Dhrangadhra	3	No	—	—	—
	Shri F. H. Tapia	4	No	1	—	—
	Dr. V. H. Joshi	5	Yes	—	—	—
	Sushil K. Jalan**	2	N.A.	10	—	—
	Shri N.R. Ruia***	1	N.A.	7	—	—
Nominee Director	Shri Prafull Ojha* (Nominee of IDBI as Lender)	—	N.A.	2	—	—

* ceased to be a Director due to withdrawal of nomination by IDBI w.e.f. 6th July, 2004

** appointed as Additional Director w.e.f. 26th October, 2004

*** appointed as Additional Director w.e.f. 31st January, 2005

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

During the year five Board Meetings were held on:

27.04.2004, 21.06.2004, 29.07.2004, 26.10.2004 and 31.01.2005.

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.

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:**

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 3 times during the year and the attendance of the Members at these meetings was as follows:

Dates of Meetings	Dr. V.H. Joshi	Shri F.H. Tapia	Shri Yuvaraj Saheb of Dhrangadhra
27.04.2004	Yes	Yes	No
26.10.2004	Yes	Yes	Yes
31.01.2005	Yes	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 Chairman:**

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. Shri Prafull Ojha (Nominee Director) ceased to be a member of this committee w.e.f. 06.07.2004 due to the withdrawal of his nomination on the Board by IDBI.

- Meetings and Attendance during the year:**

There was only one Remuneration Committee meeting during year held on 21st June, 2004 and Shri F.H. Tapia and Dr. V.H. Joshi were present for the same.

- Remuneration Policy:**

The Remuneration of Managing Directors and Whole-time 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 2004-2005 is given below:**

Directors	Salary (Rs.)	Benefits (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Dr. Shashi Chand Jain	18,00,000	7,94,899	33,36,092	—	59,30,991
Shri Sharad Kumar Jain	18,00,000	7,81,920	33,36,092	—	59,18,012
Shri Pramod Kumar Jain	18,00,000	7,80,720	33,36,092	—	59,16,812
Shri Bakul Jain	18,00,000	7,89,320	33,36,092	—	59,25,412
Smt. Satyawati Jain	—	—	—	10,000	10,000
Shri F.H. Tapia	—	—	—	25,000	25,000
Dr. V.H. Joshi	—	—	—	30,000	30,000
Shri Yuvaraj Saheb of Dhrangadhra	—	—	—	17,500	17,500
Shri Prafull Ojha	—	—	—	—	—
Shri Sushil K. Jalan	—	—	—	10,000	10,000
Shri Nirmal Kumar R. Ruia	—	—	—	5,000	5,000

Sitting Fees 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 Wholtime 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:

- Smt. Satyawati Jain, Non-executive Director is the Chairperson of the Shareholders'/Investors' Grievance Committee.
- Shri R. Venkataraman, Chief Financial Officer & Secretary is the Compliance Officer of the Company.
- There were 147 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 31.03.2005.

6. General Body Meetings:

Location and time of last 3 Annual General Meetings were:

Year	Location	Date	Time
2001-02	Dhrangadhra, Gujarat	11.09.2002	11.00 a.m.
2002-03	Dhrangadhra, Gujarat	07.08.2003	11.00 a.m.
2003-04	Dhrangadhra, Gujarat	12.08.2004	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.

Shri R. Venkataraman, Chief Financial Officer & 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 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.dcwlimited.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, 25th August, 2005
- Time : 11.00 a.m.
- Venue : at the Registered Office (at Guest House No. 2) , Dhrangadhra, Gujarat - 363 315

Financial calendar: April 2005 – March 2006:

- First Quarter results ending 30th June 2005 : last week of July, 2005
- Second Quarter results ending 30th September 2005 : last week of October, 2005
- Third Quarter results ending 31st December 2005 : last week of January, 2006
- Last Quarter results ending 31st March 2006 : last week of April, 2006
- Date of Book closure** : Thursday, 18th August, 2005 to Thursday 25th August, 2005 (both days inclusive).

Listing on Stock Exchanges:

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

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

Annual Listing fees as prescribed has been paid to the above Stock Exchanges for the year 2005-2006. 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.
email: bigshare@sify.com

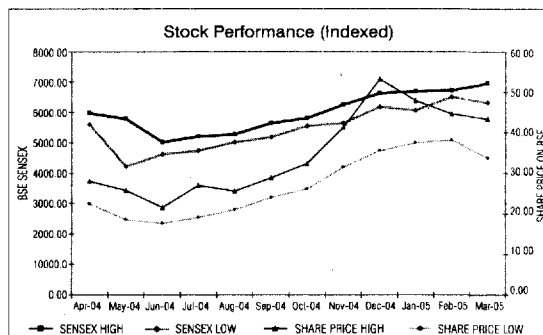
Investors' complaints may be Addressed to : Chief Financial Officer & Secretary
DCW Limited
Nirmal, 3rd floor,
Nariman Point,
Mumbai 400 021

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 2004	27.75	22.40	27.95	22.40
May 2004	26.00	18.05	25.75	18.50
June 2004	22.00	18.10	21.50	17.60
July 2004	26.80	18.65	26.90	19.00
August 2004	25.50	20.75	25.50	21.00
September 2004	29.00	23.85	28.80	23.95
October 2004	32.30	26.25	32.40	26.10
November 2004	41.50	31.45	41.35	31.45
December 2004	53.20	36.00	53.25	35.50
January 2005	47.90	36.10	47.90	37.50
February 2005	44.60	38.10	44.65	38.05
March 2005	44.00	30.10	43.45	33.70

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 31.03.2005:

No. of Shares held	SHAREHOLDERS		SHAREHOLDING	
	Nos.	%	Nos.	%
Upto 250	3,280	12.73	31,763	0.09
251 - 500	3,751	14.56	1,64,465	0.48
501 - 1000	5,737	22.27	5,17,747	1.50
1001 - 2000	4,518	17.54	7,62,031	2.20
2001 - 3000	1,884	7.31	5,02,441	1.46
3001 - 4000	1,062	4.13	3,89,347	1.13
4001 - 5000	1,699	6.60	8,31,521	2.41
5001 - 10000	2,063	8.02	16,65,886	4.83
10001 & above	1,762	6.84	2,96,48,133	85.90
TOTAL	25,756	100.00	3,45,13,334	100.00

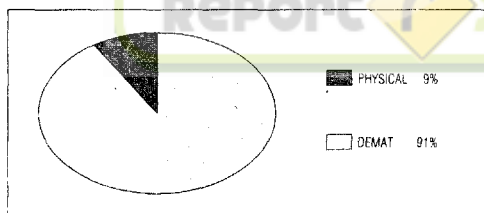
Shareholding Pattern as on 31.03.2005:

Shareholder	No. of Shares	Percentage of Capital
Foreign Investors:		
Non-resident individuals/OCBs	2285843	6.62
FII'S	1354520	3.92
Non-Domestic Company	1184	0.01
Shares Underlying GDR's	1070000	3.10
Total Foreign Holding	4711547	13.65

Shareholder	No. of Shares	Percentage of Capital
Indian Institutions		
Life Insurance Corpn. of India	1673283	4.85
Unit Trust of India	3350	0.01
Banks	18966	0.05
Mutual Funds	6241	0.02
Others	498956	1.44
Total Indian Institutions Holding	2200796	6.37
Indian Bodies Corporate		
Domestic Companies	2630355	7.63
Other Non-nationalised Banks	578	0.01
Total Indian Bodies Corporate Holding	2630933	7.64
Directors & Relatives	5768864	16.71
Companies Associated with Directors	8769776	25.41
Other Indian Investors	10431418	30.22
GRAND TOTAL	34513334	100

Dematerialisation of shares:

31542577 Equity shares held by 13678 Shareholders comprising 91.39% of the paid up Share Capital have been dematerialised as on 31st March, 2005.

**Auditors Certificate on Clause 49 Compliance**

To The Members of
DCW LIMITED

We have examined compliance of conditions of Corporate Governance by DCW Ltd. for the year ended 31st March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company, with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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, except that during the period 6th July, 2004 to 26th October, 2004 the number of independent directors on the Board of Directors was less than the required number as prescribed in clause 49(1)(A) of the Listing Agreement, which we are informed was due to the withdrawal by IDBI of its Nominee Director, we certify that the said Company has

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

Outstanding GDRs as on 31st March, 2004 represent 1070000 shares (3.10%). 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 Newspaper 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.

complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the registrars of the Company have certified that as on 31st March, 2005 there were no investor grievances remaining unattended pending for a period exceeding one month.

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 : June 28, 2005