

# A. F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

9, SCINDIA HOUSE,

KASTURBA GANDHI MARG,

NEW DELHI - 110001.

## AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DCM LIMITED

1. We have reviewed the accompanying statement of Unaudited Financial Results of **DCM LIMITED** ("the Company") for the quarter and nine months ended December 31, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Company's "Scheme of Restructuring and Arrangement", sanctioned by the High Court of Delhi and further modified vide its order dated April 28, 2011 (hereinafter referred to as SORA), provides that it is required to be implemented as a whole and in totality. The effect of the financial and business restructuring, as envisaged in the above scheme, has already been considered in preparing the accounts by the Company during the previous years except for the sale of rights in the Company's land development project, which, as per SORA, is subject to certain definitive agreements. Although the Company has entered into the definitive agreements during the previous years, one of such agreements, viz., "leasehold definitive agreement", has not become effective pending compliance with certain conditions contained therein and, therefore, the corresponding transaction has not been effected in the accounts. The management has confirmed to us that the conditions contained in the leasehold definitive agreement would be complied with and would not result into any adverse impact on the financials of the Company or on the successful implementation of the SORA. Our conclusion is not modified in respect of this matter.



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4. Various matters arisen/arising out of reorganisation will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 2. The effect of these on the financial results for the quarter and nine months ended December 31, 2012 is not ascertainable at this stage.
5. Based on our review and read with our comment in paragraph 3 above and subject to our comment in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholdings and the number as well as the percentage of pledged/encumbered shares and non-encumbered shares of promoter and promoter group shareholder's in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrar.

For **A. F. Ferguson & Co.**  
Chartered Accountants  
(Firm Registration No.: 112066W)

  
**Manjula Banerji**  
Partner

(Membership No.:086423)

  
New Delhi, February 14, 2013

Part I							(Rs. in Lacs)
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012							
	Particulars	Three months ended	Preceding Three months ended	Corresponding Three months ended	Nine months ended	Corresponding Nine months ended	Figures for year ended
		31.12.2012 Unaudited	30.09.2012 Unaudited	31.12.2011 Unaudited	31.12.2012 Unaudited	31.12.2011 Unaudited	31.03.2012 Audited
		1	2	3	4	5	6
1	Income from operations						
	a) Net sales / services (net of excise duty)	9,439	8,592	7,256	27,096	23,162	30,504
	b) Other operating income *	612	685	2,008	1,848	3,309	4,347
	<b>Total income from operations (net)</b>	<b>10,051</b>	<b>9,277</b>	<b>9,264</b>	<b>28,944</b>	<b>26,471</b>	<b>34,851</b>
2	Expenses						
	a) Cost of materials consumed	5,179	5,086	4,855	15,264	16,695	22,047
	b) Purchases of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and land for development	424	(96)	148	796	2,789	1,873
	d) Employee benefits expense	1,474	1,497	1,295	4,390	3,802	5,124
	e) Depreciation and amortisation expense	258	266	247	765	739	990
	f) Other expenses :						
	- Power and fuel etc.	747	781	615	2,219	1,670	2,233
	- Others	695	641	724	2,144	2,192	2,833
	<b>Total expenses</b>	<b>8,777</b>	<b>8,175</b>	<b>7,884</b>	<b>25,578</b>	<b>27,887</b>	<b>35,100</b>
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	1,274	1,102	1,380	3,366	(1,416)	(249)
4	Other income	163	162	144	917	852	878
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	1,437	1,264	1,524	4,283	(564)	629
6	Finance cost	304	369	423	1,138	1,596	1,976
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	1,133	895	1,101	3,145	(2,160)	(1,347)
8	Exceptional items (refer note 1)	-	-	-	-	-	1,800
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	1,133	895	1,101	3,145	(2,160)	453
10	Tax expense	391	247	386	914	(857)	(91)
11	Net profit/(loss) from ordinary activities after tax (9-10)	742	648	715	2,231	(1,303)	544
12	Extraordinary items	-	-	-	-	-	-
13	Net profit/(loss) for the period (11-12)	742	648	715	2,231	(1,303)	544
14	Paid-up equity share capital of Rs.10 each	1,738	1,738	1,738	1,738	1,738	1,738
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	14,220
16	Earnings per share (before extraordinary items) (of Rs. 10 each) (Rs. Per share):						
	a) Basic	4.27	3.73	4.11	12.84	(7.50)	3.13
	b) Diluted	4.27	3.73	4.11	12.84	(7.50)	3.13
<b>PART II</b>							
<b>A PARTICULARS OF SHAREHOLDING</b>							
1	Public shareholding						
	- Number of shares	96,11,155	96,11,155	96,28,007	96,11,155	96,28,007	96,11,155
	- Percentage of shareholding	55.30%	55.30%	55.40%	55.30%	55.40%	55.30%
2	Promoters and promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	77,67,882	77,67,882	77,51,030	77,67,882	77,51,030	77,67,882
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	44.70%	44.70%	44.60%	44.70%	44.60%	44.70%
	Particulars		Three months ended on				
			31.12.2012				
<b>B INVESTOR COMPLAINTS</b>							
	Pending at the beginning of the quarter		Nil				
	Received during the quarter		Nil				
	Disposed of during the quarter		Nil				
	Remaining unresolved at the end of the quarter		Nil				

\* Other operational income during quarter/period ended December 31, 2011 and year ended March 31, 2012 includes Rs. 1356 Lacs and Rs. 1837 Lacs respectively on account of liabilities/provisions no longer required written back in relation to real estate project.



**UNAUDITED SEGMENTWISE REVENUE AND CAPITAL EMPLOYED  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012**

(Rs. in Lacs)

Particulars	Three months ended 31.12.2012	Preceding Three months ended 30.09.2012	Corresponding Three months ended 31.12.2011	Nine months ended 31.12.2012	Corresponding nine months ended 31.12.2011	Figures for year ended 31.03.2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Segment revenue</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
a) Textile	9,048	8,144	6,976	25,716	22,170	29,073
b) IT Services	1,003	1,133	932	3,228	2,945	3,939
c) Real Estate	-	-	1,356 *	-	1,356 *	3,639
<b>Total</b>	<b>10,051</b>	<b>9,277</b>	<b>9,264</b>	<b>28,944</b>	<b>26,471</b>	<b>36,651</b>
Less : Inter segment revenues	-	-	-	-	-	-
<b>Net sales / income from operations</b>	<b>10,051</b>	<b>9,277</b>	<b>9,264</b>	<b>28,944</b>	<b>26,471</b>	<b>36,651</b>
<b>2 Segment results</b>						
a) Textile	1,405	1,195	181	3,697	(2,312)	(1,480)
b) IT Services	11	68	(9)	130	(10)	25
c) Real Estate	-	-	1,356	-	1,356	3,639
<b>Total</b>	<b>1,416</b>	<b>1,263</b>	<b>1,528</b>	<b>3,827</b>	<b>(966)</b>	<b>2,184</b>
Less : I) Finance cost	(304)	(369)	(423)	(1,138)	(1,596)	(1,976)
: II) Un-allocable (expenditure)/ income net of un-allocable income/ expenditure	21	1	(4)	456	402	245
<b>Profit/(loss) before tax</b>	<b>1,133</b>	<b>895</b>	<b>1,101</b>	<b>3,145</b>	<b>(2,160)</b>	<b>453</b>
<b>3 Capital employed</b> (Segment assets - Segment liabilities)						
a) Textile	16,669	14,647	12,917	16,669	12,917	17,194
b) IT Services	872	836	797	872	797	772
c) Real Estate	3,966	4,912	3,811	3,966	3,811	5,916
<b>Segment capital employed</b>	<b>21,507</b>	<b>20,395</b>	<b>17,525</b>	<b>21,507</b>	<b>17,525</b>	<b>23,882</b>
Others un-allocated	8,214	8,097	8,933	8,214	8,933	7,994
<b>Total capital employed</b>	<b>29,721</b>	<b>28,492</b>	<b>26,458</b>	<b>29,721</b>	<b>26,458</b>	<b>31,876</b>

@ Includes exceptional item (Refer note I). It also includes Rs. 1837 Lacs during the year ended March 31, 2012 on account of liabilities/ provisions no longer required written back in relation to real estate project

\* Includes Rs. 1356 Lacs during quarter/period ended December 31, 2011 on account of liabilities/ provisions no longer required written back in relation to real estate project



Notes:

1. Exceptional items of Rs. 1800 lacs during the year ended March 31, 2012 represent compensation receivable from the developer of real estate project pursuant to settlement reached in relation to flatted factory complex of the said project.
2. Various issues relating to reorganization of 1990 will be settled as per the Scheme of Arrangement of 1990 and Memorandums of Understanding between the concerned companies, as and when finally determined. The final liability of the Company, if any, would be restricted to 1/3rd of the total liability (Reference; para 5(v) of audit report and note 40 to the audited accounts for the year ended March 31, 2012).
3. The figures of the corresponding quarter and nine months have been regrouped/ recast wherever necessary.
4. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2013.

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**Limited Review**

The Limited Review as required under Clause 41 of Listing Agreement has been completed by Statutory Auditors. The 'Limited Review Report' for the quarter and nine months ended December, 2012 does not have any impact on the above 'Results' except in respect of the matter explained in note 2 above.

For and on behalf of the Board



*Jitendra Tuli*  
Jitendra Tuli

Chairman and Managing Director

Date: February 14, 2013

Place: New Delhi