DCM LIMITED ANNUAL REPORT

2011 -2012

BOARD OF DIRECTORS

Mr. Jitendra Tuli	Chairman
Mr. Naresh Kumar Jain	Managing Director

Dr. Surendra Nath Pandey

Prof. J.S. Sodhi

Mr. Bipin Maira

COMPANY SECRETARY

Mr. Bhabagrahi Pradhan

BANKERS

Punjab National Bank

State Bank of Bikaner and Jaipur

AUDITORS

A.F Ferguson & Co.

Chartered Accountants

New Delhi

REGISTERED OFFICE
Vikrant Tower,
4, Rajendra Place,
New Delhi-110 008
Tel : 91-11-25719967
Fax : 91-11-25765214

SHARE TRANSFER AGENT
MCS Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi-110 020
Tel : 91-11-41406149-52
Fax : 91-11-41709881

Regstered Office : Vikrant Tower, 4, Rajendra Place,
New Delhi-110008

NOTICE

Notice is hereby given that the 122nd Annual General Meeting of the Company will be held on Saturday, the 14th day of July 2012 at 12.30 P.M, at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi-110 054 for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at March 31, 2012 and the reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Jitendra Tuli., who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit to pass the following resolution with or without modification(s), as an Ordinary Resolution :

   "**RESOLVED THAT** pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s A.F. Ferguson & Company, Chartered Accountants, New Delhi, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Audit Committee of the Board of Directors be and is hereby authorized to fix their remuneration."

SPECIAL BUSINESS :

5. To consider and, if thought fit to pass the following resolution with or without modification(s), as an Ordinary Resolution :

   RESOLVED THAT Mr. Bipin Maira, who has been appointed as additional director of the Company by the Board in its meeting dated November 9, 2011 under section 260 of the Companies Act, 1956, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as director of the Company, liable to retire by rotation.
6. To consider and, if thought fit to pass the following resolution with or without modification(s), as an Ordinary Resolution :

   "**RESOLVED THAT** subject to such approvals, as may be necessary under the applicable provisions of the Companies Act, 1956 and/or any amendment/modification(s) thereof, Mr. Naresh Kumar Jain be and is hereby appointed as Managing Director of the Company w.e.f. 20th December, 2011 without payment of salary and perquisites but with sitting fees as paid to the other directors, for a period of one year, which is extendable for further period(s) not exceeding 5 years, on each occasion from time to time at the discretion of the Board"

   "**RESOLVED FURTHER THAT** the Managing Director shall be entitled to reimbursement of all actual expenses incurred in the course of business of the Company"

   "**RESOLVED FURTHER THAT** Mr. B Pradhan, Company Secretary be and is hereby authorized to take necessary steps, acts, actions to the above resolution".

By the order of the Board
For **DCM LIMITED**
Sd/-
BHABAGRAHI PRADHAN
Company Secretary

Place: New Delhi
Date: May 28, 2012

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. (A FORM OF PROXY IS ANNEXED).
2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, June 30, 2012 to Saturday, July 14, 2012 (both days inclusive)**. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, for financial year ended March 31, 2012, if declared, at this Annual General Meeting, will be paid to the members whose name(s) appear on **June 29, 2012** :-

   a) As member(s) holding shares in physical mode, in the register of member of the Company after giving effect to all valid and complete transfers, lodged on or before June 29, 2012;and

   b) As beneficial owner (s) holding shares in electronic mode, details as furnished by the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL), for said purpose.
4. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio.
5. Members are requested to bring their copy of Annual Report.
6. Shareholders/ Proxies are requested to produce the enclosed admission slip duly completed and signed at the entrance for admission to the meeting hall.
7. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
8. The members intending to seek any information on Annual Financial Statements at the meeting are requested to kindly inform the Company at least 7 days before the date of the meeting.
9. In view of SEBI requirement of compulsory delivery of shares of the Company in dematerialized form, members are requested to convert their physical share certificates into electronic form.
10. As stipulated under Clause 49 of the Listing Agreement, information in respect of directors seeking re-appointment at the meeting is given in the Corporate Governance Report which forms part of the Annual Report.
11. The Securities and Exchange Board of India (SEBI) vide Circular dated April 27, 2007, had made PAN mandatory for all securities market transactions. Thereafter, vide Circular dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/Registrar & Share Transfer Agents for registration of such transfer of shares.
12. DCM is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011

dated April 21, 2011 and April 29, 2011 respectively has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, DCM henceforth propose to send documents like the Notice convening the General meetings, Financial Statements, Directors' Report, Auditors' Report, etc. to the email address provided by the members with their depositories/ depository participants(DP).

Members are requested to update their email address with the depository participants to ensure that the Annual Report and other documents reach them at their preferred email address.

The members holding shares in physical mode may also send their request to the company by letter or by email at investors@dcm.in to receive the soft copy of the Annual Report by email instead of hard copy.

13. As per directive from Securities and Exchange Board of India (SEBI), Companies use Electronic Clearing Service (ECS) facility, introduced by Reserve Bank of India (RBI), for distributing dividends and other cash benefits to investors, wherever available. In this system, the investor's bank account is directly credited with the dividend amount based on the information provided by the Company, under advice to the investor.

    Members holding shares in electronic form in demat account are requested to furnish their bank account numbers and details along with photocopy of a cheque pertaining to the concerned bank account, to their Depository participant (DP) to avail the said ECS facility. Those holding shares in physical form are also requested to send the above details/documents to the company for this purpose.

14. All documents referred to in the accompanying Notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 14.00 hrs to 16.00 hrs. upto July 13, 2012

(ANNEXURE TO NOTICE)

Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956

Item Number 5

Mr. Bipin Maira was appointed as additional director of the Company by the Board in its meeting held on November 9, 2011 under section 260 of the Companies Act, 1956, who holds office upto this Annual General Meeting. A notice has been received from a member of the Company under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Bipin Maira.

Mr. Bipin Maira is a Senior Cambridge from the Premier public School Sherwood College, a Graduate in Science from Agra University and did Business Management – three year in-house course at DCM. He has around 50 years of industry experience; He started his career with Delhi Cloth & General Mills Co. Ltd. as Senior Management Trainee in 1962 & grew to the position of General Manager of DCM before leaving in 1982. Currently, since 2007, associated with the Singapore based Kewalram Chanrai Group as Group H R Advisor.

None of the Directors except Mr. Bipin Maira is interested or concerned in the resolution.

Item Number 6

The Board of Directors in their meeting held on November 09, 2011 had re-appointed Mr. Naresh Kumar Jain as the Managing Director of the Company. He is an Arts Graduate and also holds Master Degree in Business Administration. He was the President of Punjab Merchants Chamber and Member of Gem & Jewellery Export Promotion Council.

None of the Directors are concerned or interested in the resolution except Mr. Naresh Kumar Jain.

By the order of the Board
For **DCM LIMITED**

Sd/-
BHABAGRAHI PRADHAN
Company Secretary

Place : New Delhi
Date : May 28, 2012

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 122nd Annual Report alongwith Audited Financial Statements of the Company for the year ended March 31, 2012.

FINANCIAL DATA Rs./Crores

	Financial Year ended March 31, 2012	Financial Year ended March 31, 2011
Profit/(Loss) before Interest and Depreciation and Tax (PBDIT)	**16.20**	62.50
Less: – Finance Cost	**19.76**	14.29
– Depreciation	**9.90**	9.57
Profit/(Loss) before Tax & Exceptional Item	**(13.46)**	38.64
Exceptional Item#	**18.00**	–
Profit/(Loss) before tax	**4.54**	38.64
Less – Provision for tax	**(0.91)**	12.88
Profit/(Loss) after tax	**5.44**	25.76
Add – Profit/(Loss) brought forward	**99.28**	75.41
Add – Debenture Redemption Reserve Written Back	**–**	5.76
Add – Reversal of Corporate Dividend Tax	**0.71**	–
Profit available for appropriation	**105.43**	106.93
Appropriations :		
Proposed Dividend on equity shares	**4.34**	4.34
Corporate Dividend Tax	**0.71**	0.71
General Reserves	**0.60**	2.60
Balance Profit carried forward	**99.78**	99.28

#Compensation recievable from developer of real estate project pursuant to settlememt reached in relation to flated factory complex of the said project.

OPERATIONS OVERVIEW

Textile Division

The Textile Division of the Company is located at Hisar in Haryana. It is an ISO9001 certified unit. During the year under review, the turnover of the Division has increased to Rs. 293.34 Crores from Rs. 271.64 Crores last year. However, the Division has incurred a loss of 28.27 Crores during the year due to margins turning negative on account of steep fall in cotton yarn prices and high cost of cotton inventory procured during last year cotton season. The Textile Industry as a whole witnessed an unexpected downturn in demand during the year, resulting in reduction of cotton and yarn prices.

The volatility of the market has increased considerably in the recent past and both domestic and international market scenario has been evolving day by day. In order to cope with this dynamic market, the Textile Division has been adopting market focused approach and has been constantly enhancing its internal skill sets to position itself, so that it can grab the opportunities and face the market challenges.

During the year the cotton yarn capacity of the Division was increased to 78660 Spindles from 74436 spindles. The Division is also upgrading and modernizing its machineries and equipments to enhance efficiency and reduce costs. Many old machineries have been replaced during the past two years. This process will be continued in next year also.

Besides expanding its export market by introducing value added products the Division is also focusing to broaden the domestic customer base by developing new customers.

IT Division

IT Division of the Company is an established player in data center management business with specialization in managing different systems, storage devices and databases. The Division provides highly qualified Unix, VMware, messaging & storage skills and data center management capability at competitive price. It caters primarily to organizations with a high IT dependency and large Unix & Virtualization based systems. The Data Centre Management Business is expected to open future opportunities for the division in providing specialized data center services to the fast growing small and medium enterprises in domestic market.

The domestic operations have continued to grow at par with the previous year, in spite of some reversal trend in the third quarter linked with some order terminations. The turnover of the division was adversely affected because the US onsite business of the division has underperformed during the year on account of sluggish market conditions, especially in the later half of the year.

During the year, the Division made a breakthrough with an export order which should help reorient the future offshore business thrust and supplement the onsite business also.

DEBT REPAYMENT UNDER SCHEME OF RESTRUCTURING AND ARRANGEMENT (SORA)

As per the Scheme of Restructuring & Arrangement (SORA) approved by the Hon'ble Delhi High Court vide its order dated October 29, 2003 under Section 391 – 394 of the Companies Act, 1956 and subsequent modification thereto vide Hon'ble Delhi High Court order dated April 28, 2011, the Company has complied with its debt repayment obligation and where such amount has not been claimed by the creditors, the same have been deposited in separate designated Bank Account (s) in scheduled bank(s).

Any investor whose investment is remained unclaimed /un-encashed may lodge their claim with the company by surrender of Debenture Certificates/ un-encashed payment warrants at the registered office of the Company.

FIXED DEPOSITS

The Company has paid the fixed deposit holders in all claimed cases in terms of the provisions of the Scheme of Restructuring and Arrangements approved by the Hon'ble High Court of Delhi and as modified vide order dated April 28, 2011

The amount of unclaimed / legal cases has been deposited in a separate bank account to earmark the funds for the payment of these unclaimed / legal cases.

DIRECTORS

The Board of directors of the Company on November 9, 2011 had reappointed Mr. Naresh Kumar Jain as Managing Director for a period of one year i.e. with effect from December 20, 2011 to December 19, 2012. His appointment is placed for the approval and ratification of shareholders at the Annual General Meeting to be held on July 14, 2012.

Mr. Jitendra Tuli, retires by rotation in the ensuing Annual General Meeting and, being eligible, offers himself for reappointment as Director of the Company. His re-appointment is placed before the shareholders of the Company at the ensuing Annual General Meeting.

Mr. Bipin Maira, who has been appointed as additional director of the Company by the Board in its meeting dated November 9, 2011 under section 260 of the Companies Act, 1956, holds office upto the ensuing Annual General Meeting. The Company has received a notice from a member of the Company under section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director, and accordingly a resolution is proposed for his reappointment as Director of the Company, liable to retire by rotation.

DIRECTORS' VIEW ON AUDITORS' OBSERVATIONS

Management response to the observations of the auditors even though explained wherever necessary through appropriate notes to the Accounts is reproduced hereunder in compliance with the relevant legal provisions.

Reference para 5(iv) of the Auditors' Report

Due to non availability of financial statements of the joint venture company, for the year ended March 31, 2012 or within 6 months thereof, the disclosures required to be made in terms of Accounting Standard (AS) – 27 "Financial Reporting of interest in joint venture" for the current year have been made on the basis of joint venture's latest available financial statements for the year ended March 31, 2011. However, the Company's share of Assets, Liabilities, Income and Expenses, etc. (without elimination of the effect of transactions between the Company and the joint venture) has been determined on the basis of Company's shareholding in Joint Venture as of March 31, 2012. (note 44 of notes to Financial Statements annexed). Further, in absence of required information of joint venture Company, the same have not been considered for consolidation in the Consolidated Financial Statements (note 44 of notes to Consolidated Financial Statements annexed).

Reference para 5(v) of the Auditors' Report

The business of the Company was re-organized under a Scheme of Arrangement sanctioned by the High Court of Delhi, New Delhi vide its order dated April 16, 1990, effective from April 1, 1990 under the provisions of Sections 391-394 of the Companies Act, 1956 and all units of the company existing at that time were re-organized under four separate companies, including this company, namely, DCM Limited, DCM Shriram Industries Limited, DCM Shriram Consolidated Limited and Siel Limited.

There are various issues relating to sales tax, income tax, etc., arising/arisen out of the re-organization arrangement, which will be settled and accounted for in terms of the Scheme of Arrangement and Memorandum of Understanding between the companies involved, when the liabilities/benefits are finally determined. The final liability, when determined, would in case of the Company, be limited only to one third of the total liability (note 40 of notes to Financial Statements annexed).

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217

As required under Section 217(2AA) of the Companies Act, 1956 your Directors state that:

- While preparing Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent which gives true and fair view of affairs of the Company and of the profit or loss of the Company;
- The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared accounts on a going concern basis.

DIVIDEND

Your directors are pleased to recommend a dividend of Rs. 2.50 (25%) per equity shares of Rs 10 each aggregating to Rs. 4.34 Crores on paid up equity capital of the company for the financial year 2011-12, which if approved at the ensuing Annual General Meeting, will be paid to all those member (s) whose name appear in the register of members or beneficial owner(s) as provided by the depositories as on June 29, 2012.

PERSONNEL

The information required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, and forming part of the Report is annexed hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The details as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 are annexed.

SUBSIDIARY COMPANIES

A statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies is attached to the accounts. The Central Govt. has issued a General Circular No: 2/2011 dated 8-02-2011 directing that the provision of section 212 shall not apply in relation to subsidiaries of those companies which comply with certain disclosure requirements.

In terms of the said general exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956 and as per resolution passed by the Board of Directors at their meeting held on February 11, 2012, the Audited Statements of Accounts and the Auditors' Reports thereon for the year ended March 31, 2012 along with the Reports of the Board of Directors of the Company's Subsidiaries have not been annexed. The Company will make available these documents upon request by any member of the Company interested in obtaining the same. These documents are also made available on the website of the Company www.dcm.in.

However, as per the requirement of Accounting Standard AS-21 notified in the Companies (Accounting Standards) Rules, 2006, Consolidated Financial Statements presented by the Company includes the financial information of its subsidiaries.

AUDIT COMMITTEE

The Audit Committee of the Company consists of Mr. Jitendra Tuli, Chairman, Prof. Joginder Singh Sodhi, Dr. Surendra Nath Pandey and Mr. Bipin Maira.

AUDITORS

The Auditors of the Company, M/s A.F. Ferguson & Co., Chartered Accountants, retire at the conclusion of 122nd Annual General Meeting and are eligible for re-appointment. Your Board recommends their reappointment.

COST AUDIT

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed cost audit of the Company's Textile division. The Board of directors had appointed M/s. K. C. Kohli & Co, Cost Accountants as Cost Auditors of the Company for the financial year 2011-12. The Central Government had approved the appointment of M/s. K. C. Kohli & Co as the Cost Auditors of the Company. The Cost Audit report would be filed with the Central Government as per statutory timeline.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Corporate Governance Report, Management Discussion & Analysis and Auditors' certificate regarding compliance of Corporate Governance are made part of the Annual Report.

SOCIAL RESPONSIBILITY STATEMENT

The Company is running two Educational Institutions viz DCM Boys Sr. Sec. School and DCM Girls Sr. Sec. School. Both Schools cater to the lower income strata of the society. The Schools are recognised and affiliated to the Central Board of Secondary Education. There are approximately 900 students on the roll in both the schools in different classes. Last year these Schools have been shifted in New School Building which is futuristic in nature with all modern facilities. The Textile Division of the Company is also running a School upto 10th standard in its campus at Hissar, Haryana. There are approx 425 students on the roll in different classes. Last year 16 students of 10th Standard were placed in the merit list of Haryana Board of School Education (HBSE).

ACKNOWLEDGEMENTS

The Directors wish to acknowledge and thank the Central and State Governments and all regulatory bodies for their continued support and guidance. The Directors thank the shareholders, customers, business associates, Financial Institutions and Banks for the faith reposed in the company and its management.

The Directors place on record their deep appreciation of the dedication and commitment of your company's employees at all levels and look forward to their continued support in the future as well.

For and on behalf of the Board

Sd/-

Place : New Delhi **JITENDRA TULI**

Date : May 28, 2012 Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information as required under section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken :

Textile Division :

The Textile mill is continuously endeavoring to develop most energy efficient process and to upgrade into latest energy efficient devices. Recently the division has installed cyclic timer, ring inverter, LED light and frequency drive. The replacements of the conventional tubes/bulbs with CFLs are also continued all over the organization.

IT Division :

The operations involve low energy consumption. Wherever possible, energy conservation measures have been implemented and effort to conserve and optimise the use of energy is a continuous process.

(b) Total energy consumed and energy consumption per unit of Production :

Textile Division – Form-A appended herein.

IT Division – N.A.

2. **TECHNOLOGY ABSORPTION**
Efforts made in technology absorption are furnished in prescribed - Form B appended herein.

3. **FOREIGN EXCHANGE EARNINGS & OUTGO**
Total Foreign Exchange used and earned

	Rs. In Lacs
Foreign Exchange Earned	15896.23
Foreign Exchange Outgo	3211.90

FORM – A
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

Particulars	2011-2012 (12 Months)	2010-2011 (12 Months)
A. POWER AND FUEL CONSUMPTION	**46805594**	47104073
1. Electricity (KWH)(a)		
a) Purchased :-		
– Unit (KWH)	**46748310**	44703960
– Total Amount (Lac/Rs.)	**2194.22**	1966.33
– Rate per unit (Rs.)	**4.69**	4.40
b) Own Generation :		
i) Through Generator		
– Unit (KWH)	**57284**	2400113
– Unit per Lt. of F.O./ L.D.O./HSD	**2.45**	3.44
– Cost /unit (Rs./KWH)	**17.13**	8.84
ii) Through Steam Turbine/ Generator	**NIL**	NIL
2. Coal	**NIL**	NIL
3. Furnace Oil (LDO&HSD)		
– Quantity (K.Ltr.)	**23398**	696363
– Total Amount(Lac/Rs)	**9.81**	212.05
– Average Rate(Rs/K/Lt.)	**41.94**	30.45
4. Others (LPG)	**NIL**	NIL
– Quantity (K.Lt.)		
– Total /Cost (Rs/Lac)		
– Rate/Unit (Rs/Mt)		
B. CONSUMPTION PER UNIT OF PROD.		
Particulars Standard (if any)		
– Electricity (KWH)	**3.19**	3.05
– Furnace Oil/HSD(Ltrs)	–	–
– Coal	–	–
– Others (LPG)	–	–

FORM – B
FORM FOR DISCLOSURE OF PARTICULATRS WITH RESPECT TO TECHNOLOGY ABSORPTION-2011-12

RESEARCH & DEVELOPMENT

1. **SPECIFIC AREAS IN, WHICH R&D CARRIED OUT BY THE COMPANY**
Textile Division : NIL
IT Division : NIL

2. **BENEFITS DERIVED**
Textile Division : NIL
IT Division : NIL

3. **FUTURE PLAN OF ACTION**
Textile Division : NIL
IT Division : NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :
Efforts made & Benefits
Textile Division : NIL
IT Division : : The Division is operating in the fast evolving field of information technology. This necessitates regular technological upgradation of skills and training of employees in the latest developments in the field.

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report
(A) Employed throughout the year under review and who were in receipt of remuneration, which in aggregate was not less than Rs. 5.00 lacs per month.

Sl. No	Name	Designation and Nature of Duties	Unit/ Division	Remuneration received (Rs./Lacs)	Qualification	Experience (Year)	Age	Date of Commencement of Employment	Particulars of last employment
1	Mr. Hemant Bharat Ram	Officer-Textile Division	Corporate Office	117.13	B.S.(Math & Comp. Sc), MS(IA)	21	46	1-Aug-91	DCM Technologies Ltd.
2	Mr. Rakesh Goel	President- Textiles Chief Executive	DCM Textile, Hissar	64.21	MBA	32	55	23-Nov-90	Hafed Spinning Mills

(B) Employed for a part of the year under review and were in receipt of remuneration for any part of the period, at a rate which in aggregate was not less than Rs. 5.00 lacs per month.

Sl. No	Name	Designation and Nature of Duties	Unit/ Division	Remuneration received (Rs./Lacs)	Qualification	Experience (Year)	Age	Date of Commencement of Employment	Particulars of last employment
1	Mr. Ashok Agarwal	Executive Vice President (Legal)	Corporate Office	36.90	B.SC, LLB, Dip. in Corporate Law & Secretarial Practice, Labour Law, Taxation	33	56	20-Sept-82	Advocate Delhi High Court

Notes : Remuneration includes basic salary, contribution to provident and superannuation funds, allowances and taxable value of perquisites.

For and on behalf of the Board
Sd/-
JITENDRA TULI
Chairman

Place : New Delhi
Date : May 28, 2012

CORPORATE GOVERNANCE REPORT-2011-12

Corporate Governance Philosophy

Corporate Governance is about credibility, transparency and accountability of the Board and Management towards shareholders and other investors of the Company. We believe in a Board of appropriate size, composition and commitment to adequately discharge its responsibilities and duties. We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound systems of risk management and internal control. Given below is a brief report for the period April 01, 2011 to March 31, 2012 on the practices followed at DCM Limited towards achievement of good Corporate Governance :

BOARD OF DIRECTORS

(A) Composition of the Board :

As on March 31, 2012 the Board comprised of Six (6) Directors, namely, Mr. Jitendra Tuli, Chairman; Mr. Naresh Kumar Jain, Managing Director; Dr. Surendra Nath Pandey; Mr. Sudhin Roy Chowdhary; Prof. Joginder Singh Sodhi and Mr. Bipin Maira. All the Directors are non-executive and independent directors except Mr. Naresh Kumar Jain, Managing Director of the Company. Mr. Sudhin Roy Chowdhary was a Nominee Director of Life Insurance Corporation of India (LIC). LIC vide its letter dated April 9, 2012 has withdrawn the nomination of Mr. Sudhin Roy Choudhury and the fresh nomination is yet to receive from LIC. The composition of the Board is in conformity with the Listing Agreements. All the directors bring with them rich and varied experience in different facets of the corporate functioning. They play an active role in the meetings of the Board. None of the directors have any pecuniary relationship with the Company except for receiving of sitting fee for attending meetings of the Board and the Committees thereof.

(B) Tenure :

Tenure of directorship of Mr. Jitendra Tuli, who has been longest in office, is liable to retire by rotation under section 255 of the Companies Act, 1956 at the 122nd Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Bipin Maira has been appointed as additional director with effect from November 24, 2011. A resolution has been proposed for his regularization in the ensuing Annual General Meeting.

Life Insurance Corporation of India vide its letter dated April 9, 2012 has withdrawn the nomination of Mr. Sudhin Roy Choudhury and the fresh nomination is yet to receive from LIC.

Mr. Naresh Kumar Jain was re-appointed as Managing Director of the Company by the Board of Directors on November 09, 2011 for a period of one year i.e. with effect from December 20, 2011 to December 19, 2012. His appointment is placed for the approval and ratification of shareholders at the ensuing Annual General Meeting.

(C) Board Meetings :

During the year April 01, 2011 to March 31, 2012, four (4) meetings of the Board of Directors were held on May 25, 2011, August 05, 2011, November 09, 2011 and February 11, 2012. The attendance of each director at these meetings and the last Annual General Meeting was as under.

S. No	Name	Type of Director	No. of meetings held during 2011-12	No. of Meetings attended	Last AGM (on 15.07.2011) attended	Appointed as director on	Ceased to be director on
1.	Mr. Naresh Kumar Jain	Executive Director	4	4	Yes	17.02.01	—
2.	Dr. Surendra Nath Pandey	I-NED	4	4	Yes	10.12.01	—
3.	Prof. Joginder Singh Sodhi	I-NED	4	3	Yes	10.12.01	—
4.	Mr. Sudhin Roy Chowdhary (Nominee LIC)	I-NED	4	1	Yes	28.10.09	09.04.12
5.	Mr. Jitendra Tuli	I-NED	4	4	Yes	20.12.05	—
6	Mr. Bipin Maira	I-NED	4	1	N.A	24.11.11	—

I-NED- Independent –Non Executive Director

(D) Code of Conduct

The Company's Board has laid down a code of conduct for all the Board Members and Senior Management of the Company, which has been circulated, to all concerned executives through e-mail as well as by circulation through hard copies. All Board members and designated Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this report.

(E) Service Contract and Severance Fees

The appointment of Mr. Naresh Kumar Jain, Managing Director and Mr. Jitendra Tuli, Chairman & Non Executive Director of the Company is governed by the resolutions passed by the Board of Directors which covers the terms and conditions of such appointment. Both Executive and Non Executive Directors are paid sitting fees for attending the meetings of Board of Directors, Audit Committee, Review Committee, Share Transfer, Finance Facilities & Shareholders'/Investors' Grievance Committee and Compensation Committee.

The details of remuneration paid to directors during the period April 01, 2011 to March 31, 2012 are as under :

S. No.	Name	Sitting Fees (Rs./lacs)	Salary & Perquisites (Rs./lacs)
1.	Dr. Surendra Nath Pandey	1.24	Nil
2.	Mr. Naresh Kumar Jain	0.70	Nil
3.	Prof. Joginder Singh Sodhi	1.00	Nil
4.	Mr. Jitendra Tuli	1.09	Nil
5.	Mr. Sudhin Roy Chowdhary* (Nominee-LIC)	0.10	Nil
6.	Mr. Bipin Maira**	0.10	Nil
	TOTAL	4.23	Nil

* Ceased to be director w.e.f April 9, 2012

** Appointed as additional director w.e.f November 24, 2011

Stock Option Scheme : The Company does not have any Stock Option Scheme for any of its director or employee.

(F) Compensation Committee

The Company had constituted a Compensation Committee on January 30, 2003 for the appointment, promotion and remuneration of executives at General Manager and above levels.

As on March 31, 2012 the Compensation Committee comprised of Dr. Surendra Nath Pandey, Mr. Naresh Kumar Jain and Mr. Jitendra Tuli. During the year one meeting of the Compensation Committee was held on August 05, 2011. All the members of the Committee have attended the meeting.

The Compensation grades of the executives are governed by the HR policies of the Company. Managerial remuneration is regulated in terms of Section 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956. During the period under review, no remuneration was paid to any director except by way of sitting fees for attending meetings of the Board or Committees thereof.

(G) Number of Directorships / Chairmanship held in other Companies as on March 31, 2012 :

S. No.	Director	No. of Other Directorship		No. of Other Committee membership #	
		Director	Chairman	Member	Chairman
1.	Mr. Naresh Kumar Jain	Nil	Nil	Nil	Nil
2.	Dr. Surendra Nath Pandey	Nil	Nil	Nil	Nil
3.	Prof. Joginder Singh Sodhi	Nil	Nil	Nil	Nil
4.	Mr. Jitendra Tuli	1	Nil	Nil	1
5.	Mr. Sudhin Roy Chowdhary (Nominee-LIC)	NiL	NiL	Nil	Nil
6.	Mr. Bipin Maira	Nil	Nil	Nil	Nil

#includes Audit Committee & Share Transfer, Finance facilities and shareholders'/Investors' Grievance committee :

(H) Important items discussed at the Board Meetings :

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board meetings including :

1. Annual Business Plan including financial and operational plan
2. Quarterly financial results/Annual financial statements.
3. Appointment of senior executives.
4. Review of operation of units.
5. Investment proposals.
6. Quarterly statutory compliance report.
7. Progress on restructuring plan of the Company.
8. Capital budgets and updates.
9. Minutes of meetings of audit committee and other committees of the board.
10. Show cause, demand, prosecution notices and penalty notices, which are materially important

(I) Audit Committee.

The Audit Committee of the Board was reconstituted on February 11, 2012 by inducting Mr. Bipin Maira as a Member of the Committee. As on March 31, 2012, the Audit Committee of the Board comprised of Mr. Jitendra Tuli, Prof. Joginder Singh Sodhi, Dr. Surendra Nath Pandey and Mr. Bipin Maira. All the members of Audit Committee are Independent Directors. The terms of reference of Audit Committee include inter-alia systematic review of accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function, quarterly/half-yearly financial statements and risk management policies. It also recommends appointment of Statutory Auditors, Internal Auditors, Cost Auditors and fixation of audit fees. Mr. Jitendra Tuli, has financial and accounting knowledge.

Audit Committee meetings are attended by Chief Executive Officer, Chief Operating and Financial Officer, Sr. Executives of Accounts & Finance Department of the Company. Representatives of Statutory /Cost Auditors also attend the Audit Committee Meetings on invitation.

During the year 2011-12, four (4) Audit Committee meetings have taken place on May 25, 2011, August 05, 2011, November 09, 2011 and February 11, 2012. The attendance of each director at these meetings was as under :

S. No.	Name	Designation	No. of meetings held during 2011-12	No. of Meetings attended
1.	Mr. Jitendra Tuli	Chairman	4	4
2.	Dr. Surendra Nath Pandey	Member	4	4
3.	Prof. Joginder Singh Sodhi	Member	4	3
4.	Mr. Bipin Maira*	Member	NA	NA

*Was inducted to the Committee on February 11, 2012.

The composition and terms of reference of the Audit Committee are in conformity with the Listing Agreement and the Companies Act, 1956. The minutes of the meetings of the Audit Committee are placed before the Board for its information.

(J) Share Transfer, Finance Facilities and Shareholders'/ Investors' Grievance Committee :

The Board has delegated the authority to approve transfer of Shares/Debentures to the Company Secretary of the Company and Committee of Directors for "Share Transfer, Finance Facilities & Shareholders'/Investors' Grievance. As on March 31, 2012, the Committee comprised of Mr. Jitendra Tuli , Dr. Surendra Nath Pandey, Prof. Joginder Singh Sodhi and Mr. N K Jain. The attendance of directors in the said committee meetings was as follows :

S. No.	Name	Designation	No. of meetings held during 2011-12	No. of Committee meeting attended
1.	Mr. Jitendra Tuli	Chairman	6	5
2.	Dr. Surendra Nath Pandey	Member	6	6
3.	Prof. Joginder Singh Sodhi	Member	6	5
4.	Mr. Naresh Kumar Jain	Member	6	6

Information relating to Shareholders/ Investors Complaints are regularly placed before the Committee. The status of complaints received; disposed & pending as on March 31, 2012 is as under :

No. of Complaints Received	No. of Complaints not solved to the satisfaction of shareholders / Investors	No. of pending Complaints
44	NIL	NIL

The minutes of Share Transfer, Finance Facilities & Shareholders'/ Investors' Grievance Committee are placed before the Board for its information.

K. Compliance Officer

The Company Secretary of the Company acts as Compliance Officer of the Company.

L. Subsidiary Company

All the subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

Mr. Jitendra Tuli, independent director of the Company has been appointed as director on the Board of DCM Engineering Ltd, a Material Unlisted subsidiary of the Company. All minutes of the meetings of DCM Engineering Ltd. are placed before the Company's Board regularly. All significant transactions and arrangements entered into by the unlisted subsidiary company are brought to the attention of Company's Board.

The annual audited accounts of all the subsidiary companies and the related detailed information is available at the website of the company at www.dcm.in. The annual accounts of the subsidiary companies are also kept for inspection by any shareholders in the head office of the company and of the subsidiary companies concerned. Also the company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on request.

M. Disclosures

1. Related party transactions as per AS-18 have been dealt with in note 43 of the notes to the Financial Statements annexed. These transactions are not in conflict with the interest of the company.
2. The Company has not been imposed with any penalty by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to Capital Markets during the last three years.
3. The Company has a Legal Department headed by General Manager (Legal), which deals with the legal issues. The Secretarial Department is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws.
4. As a matter of transparency and good governance, key operational & financial data is furnished to the Directors in every meeting of the Board. Management Discussion and Analysis report forming part of the Annual Report is enclosed.
5. Disclosure regarding appointment or re-appointment of directors :

   Mr. Jitendra Tuli retires by rotation at the ensuing Annual General Meeting. Mr. Jitender Tuli is an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for 19 years till 1996. Journalist by profession, Mr. Tuli obtained his Post Graduate Diploma from London School of Journalism and attended the School of Public Relations and Communications at Boston University, USA. He is an alumni of Sriram college of Commerce. He started his career in journalism with the HT in 1964, subsequently moved to the Statesman in 1965. In 1971 he joined IBM as Communications Officer. He has travelled widely and has written for leading Newspapers and magazines.

   Mr. Bipin Maira was co-opted to the Board as additional director w.e.f. December 24, 2011. He holds office of Director until this Annual General Meeting and his re-appointment has been proposed in the ensuing Annual General Meeting. Mr. Bipin Maira is a Graduate in Science from Agra University and did Business Management – three year in house course at DCM. Mr. Maira has around 50 years of industry experience; He started his career with Delhi Cloth & General Mills Co. Ltd. as Senior Management Trainee in 1962 & grew to the position of General Manager of DCM before leaving in 1982. Served for seven years with the renowned Kewalram Chanrai Group as Chief Executive for their Nigerian manufacturing operations, including one of the largest textile complexes in Africa. Associated for thirteen years as Director & Partner with Resource Management Associates overseeing the International assignments in management consultation &

H R. Currently since 2007 as Group H R Advisor, to the Singapore based Kewalram Chanrai Group. During these period have travelled extensively to US, UK, Europe, South East Asia & Africa.

6. **Risk Management :**
The Company has laid down procedures to inform the Board members about the Risk Assessment and Risk Minimization. These procedures are being revised from time to time to ensure appropriate Risk Management and control.

N. **CEO/CFO Certification**
The certificate in compliance with Clause 49 V of the Listing Agreement was placed before the Board of Directors.

O. **Means of communication**
The quarterly / half yearly / annual financial results are announced within the stipulated period and are normally published in Financial Express (English) and Jansatta (Hindi) newspapers and are also forwarded to the Stock Exchanges as per Listing Agreement. The results are put up on their web-site(s) by the Stock Exchanges. The all financial results and other shareholder information are also available at the website of the company at www.dcm.in. The quarterly/ half yearly financial results are not sent to shareholders individually.
No presentation of financial results has been made to Financial Institutions/ analysts during the year.

GENERAL SHAREHOLDER INFORMATION

a. **Annual General Meeting :**
Date : Saturday, July 14, 2012
Time : 12.30 PM
Place : MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi

b. **Book Closure Date** : Saturday, June 30, 2012 to Saturday, July 14, 2012 (both days inclusive)

c. **Period** : April 01 to March 31

d. **Financial Calendar**

Financial reporting for the Quarter ending June' 12	End of July/ before mid Aug' 12
Financial reporting for the Quarter ending September' 12	End of Oct /before mid Nov' 12
Financial reporting for the Quarter ending December' 12	End of Jan/ before mid Feb' 12
Financial reporting for the financial year ending March' 13	End of May' 13

e. **Dividend Payment :** Dividend, if any, declared in the ensuing Annual General Meeting, will be paid within 30 days of the date of declaration to those Members whose names appear in the Register of Members on the date of book closure.

f. **Registered Office** : DCM LIMITED,
6th Floor, Vikrant Tower, 4 Rajendra Place,
New Delhi-110008.
Ph. : 011-25719967

g. **Registrar & Share Transfer Agent**
MCS Limited, F–65 Okhla Industrial Area, Phase I, New Delhi 110 020
Telephone No: 011- 41406149-52

h. **Share Transfer System/Listing :**
The Company's Shares are traded in the Stock Exchanges in compulsorily Demat mode as per Stock Exchanges Regulations. Physical Shares, which are lodged for transfer, are processed at MCS Ltd and returned to the Shareholders within 15 days from the date of receipt subject to documents being valid and complete in all respects.

i. **Listing :** Shares of Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fee for the year upto April 01, 2012 to March 31, 2013 has been paid to both Stock Exchanges.

j. **Securities Code :** Securities code for Company's equity shares on the Stock Exchanges are as follows:
Bombay Stock Exchange Ltd. : 502820
National Stock Exchange of India Limited : DCM

k. **Dematerialisation of Shares :** The Shares of the Company are compulsorily tradable in Dematerialised form by all categories of investors and placed under rolling settlement by SEBI. The Company has signed agreement with NSDL & CDSL for dematerialization of shares. ISIN No. of Company for dematerialization of equity shares is INE 498A01018. As on March 31, 2012, 93.86% of issued share capitals of the company have been dematerialized.

l. **Location of Works :** Textile Division: Hissar (Haryana)
IT Division: Gurgaon (Haryana)

m. **Details of last three AGMs**

Year	Location	Date	Time	Special Resolutions passed
2011	121st AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	15.07.2011	12.30 P.M.	Nil
2010	120th AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	30.07.2010	12.30 P.M.	Nil
2009	119th AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	13.08.2009	2.30 P.M.	Nil

n. **Distribution of shareholding as on March 31, 2012**

Category	No. of Shares	% of Shareholding
Promoters, Directors & Relatives	7767882	44.70
Mutual fund/UTI/FIs/Banks/Central Govt./State Govt./Insurance Companies	1802829	10.37
Bodies Corporate	2398643	13.80
NRI/Trust	90305	0.52
Individuals	5319378	30.61
TOTAL	**17379037**	**100**

Shareholdings	No. of folios	No. of Shares	% of Shareholding
Up to 5000	47933	3656524	21.04
5001-10000	74	566875	3.26
10001 – 50000	63	1329372	7.65
50001-100000	13	949003	5.46
Above 100000	20	10877253	62.59
Total	**48103**	**17379037**	**100**

o. **Deposits :**
The Company has not raised any deposits from the public during the financial year 2011-12.

p. **Outstanding ADRs/ GDRs :**
The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2011-12.

q. Pursuant to Regulation 3(1)(e) of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto 'Group" consists of Aggresar Leasing and Finance Pvt. Limited, Betterways Finance and Leasing Pvt. Limited, Midopa Holding Pvt. Ltd, Xonix Enterprises Pvt. Ltd., Lotte Holdings Pvt. Ltd, Lotus Finance and Investments Pvt. Ltd., Shrestha Real Estates Pvt. Ltd., Vinay Bharat Ram, Hemant Bharat Ram, Sumant Bharat Ram, Amina Bharat Ram, Yuv Bharat Ram, Rahil Bharat Ram.

r. **Investors Correspondence :**
The shareholders may address their communication to the Registrar and Share Transfer Agents at their address mentioned above or to the Company Secretary, Vikrant Tower, 4 Rajendra Place, New Delhi – 110008 or at exclusively designated e-mail ID for any grievance at *investors@dcm.in*

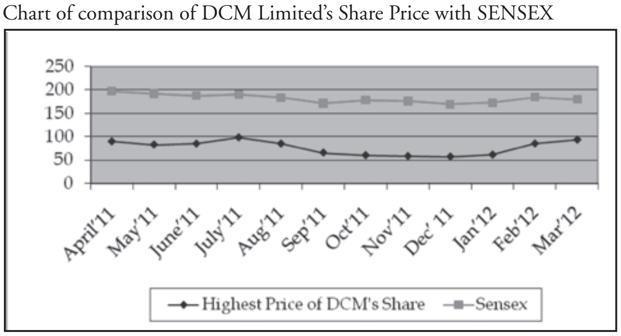
s. **Postal Ballot :**
During the year under review the Company has not passed any Resolution through Postal Ballot.

t. Stock Market Data and Share price performance in comparison to broad base indices

a) DCM LIMITED vs SENSEX

	DCM LIMITED		SENSEX	
	High	**Low**	**High**	**Low**
April-2011	90.75	75.55	19811.14	18976.19
May-2011	83.95	75.05	19253.87	17786.13
June-2011	85.95	74.15	18873.39	17314.38
July-2011	99.30	80.50	19131.70	18131.86
August-2011	86.00	44.75	18440.07	15765.53
September-2011	66.50	47.00	17211.80	15801.01
October-2011	60.75	53.75	17908.13	15745.43
November-2011	59.00	48.65	17702.26	15478.69
December-2011	57.90	42.40	17003.71	15135.86
January-2012	61.95	41.60	17258.97	15358.02
February-2012	86.20	50.05	18523.78	17061.55
March-2012	94.50	76.00	18040.69	16920.61

Chart of comparison of DCM Limited's Share Price with SENSEX

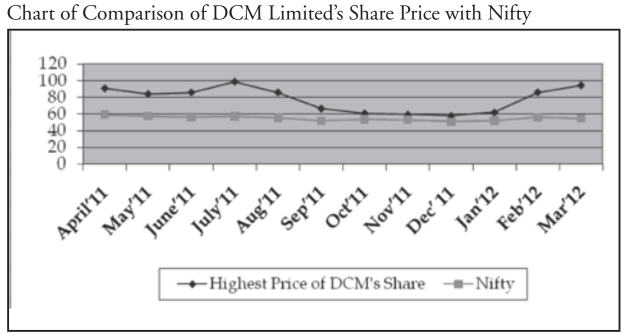


b) DCM LIMITED vs. NIFTY

	DCM LIMITED		NIFTY	
	High	**Low**	**High**	**Low**
April-2011	90.65	75.50	5944.00	5693.25
May-2011	84.00	74.00	5775.25	5328.70
June-2011	85.90	74.35	5657.90	5195.90
July-2011	98.70	80.65	5740.40	5453.95
August-2011	86.00	44.15	5551.90	4720.00
Septembr-2011	66.45	47.15	5169.25	4758.85
October-2011	60.70	51.30	5399.70	4728.30
November-2011	59.20	46.50	5326.45	4639.10
December-2011	57.80	42.10	5099.25	4531.15
January-2012	61.80	41.50	5217.00	4588.05
February-2012	86.00	57.00	5629.95	5159.00
March-2012	94.35	77.55	5499.40	5135.95

Source : BSE and NSE websites

Chart of Comparison of DCM Limited's Share Price with Nifty



Non-mandatory requirements

The Company has not adopted the non-mandatory requirements as specified in Annexure ID of the Listing Agreement except clause (2) relating to Remuneration Committee.

For and on behalf of the Board

Sd/-

Place : New Delhi
Date : May 28, 2012

JITENDRA TULI
Chairman

Chief Executive Officer Declaration

I, Vinay Bharat Ram, Chief Executive Officer of DCM LIMITED declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2012.

Sd/-

Place : New Delhi
Date : May 28, 2012

Dr. VINAY BHARAT RAM
Chief Executive Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF DCM LIMITED

We have examined the compliance of conditions of Corporate Governance by DCM Limited for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No. : 090295)

Place : New Delhi
Dated : May 28, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

TEXTILE DIVISION

Industry Structure and Developments

The spinning industry is continuously expanding in South Asia and China in the last few years and is becoming growth engine of these economies.

At present the contribution of the Indian Textile Industry to its GDP is about 4%. The Textile Industry provides direct employment to more than 35 million people and is the second largest employment provider in India after agriculture. It is also estimated that, the Industry will generate 12 million new jobs by the year 2014.

After the removal of quotas by European Union in 2005 and because of Textile Upgradation Fund (TUF) interest subsidy, huge capacity expansions have taken place in Textile Industry in India.

Policies of Government of India for restricting yarn exports in December 2010 had negative impact on cotton spinning Industry of India as huge yarn stocks were carried into next financial year that lead to adverse pressure on yarn prices. As a consequence the yarn prices fell down drastically during May 2011 to September 2011 causing heavy valuation losses to the Spinning Industry. Your company was also affected by this development.

Outlook

The outlook for Textile Industry in India is very optimistic. It is expected that Indian Textile Industry would continue to grow at an impressive rate. The fundamental strength of this industry flows from its strong production base of wide range of fibres / yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic. In fact, apart from China, no other country can boast of such strong and diverse base in textile fibres / yarns. The complex and varied structure of industry coupled with India's close linkage with culture and multi-fibre raw material base enables it to produce variety of products for varying consumer needs and preferences. The growth pattern of the Indian Textile Industry in the last decade has been considerably more than the previous decades, primarily on account of liberalization of trade and economic policies initiated by the Indian Government in the 1990s.

The inherent strengths of the Textile Industry have seen the Textile Industry through rough days and hard times. There have been many periods of adversity, when growth charts have dipped and it has appeared that misfortune will overtake. But like phoenix, the Textile Industry has risen each time from the ashes. Tremendous resilience and creative genius in India have achieved the due laurel for this Industry and the country, it is expected that it will be continued in the times to come.

Financial and Operational Performance

The performance of the Textile business for the year ended March 31, 2012 is as follows-

S. No.	Particulars	12 months (2011-12)	12 months (2010-11)
1	Sales in Quantity (MT)	**15115**	14102
2	Production (MT)	**14659**	15441
3	Sales & other Income (Rs in lacs)	**29334**	27164
4	Total Expenditure (Rs in lacs)	**(29586)**	(20445)
5	Finance Cost (Rs in lacs)	**(1624)**	(986)
6	Depreciation (Rs in lacs)	**(951)**	(913)
7	Profit/(Loss) before Tax (Rs in lacs)	**(2827)**	4820

Manpower Development

The industrial relation of the management with workers was cordial. Training of the employees is a continuous and integrated process of the division. Prior to training, competency of each employee is being assessed to identify potential of individuals. Training and mentoring programs are designed accordingly. Continuous experimentation with ways to improve the quality and productivity of our process is going on under TQM umbrella, so as to promote the culture of excellence.

Risk & Concerns

High volatility of cotton, yarn prices, rupee exchange rate, high attrition and shortage of work force are the major concerns for us. In order to mitigate the above risks, the Textile Division has been taking several initiatives like lowering inventory levels, currency hedges, reducing manpower requirement by modernization of machines, application of autonomous maintenance philosophy, rationalization of workforce, application of TQM tools, Employee training and development etc.

Safety

The division has taken new measures to ensure higher safety of assets. Division's commitment towards safety, health and environment has been clearly stated in the 'SHE Policy'. The division has constituted SHE Committee that meets periodically to assess the safety of the plant and health of their employees. The workers participation in SHE Committee is helping in formulation and effective implementation of safety and health programmes. The division ensures that the employees use proper Personal Protective Equipment (PPE) while at work.

Environment

The division is very conscious of its responsibility towards creating, maintaining and ensuring safe and clean environment. It adheres to all regulatory requirements and guidelines at all the times. The plant is well surrounded by lush green environment including green belts, floriculture, fruit orchards and general forestry plantation.

Social Responsibility

The division is running a school in the campus up to the 10th standard as part of social responsibility and as a good corporate citizen. There are 425 students on the rolls in different classes. The school is permanently recognized and affiliated to Haryana Board of School Education (HBSE). The management of school is continuously striving to provide quality education to its students and last year 16 students of Xth std. were placed in merit list of HBSE.

Internal Controls

The division is having proper and adequate system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The internal control systems are supplemented by Internal Audits and review of the same by Audit Committee at corporate level.

IT DIVISION

Industry Overview

The Indian Information Technology (IT) Industry has played a key role in putting India on the global map and is estimated to become a US $ 225 billion industry by the year 2020. Financial year 2012 was a landmark year for the industry because the industry crossed the US $100 billion mark. Out of this, export revenue was about US $ 69.1 billion registering a growth rate of 16% and domestic revenue was US $ 31.7 billion with a growth rate of around 9%. Software and services grew at 14.9%.

The IT Industry for many years has been a net foreign exchange earner for the country. The industry's share of total exports from India (merchandise plus services) increased from less than 4 per cent in financial year 1998 compared to about 25 per cent in financial year 2012. Also the IT Industry continues to be a net employment generator, with 230,000 jobs added in financial year 2012, thus providing direct employment to about 2.8 million people, and indirectly employing 8.9 million people. As a proportion of national GDP, the IT sector revenues have grown from 1.2 per cent in Financial Year 1998 to an estimated 7.5 per cent in Financial Year 2012. (source NASSCOM)

The US IT market, which is the largest contributor to the Indian IT sector's revenues, saw demand returning but the slowdown in Europe continues. The sovereign debt crisis in Greece, Portugal & Ireland caused other European Governments to bail them out. This has resulted in a significant drop in new orders from the European region. In addition, the global macro-economic scenario remains uncertain, linked with the rise in protectionist sentiments across major markets in US and Europe.

In domestic front, even though there are some hic-ups, the macro-economic reality is construed that India will have the youngest population in the world by 2020, while the global population in the "working age" group would drop dramatically. For India this has two direct implications, viz. the GDP of the country will grow dramatically because of a much larger workforce, and India will be able to support various global economies with both knowledge and process expertise. Therefore for India Centric companies there might be interim challenges from time–to–time, however the overall growth for industry will continue.

Opportunities & Outlook

The recent technological evolutions such as cloud computing and smartphones and its increased adoption has in addition to creating new markets and opportunities, brought lot of challenges also that would overthrow nearly every assumption about who the industry leaders are and how they establish the mainstream leadership.

While last year Social Media was on the hype cycle, this year it is expected to be 'Big Data'. With hyper competition here to stay, companies need to be able to mine data not only from within their own customer databases, but also see across various external unstructured contents and platforms. In addition to this is the onslaught of the Tablet. So not only the communication has increased, but more devices are getting inter linked, which is causing an explosion of data. Hence the organizations will need more computing power to be managed across systems, across networks and across geographies.

Outsourcing of work to low cost developing nations is continuing to grow in spite of the constant challenges it faces from the Government and lawmakers of developed countries. Within the global sourcing industry, India was able to increase its market share from 51 per cent in 2009, to 58 per cent in 2011, highlighting India's continued competitiveness and the effectiveness.

The IT Division's domain expertise includes a diverse knowledge of systems and technologies. Enterprises can benefit by leveraging on its robust global delivery model, proven methodologies, standardized tools and mature processes for enterprise infrastructure management services (IMS). IT Division offers focused solutions in core infrastructure areas and leverages its proven IT infrastructure tools and methodologies to design solutions that are closely aligned to the client's business strategy.

Financial & Operations Overview :

The India centric operations were overall at par with previous year, in spite of the reversals in the third quarter linked with some order terminations. The Overseas operations however under performed on account of sluggish market conditions especially in the later half of the year. The financial performance of the IT division for the year ended March 31, 2012 is as follows :

S. No.	Particulars	12 months (2011-12)	12 months (2010-11)
1.	Sales & Other Income	**4017**	4315
2.	Total Expenditure	**(3891)**	(4265)
3.	Profit before finance cost, Depreciation, Amortisation, & Tax	**126**	49
4.	Finance Cost	**(66)**	(58)
5.	Depreciation & Amortizations	**(22)**	(25)
6.	Profit/ (Loss) Before Tax	**38**	(33)

Over the years, the division has established itself in data center management business with specialization in managing different systems, storage devices and databases. It caters to organizations with a high IT dependency and large Unix & Virtualization based systems by providing highly qualified Unix, VMware, messaging & storage skills and data center management capability at competitive price. Its competitors are large multinational IT services companies. During the year the Division added new customers under the portfolio and now have a large presence in the NCR region. During the year, the division has made a significant breakthrough by procuring a large export Contract which should help reorient the future offshore business thrust and supplement the onsite business of the division.

Manpower Development /Industrial Relations

The division's business model is manpower centric and involves providing high-end technical services to clients in the field of Systems Administration and Systems Management. Requisite skill set is not easily available; hence it is necessary to train / upgrade the skills of manpower to meet the business requirements. The division has an in-house Competence Center to impart hands on training to employees in systems and storage domain and is the back bone of our operations.

Risks and Concerns

- The dependence on few customers for major part of business both in US and India is a concern area, though the division is consciously trying to diversify the customer base so as to insulate its revenues and profitability from changes in fortunes or business policies of its customers.
- The protectionist sentiment in the US and Europe is growing. Also the Eurozone crisis has far from the path of recovery. Both these factors have a possibility of skidding the growth rates and projections
- The Onsite business in US, is dependent upon changes in the regulations relating to labour, travel, work permits etc of that country - changes have a direct impact upon business. Any restrictions/ dis-incentives on offshoring if imposed by the US government might have impact on the business of the division.
- The exchange rate fluctuation has a direct and significant impact on the profitability, since a major part of the transactions are in foreign exchange. On the other hand with the Indian Rupee depreciating so much, the Indian economy will face intense pressure and the IT Services market in India could get impacted.
- Skilled manpower attrition continues to remain a major concern area for us, as also for most IT companies.
- The division operates in a dynamic technology environment, which makes it imperative that we continuously upgrade and evolve resources and processes - technological obsolescence is a risk that we need to manage.

Adequacy of Internal Control Systems

The Operations of the division are spread across different geographies, including India and the USA, hence commensurate Internal controls have been instituted that are regularly upgraded in-line with the changes in the regulatory and control requirements. The division has adequate control systems and internal policies, for order processing, legal compliances, employee recruitment and management, maintenance services and security systems to safeguard its IT infrastructure.

Cautionary Note

Statements in the Management Discussion and Analysis describing the division's objectives, estimates or projections may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the division's operations include changes in the main client's purchase procedures, changes in Government regulations, tax regimes, economic outlook in India and US and other incidental factors.

AUDITORS' REPORT

TO THE MEMBERS OF DCM Limited

1. We have audited the attached balance sheet of DCM Limited ("the Company") as at March 31, 2012, the statement of profit and loss and the cash flow statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to note 30 of the financial statements which explains in detail the position of the "Scheme of Restructuring and Arrangement", sanctioned by the High Court of Delhi as further modified vide its Order dated April 28, 2011 (hereinafter referred to as SORA) and the status of its implementation. The 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 and would not result into any adverse impact on the financials of the Company or on the successful implementation of the SORA. Our opinion is not qualified in respect of this matter.
4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further read with our comments in paragraph 3 and annexure referred to in paragraph 4 above, we report that :
   i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   iii) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
   iv) the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, *except that disclosures in terms of Accounting Standard (AS)-27 "Financial Reporting of Interest in Joint Ventures" for the reasons stated in note 44 of the financial statements have been made on the basis of last available financial statements of joint venture for the year ended March 31, 2011;*
   v) *various issues arisen/arising out of the reorganisation arrangement will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 40 of the financial statements. The effect of these on the accounts is not ascertainable at this stage;*

   The matters referred to in paragraphs 5 (iv) and (v) to the extent covered here above were also subject matter of qualification in our audit report on the financial statements for the year ended March 31, 2011.

   Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
   a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
   b) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
   c) in the case of the cash flow statement, of the cash flows for the year ended on that date.
6. On the basis of written representations received from the directors and taken on record by the Board of Directors and after considering SORA, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

Place : New Delhi
Date : May 28, 2012

JAIDEEP BHARGAVA
Partner
(Membership No.:090295)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the Company's business / activities / result, clauses (x), (xiii) and (xiv) of CARO are not applicable.

(i) In respect of its fixed assets :
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) As explained to us, the Company has a programme of physically verifying all its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, some of the fixed assets were physically verified by the management during the year. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventory :
   (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. However, in respect of certain raw materials, the inventories were verified by the management on a visual estimation which has been relied upon by us.
   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, during the year, the particulars of contracts / arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section. For this purpose, the Company has taken the view that the transactions which are subjected to the provisions of section 299(6) of the Act are not required to be entered in this register. There are no transactions in excess of Rs.5 lacs in respect of any party, listed in the register maintained under section 301 of the Companies Act, 1956, during the year.

(vi) In our opinion, after considering the information and explanations given to us that the Order dated September 10, 1998 of the Company Law Board issued under Section 58A(9) of the Companies Act, 1956 (the Act) is an integral part of SORA, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and section 58 AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

(vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) According to the information and explanations given to us and the records of the Company examined by us in respect of statutory dues and after considering SORA, pursuant to which certain past dues have been rescheduled for payment :

(a) The Company has been regular in depositing undisputed dues, including provident fund, investor education and protection fund, tax deducted at source, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it and generally been regular in depositing dues in case of employees' state insurance with the appropriate authorities. There were no undisputed statutory dues outstanding for a period of more than six months from the date they become payable as at the year end.

(b) Details of dues of customs duty, income-tax and service tax matters which have not been deposited as on March 31, 2012 by the Company on account of disputes are given below :

Name of the Statute	Nature of the Dues	Forum where pending	Total amount involved* (Rs. Lacs)	Amount paid under protest (Rs. Lacs)	Period to which the amount relates
Customs Act	Customs Duty	Commissioner of Customs (Appeals	12.55	–	1988-89
Income Tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	27.93	19.88	Assessment year 2009-10

*amount as per demand orders including interest and penalty wherever indicated in the demand.

For the above purposes, statutory dues payable in India have been considered. Further, the demands raised and already set off by the Income-tax Authorities against the carried forward losses of the Company or the refunds due to the Company, being no longer due for payment, have not been considered.

The following matters which have been excluded from the table have been decided in favour of the Company, although we are informed that the concerned regulatory authority has preferred appeal at a higher level :

Name of the Statute	Nature of the Dues	Forum where pending	Amount (Rs. Lacs)	Period to which the amount relates
Income Tax Act, 1961	Income- tax	Delhi High Court	442.48	Assessment Years 1983-84 to 1990-91

We have been further informed that there are no dues in respect of sales tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

(x) According to the information and explanations given to us and after considering SORA, the Company has not defaulted in repayment of dues to financial institutions, debenture holders and bank.

(xi) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.

(xiii) In our opinion and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short term basis have not been used for long term investments.

(xv) The Company has not made any preferential allotment of shares during the year.

(xvi) The Company has not issued any debentures during the year.

(xvii) The Company has not raised money by way of public issue during the year.

(xviii) To the best of our knowledge and according to the information and explanations given to us by the management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

Place : New Delhi
Date : May 28, 2012

JAIDEEP BHARGAVA
Partner
(Membership No.:090295)

	Note	As at March 31, 2012 Rs./ Lacs	As at March 31, 2011 Rs./ Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**1,737.59**	1,737.59
Reserves and surplus	3	**14,219.96**	14,110.04
		15,957.55	15,847.63
Non-current liabilities			
Long-term borrowings	4	**3,850.79**	5,332.95
Deferred tax liabilities (net)	5	**320.28**	412.28
Other long-term liabilities	6	**2,805.63**	3,136.90
Long-term provisions	7	**466.53**	977.72
		7,443.23	9,859.85
Current liabilities			
Short-term borrowings	8	**8,821.74**	18,209.55
Trade payables	9	**1,878.93**	1,575.46
Other current liabilities	10	**5,701.97**	6,231.68
Short-term provisions	11	**659.52**	720.81
		17,062.16	26,737.50
		40,462.94	52,444.98
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	**7,242.22**	7,682.56
Intangible assets	12	**–**	5.43
Capital work-in-progress		**1.87**	48.54
		7,244.09	7,736.53
Non-current investments	13	**7,020.34**	7,020.34
Long-term loans and advances	14	**2,446.64**	3,172.88
Other non-current assets	15	**2,995.24**	2,000.00
		19,706.31	19,929.75
Current assets			
Inventories	16	**7,864.52**	16,409.01
Trade receivables	17	**8,388.49**	12,759.98
Cash and bank balances	18	**1,094.98**	1,020.59
Short-term loans and advances	19	**2,390.97**	1,828.79
Other current assets	20	**1,017.67**	496.86
		20,756.63	32,515.23
		40,462.94	52,444.98
Significant accounting policies & Notes to the financial statements	1 to 48		

As per our report attached

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No.: 090295)

Place : New Delhi
Date : May 28, 2012

NARESH KUMAR JAIN
Managing Director

JITENDRA TULI
Chairman

BHABAGRAHI PRADHAN
Company Secretary

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

Statement of Profit and Loss for the year ended March 31, 2012

	Note	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
Revenue			
Revenue from operations (gross)	21	**34,874.34**	31,248.31
Less: Excise duty		**23.05**	19.29
		34,851.29	31,229.02
Other income	22	**877.95**	346.47
		35,729.24	31,575.49
Expenses			
Cost of materials consumed	23.a	**22,047.18**	18,043.44
Purchases of stock-in-trade	23.b	–	161.43
Changes in inventories of finished goods, work in progress and land (for development)	23.c	**1,872.97**	(3,523.66)
Employee benefits expense	24	**5,123.47**	5,634.22
Finance costs	25	**1,976.30**	1,429.56
Depreciation and amortisation expense	26	**990.04**	957.29
Other expenses	27	**5,065.75**	5,008.67
		37,075.71	27,710.95
Profit before exceptional items and tax		**(1,346.47)**	3,864.54
Exceptional Items of operational income	28	**1,800.00**	-
Profit before tax		**453.53**	3,864.54
Tax expense :			
Current tax (including foreign tax Rs. Nil (Previous year: Rs. 2.27 lacs)		**10.00**	761.56
Minimum alternative tax (MAT) credit entitlement		**(10.00)**	(444.17)
Deferred tax charge/(benefit)		**(92.00)**	978.59
Tax relating to prior years {including foreign tax Rs. 1.13 lacs, Previous year: Rs. (7.72) lacs}		**1.13**	(7.72)
		(90.87)	1,288.26
Profit for the year		**544.40**	2,576.28
Basic and diluted earning per share of Rs. 10 each		**3.13**	14.82

Significant accounting policies & Notes to the financial statements 1 to 48

As per our report attached

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No.: 090295)

Place : New Delhi
Date : May 28, 2012

NARESH KUMAR JAIN
Managing Director

JITENDRA TULI
Chairman

BHABAGRAHI PRADHAN
Company Secretary

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

Cash flow statement for the year ended March 31, 2012

		For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
A.	**Cash flow from operating activities**		
	Profit before tax	**453.53**	3,864.54
	Adjustments for :		
	Depreciation and amortisation expense	**990.04**	957.29
	Loss/ (profit) on sale / write off of fixed assets	**4.89**	(33.48)
	Loss/ (profit) on sale of non-trade non-current investments	**–**	0.71
	Finance cost	**1,976.30**	1,429.56
	Interest income	**(146.07)**	(108.80)
	Dividend income	**(452.20)**	(1.70)
	Operating profit before working capital changes	**2,826.49**	6,108.12
	Adjustments for changes in :		
	Inventories	**8,544.49**	(7,437.56)
	Trade receivables	**4,371.49**	(1,625.69)
	Short-term loans and advances	**139.77**	(142.83)
	Long-term loans and advances	**(1.88)**	220.26
	Other current assets	**(513.26)**	(293.50)
	Other non-current assets	**(995.24)**	-
	Trade payables	**303.47**	438.24
	Other current liabilities	**(1,077.32)**	86.38
	Other long-term liabilities	**(331.27)**	(186.40)
	Short-term provisions	**(23.91)**	77.44
	Long-term provisions	**(511.19)**	37.67
		12,731.64	(2,717.87)
	Net income tax (paid)	**(310.46)**	(641.61)
	Net cash generated / (used in) operating activities	**12,421.18**	(3,359.48)
B.	**Cash flow from investing activities :**		
	Sales of non-trade non-current investments -	**–**	2.10
	Purchase of non-trade non-current investments	**–**	(219.82)
	Purchase of fixed assets	**(218.24)**	(1,404.67)
	Sale of fixed assets	**2.68**	67.67
	Dividend received	**452.20**	2.05
	Interest received	**138.52**	106.63
	Net cash from investing activities	**375.16**	(1,446.04)
C.	**Cash flow from financing activities :**		
	Proceeds from long term borrowings	**981.04**	3,419.24
	Repayment of long-term borrowings	**(1,912.43)**	(2,802.41)
	Proceeds from short-term borrowings	**250.00**	1,000.00
	Repayment of short-term borrowings	**(1,000.00)**	(1,000.00)
	Changes in working capital borrowings	**(8,637.81)**	7,644.22
	Dividend paid (including tax on dividend)	**(422.57)**	-
	Finance cost paid	**(1,980.18)**	(3,375.03)
	Net cash from financing activities	**(12,721.95)**	4,886.02
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**74.39**	80.50
	Cash and cash equivalents at the beginning of the year *	**1,020.59**	940.09
	Cash and cash equivalents at the end of the year *	**1,094.98**	1,020.59
		74.39	80.50

Significant accounting policies & Notes to the financial statements 1 to 48

* Includes Rs. 423.17 lacs (Previous year: Rs. 430.02 lacs) as security with debenture trustee and Rs. 411.90 lacs (Previous year: Rs. 399.70 lacs) earmarked for specific use.

As per our report attached

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No.: 090295)

Place : New Delhi
Date : May 28, 2012

NARESH KUMAR JAIN
Managing Director

JITENDRA TULI
Chairman

BHABAGRAHI PRADHAN
Company Secretary

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

1. SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies

a) Accounting convention :

These financial statements have been prepared under the historical cost convention except revaluation of certain plots of land, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

b) Use of Estimates :

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from such estimates. The differences between the actual results and estimates are recognised in the year in which the results are known/ materialized. Any revision to accounting estimate is recognised prospectively in current and future period.

c) Fixed assets :

Fixed assets, other than certain plots of land, which have been revalued, are stated at cost of acquisition/ construction less accumulated depreciation. The cost includes all pre-operative expenses and the financing cost of borrowed funds relating to the construction period in the cases of new projects and expansion of existing factories. Certain lands, which are revalued, are stated at revalued figures on the basis of valuation reports of approved valuers.

d) Impairment :

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

e) Depreciation and amortisation :

(i) The Company follows straight-line method of depreciation in respect of buildings / plant and machinery and all assets of IT Division and written down value method in respect of other assets.

(ii) The rates of depreciation charged on all fixed assets are in accordance with the rates specified in Schedule XIV to the Companies Act, 1956, except (excluding those relating to IT Division) in the following cases :

a) Vehicles, office and other equipment - 33.33%

(Other than computers)

b) Assets acquired upto June 30, 1986

– Plant and machinery – Rates prescribed under the Income-tax Rules, 1962, at the time of acquisition of such assets.

– Factory buildings – 3.39%

– Other buildings – 1.64%

iii) On assets sold, discarded, etc., during the period/year, depreciation is not provided up to the date of sale/discard.

iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation of all assets of the IT Division and on plant and machinery in other cases. Depreciation on remaining assets is provided for full year / period irrespective of the date of acquisition.

v) Leasehold improvements are amortised over the balance of the primary lease period.

vi) The intellectual property rights are amortised on a straight-line basis, based on management estimates of useful life varying from 1 to 5 years, commencing from the month in which the asset is available to the Company for use.

vii) Computer software are amortised over a period of 5 years.

f) Investments :

Long-term investments are valued at cost unless there is a permanent fall in the value thereof.

g) Inventories :

i) Stores, spares and components are valued at cost or under.

ii) Raw materials, process stocks, finished goods and stock in trade are valued at lower of cost and net realisable value.

iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.

Cost of inventories, other than land (for development), is ascertained on the weighted average basis. Further, in respect of the manufactured inventories, i.e., process stocks and finished goods, appropriate share of manufacturing expenses are included on absorption costing basis. Work in process relating to software contracts includes salary and other directly identifiable expenses incurred on fixed price contracts, till the completion of specified deliverables, and are valued at cost or net realisable value, whichever is lower.

h) Revenue recognition :

i) Sale of goods is recognised at the point of despatch of finished goods to customers which coincides with the transfer of risk and reward of ownership. Sales are inclusive of excise duty and exclusive of sales tax.

ii) Revenue from software development contracts is recognised on the basis of milestone achieved, as provided in the contract.

iii) Revenue on maintenance contracts is recognised on pro-rata basis linked with the period of contract.

iv) Services income is recognised on accrual basis, as provided in the contracts.

v) In respect of Land Development Project, sale of rights on outright basis is recognised in the year of such sale.

vi) Interest income is recognised using the time proportion method.

i) Excise Duty :

Excise duty on sales is being deducted from gross sales and any increase/ decrease in excise duty on finished goods is being shown separately in the statement of profit and loss.

j) Research and development expenditure :

The revenue expenditure on research and development is expensed out in the year in which it is incurred. Expenditure, which results in creation of capital assets, is treated as similar to expenditure on other fixed assets.

k) Employees' Benefits :

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to statement of profit and loss.

l) Taxes on Income :

Income-tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income tax Act, 1961.

Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

m) Foreign exchange transactions :

i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rates on the date of the balance sheet.

The exchange differences arising on settlement of monetary items or on reporting these items at the rates different from the rates at which these were initially recorded / reported in previous financial statements, are recognised as income / expense in the period in which they arise, except for exchange differences arising during construction period on restatement of foreign currency liabilities incurred in relation to the project which are adjusted in cost of fixed assets.

In case of forward exchange contracts, the premium or discount, arising at the inception of such contracts, is amortised as income or expense over the life of the contract and the exchange difference on such contracts, i.e., difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception of contract / the last reporting date, is recognised as income / expense for the period except for exchange differences arising during construction period on restatement of foreign currency liabilities incurred in relation to the project which are adjusted in cost of fixed assets. Derivatives not covered in AS -11 are marked to market at balance sheet date and resulting loss, if any, is recognized in the statement of profit and loss in view of the principle of prudence.

ii) In respect of financial statements of integral foreign operations of foreign branches, fixed assets are recorded at cost, based on the exchange rate prevailing on the date of transactions. Current assets and current liabilities are reported using the exchange rates on the date of the balance sheet. Incomes and expenses are translated at the average of monthly closing rates of exchange. The resultant exchange gains / losses are recognised in the statement of profit and loss.

			As at March 31, 2012		As at March 31, 2011
2.	**Share capital**	**No. of shares**	**(Rs. Lacs)**	**No. of shares**	(Rs. Lacs)
	Authorised				
	Equity shares of Rs. 10 each with voting rights	**60,000,000**	**6,000.00**	60,000,000	6,000.00
	9.5% - 6th Cumulative redeemable preference shares of Rs. 25 each	**320,000**	**80.00**	320,000	80.00
	Preference shares of Rs. 25 each	**3,680,000**	**920.00**	3,680,000	920.00
	Cumulative convertible preference shares of Rs. 100 each	**1,000,000**	**1,000.00**	1,000,000	1,000.00
			8,000.00		8,000.00
	Issued, Subscribed and fully paid up *				
	Equity shares of Rs. 10 each with voting rights fully paid up **	**17,379,037**	**1,737.90**	17,379,037	1,737.90
	Less: Calls in arrears by others		**0.31**		0.31
			1,737.59		1,737.59

* The Company has issued one class of equity shares having at par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.

** There is no change in issued, subscribed and paid up share capital during the current year and corresponding previous year.

The shareholders holding more than 5% equity shares of the Company are as under :

	As at March 31, 2012 Number of shares	**As at March 31, 2012 % holding in the shares**	As at March 31, 2011 Number of shares	As at March 31, 2011 % holding in the shares
Aggresar Leasing and Finance Private Limited	**3,716,578**	**21.39%**	3,716,578	21.39%
Betterways Finance & Leasing Private Limited	**1,224,835**	**7.05%**	1,152,079	6.63%
Life Insurance Corporation of India	**1,573,307**	**9.05%**	1,573,307	9.05%

		As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
3.	**Reserves and surplus**		
	Capital reserve *		
	At the beginning and end of the year	**24.90**	24.90
	Capital redemption reserve		
	At the beginning and end of the year	**130.00**	130.00
	Securities premium account		
	At the beginning and end of the year	**3,767.00**	3,767.00
	Debenture redemption reserve		
	Opening balance	–	576.02
	Less: Transferred to Surplus in Statement of Profit and Loss	–	576.02
	Closing balance	–	-
	General reserve		
	Opening balance	**260.00**	-
	Add: Transferred from surplus in Statement of Profit and Loss	**60.00**	260.00
	Closing balance	**320.00**	260.00
	Surplus in Statement of Profit and Loss		
	Opening balance	**9,928.14**	7,540.80
	Add:Profit for the year	**544.40**	2,576.28
	Amounts transferred from Debenture redemption reserve	–	576.02
	Less:Proposed dividend on equity shares	**434.48**	434.48
	Corporate dividend tax	**70.48**	70.48
	Reversal of corporate dividend tax	**(70.48)**	-
	Transferred to general reserve	**60.00**	260.00
	Closing balance	**9,978.06**	9,928.14
		14,219.96	14,110.04

* Represents Central/State Government subsidy.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
4. Long-term borrowings		
Secured		
Term loans		
From banks *	**5,965.14**	6,885.65
From others **	**14.44**	24.13
	5,979.58	6,909.78
Unsecured		
Term loans		
From others ***	**1,071.35**	1,071.35
Deposits		
Others	**45.61**	46.80
	1,116.96	1,118.15
	7,096.54	8,027.93
Less: Current Maturities on long term borrowings #	**3,245.75**	2,694.98
	3,850.79	5,332.95

* Term loans from banks include :

– Term loans aggregating Rs. 3,996.75 lacs (Previous year: Rs. 4,557.85 lacs) are secured by first charge by way of hypothecation, ranking pari-passu with the charge created for availing cash credit, overdraft and working capital demand loan facilities described in note 8, on existing as well as future block of movable assets and an equitable mortgage, by deposit of title deeds, of all the immovable assets, both present and future, pertaining to the Textile Division at Hissar. Due within one year Rs. 902.00 lacs (Previous year: Rs. 834.75 lacs).

Rs. 2,312.50 lacs repayable in 13 quarterly installments, Rs. 397.00 lacs repayable in 20 quarterly installments and Rs. 1,287.25 lacs repayable in 27 quarterly installments.

– Corporate loan of Rs. 1,943.82 lacs (Previous year: Rs. 2,288.82 lacs) secured by first charge by way of hypothecation, ranking pari-passu with the charge created for availing cash credit, overdraft and working capital demand loan facilities and term loans described in note 8, on existing as well as future block of movable assets and an equitable mortgage, by deposit of title deeds, of all the immovable assets, both present and future, pertaining to the Textile Division at Hissar. Due within one year Rs. 1,327.00 lacs (Previous year: Rs. 836.00 lacs). Rs. 1,243.82 lacs repayable in 5 quarterly installments and Rs. 700 lacs repayable in 4 equal quarterly installments.

– Rs. 24.57 lacs (Previous year: Rs. 38.98 lacs) relate to assets purchased under hire purchase/financing arrangements with banks and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. Due within one year Rs. 11.63 lacs (Previous year: Rs. 14.55 lacs).

** Rs. 14.44 lacs (Previous year: Rs. 24.13 lacs) relate to assets purchased under hire purchase/financing arrangements with finance companies and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. Due within one year Rs. 5.12 lacs (Previous year: Rs. 9.68 lacs).

*** Term loan aggregating to Rs. 1,071.35 lacs includes Rs. 1,000.00 lacs (Previous year: Rs. 1,000.00 lacs) secured by registered mortgage of farm house land situated at Rajokri, New Delhi, admeasuring 2.50 acres, owned by a promoter group company. Due within one year Rs. 1,000.00 lacs (Previous year: Rs. 1,000.00 lacs).

\# Refer note 10.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
5. Deferred tax liabilities (net)		
Deferred tax liability on :		
Accelerated depreciation	**594.28**	638.47
Less :		
Deferred tax asset on :		
Unabsorbed depreciation	**50.70**	–
Accrued expenses deductible on payment	**198.59**	209.70
Provision for doubtful debts and advances	**24.71**	16.49
	274.00	226.19
	320.28	412.28

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
6. Other long-term liabilities		
Trade payables	**82.39**	82.17
Security deposit	**19.01**	319.57
Land development project liabilities	**1,577.71**	1,601.56
Others	**1,126.52**	1,133.60
	2,805.63	3,136.90

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
7. Long-term provisions		
Provision for employee benefits :		
Compensated absences	**141.14**	138.39
Gratuity	**325.39**	337.59
	466.53	475.98
Others :		
Provision for contingencies	–	501.74
	466.53	977.72

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
8. Short-term borrowings		
Secured		
Loans repayable on demand from banks *	**8,571.74**	**17,209.55**
Other loans and advances **	**250.00**	1,000.00
	8,821.74	18,209.55

* Loans repayable on demand from banks include

– cash credit/overdraft and working capital demand loan facilities aggregating Rs. 8,161.17 lacs (Previous year: Rs. 12,001.76 lacs) and other non-fund based facilities from a bank, are secured by way of hypothecation of stocks / stores and book debts, both present and future. These are further secured by equitable mortgage of immovable assets, both present and future, and first charge, ranking pari-passu with the charge created for availing term loans as described in note 4, by way of hypothecation of existing as well as future block of movable assets pertaining to the Textile Division at Hissar.

– working capital demand loans aggregating Rs. Nil (Previous year: Rs. 4,750.00 lacs) from banks are secured by way of pledge of cotton stocks, pertaining to the Textile Division at Hissar.

– cash credit facilities relating to IT Division, aggregating Rs. 410.57 lacs (Previous year: Rs. 457.78 lacs) and other non-fund based facilities from a bank, are secured by way of first charge/hypothecation of raw materials, stock-in-progress, finished goods, stores, spares, book debts and other assets of the Division (both present and future), and by way of first charge on office property at Hyderabad. The above facility is further secured by way of first charge created / to be created on other fixed assets of the Division.

** Other loans and advances include.

– Rs. 250.00 lacs (Previous year: Rs. 1,000.00 lacs) secured by pledge of 1,100,000 (Previous year: 2,000,000) equity shares of DCM Engineering Limited on a margin of 100% over the outstanding loan amount.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
9. Trade payables		
Dues to Micro & Small Enterprise #	**0.26**	@
Others	**1,878.67**	1,575.46
	1,878.93	1,575.46

\# Based upon the information available with the Company, the balance due to the Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is Rs. 0.26 lacs (Previous year: Rs. 310). Further, no interest has been paid or payable during the year under the terms of the MSMED Act, 2006.

@ Represents Rs. 310.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
10. Other current liabilities		
Current maturities of long-term borrowings *		
Secured		
From Banks	**2,240.63**	1,685.30
From Others	**5.12**	9.68
Unsecured		
From Others	**1,000.00**	1,000.00
Unclaimed dividends	**11.91**	–
Unclaimed matured deposits and interest accrued thereon **	**137.35**	137.84
Unclaimed matured debentures and interest accrued thereon **	**698.98**	705.00
Unclaimed application money on Debentures **	1.21	1.21
Statutory dues payable	**54.30**	77.54
Liabilities for capital goods	**0.78**	11.97
Security deposits received	**0.43**	3.93
Advances from customers	**38.26**	78.58
Interest accrued but not due on borrowings	**0.50**	4.38
Land development project liabilities	**1,512.50**	2,516.25
	5,701.97	6,231.68

* Refer note 4.

** No amount is due for transfer under Investor Education and Protection Fund in view of SORA, pursuant to which certain past dues have been rescheduled for payment.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
11. Short-term provisions		
Provision for employee benefits :		
Compensated absences	**12.25**	22.53
Gratuity	**41.29**	54.92
	53.54	77.45
Others :		
Provision for Tax	**101.02**	138.40
{net of Advance Tax Rs.2,158.09 Lacs (Previous year: Rs. 2,191.63 Lacs)}		
Proposed equity dividend	**434.48**	434.48
Corporate dividend tax	**70.48**	70.48
	605.98	643.36
	659.52	720.81

12. Fixed assets (Rs./lacs)

Description	Gross Block				Depreciation and amortisation				Net Block	
	As at March 31, 2011	**Additions**	**Deductions**	**As at March 31, 2012**	Upto March 31, 2011	**For the year**	**On sales/ disposal**	**As at March 31, 2012**	**As at March 31, 2012**	As at March 31, 2011
Tangible Assets										
Freehold Land *	977.48	—	—	**977.48**	—	—	—	—	**977.48**	977.48
Buildings	1,733.55	**37.36**	—	**1,770.91**	494.30	**51.55**	—	**545.85**	**1,225.06**	1,239.25
Lease improvement	28.43	—	—	**28.43**	5.18	**2.98**	—	**8.16**	**20.27**	23.25
Plant and machinery	11,551.86	**511.32**	**132.96**	**11,930.22**	6,261.38	**896.69**	**126.95**	**7,031.12**	**4,899.10**	5,290.48
Furniture and fittings	234.71	**1.23**	**0.18**	**235.76**	202.18	**7.79**	**0.13**	**209.84**	**25.92**	32.53
Office Equipments	95.08	**1.85**	**2.06**	**94.87**	62.78	**5.87**	**0.96**	**67.69**	**27.18**	32.30
Vehicles	213.07	—	**4.65**	**208.42**	125.80	**19.65**	**4.24**	**141.21**	**67.21**	87.27
Sub Total	14,834.18	**551.76**	**139.85**	**15,246.09**	7,151.62	**984.53**	**132.28**	**8,003.87**	**7,242.22**	
Previous Year	13,821.66	**1,728.01**	**715.49**	**14,834.18**	6,877.36	**955.56**	**681.30**	**7,151.62**		7,682.56
Intangible Assets										
Intellectual Property Rights	279.90	—	—	**279.90**	279.90	—	—	**279.90**	—	—
Computer Software	217.46	**0.08**	**1.66**	**215.88**	212.03	**5.51**	**1.66**	**215.88**	—	5.43
Sub Total	497.36	**0.08**	**1.66**	**495.78**	491.93	**5.51**	**1.66**	**495.78**	—	
Previous Year	495.93	**2.58**	**1.15**	**497.36**	491.35	**1.73**	**1.15**	**491.93**		5.43
Grand Total	15,331.54	**551.84**	**141.51**	**15,741.87**	7,643.55	**990.04**	**133.94**	**8,499.65**	**7,242.22**	
Previous Year	14,317.59	**1,730.59**	**716.64**	**15,331.54**	7,368.71	**957.29**	**682.45**	**7,643.55**		7,687.99
Capital Work-in-progress									**1.87**	48.54
									7,244.09	7,736.53

* Include Rs. 969 lacs added in 1992-93 on revaluation.

		As at March 31, 2012 Rs./Lacs		As at March 31, 2011 Rs./Lacs
13. Non-current investments				
Investments (At cost unless otherwise stated) :				
In equity instruments				
A. Trade (unquoted)				
(i) Subsidiary				
50,000 (Previous year: 50,000) shares of Rs. 10 each fully paid up in DCM Textiles Limited		**5.00**		5.00
(ii) Joint venture company				
15,387,470 (Previous year: 15,387,470) shares of Rs. 10 each fully paid up in Purearth Infrastructure Limited @		**2,443.64**		2,443.64
Total - Trade (A)		**2,448.64**		2,448.64
B. Others				
Unquoted				
Subsidiaries				
15,049,988 (Previous year: 15,049,988) shares of Rs. 10 each fully paid up in DCM Engineering Limited *		**4,205.00**		4,205.00
49,996 (Previous year: 49996) shares of Rs. 10 each fully paid up in DCM Finance & Leasing Limited		**5.00**		5.00
2,550,020 (Previous year: 2,550,020) shares of Rs. 10 each fully paid up in DCM Realty Investment & Consulting Limited		**255.00**		255.00
50,000 (Previous year: 50,000) shares of Rs. 10 each fully paid up in DCM Tools & Dies Limited		**5.00**		5.00
Quoted				
Others				
5,000 (Previous year: 5,000) shares of Rs. 10 each fully paid up in SRF Limited		**1.60**		1.60
59,584 (Previous year: 59,584) shares of Rs. 10 each fully paid up in Daewoo Motors India Limited **	**16.34**		16.34	
Less: Provision for diminution in value of investments	**16.34**	#	16.34	#
		4,471.60		4,471.60

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
Non-current investments continued...		
In preference shares		
Unquoted		
Subsidiaries		
100 (Previous year: 100) 13.5% Redeemable cumulative preference shares of Rs. 100 each fully paid up in DCM Finance & Leasing Limited	**0.10**	0.10
Others		
100,000 (Previous year: 100,000) 0% Non-cumulative redeemable preference shares of Rs. 100 each fully paid up in Combine Overseas Limited ***	**100.00**	100.00
	100.10	100.10
Total - Other investments (B)	**4,571.70**	4,571.70
Total (A+B)	**7,020.34**	7,020.34
Aggregate cost of quoted investments (net of provision for diminution)	**1.60**	1.60
Aggregate market value of listed and quoted investments	**12.39**	15.92
Aggregate cost of unquoted investments	**7,018.74**	7,018.74

@ In terms of SORA, the Company will not dispose off its shareholding in Purearth Infrastructure Limited until the completion of the land development project at Bara Hindu Rao/ Kishan Ganj.

* 11,00,000 (Previous year: 2,000,000) fully paid up equity shares of Rs. 10 each of DCM Engineering Limited have been pledged with a body corporate.

** 59,584 (Previous year: 59,584) fully paid equity shares of Rs. 10 each of Daewoo Motors (India) Limited have been pledged with one of the financial institution are pending for release.

*** Refer note 38.

\# Represent Re. 1/-

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
14. Long-term loans and advances		
Unsecured, considered good		
Capital advances *	**444.74**	742.86
Security deposits	**187.93**	186.29
Balances with government authorities	**49.38**	49.38
MAT credit entitlement	**1,234.84**	1,664.84
Other loans & advances	**529.75**	529.51
Considered doubtful		
Other loans & advances $	**785.07**	785.07
	3,231.71	3,957.95
Less: Provision for other doubtful loans and advances	**785.07**	785.07
	2,446.64	3,172.88

* Refer note 37.

$ Include Rs. 150.22 lacs (Previous year: Rs. 150.22 lacs) as inter corporate deposits.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
15. Other non-current assets		
Unsecured, considered good		
Trade receivables	**2,000.00**	2,000.00
Others		
Compensation receivable from a customer	**990.00**	–
Other Bank Balances		
Deposits with maturity for more than 12 months **	**5.24**	–
	2,995.24	2,000.00

** Held as margin money against bank guarantee/security.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
16. Inventories		
Raw materials #	**4,233.42**	10,873.47
Work-in-progress #	**490.76**	765.39
Finished goods #	**2,035.50**	3,633.84
(Includes goods in transit Rs. 484.32 lacs (Previous year: Rs. 71.02 lacs)		
Land (for Development) ##	**1,000.00**	1,000.00
Stores and spares ###	**104.84**	136.31
	7,864.52	16,409.01

\# Valued at lower of cost and net realisable value.

\## Valued at the lower of its historical cost and net realisable value and includes appropriate share of land development expenses and finance cost of borrowed funds.

\### Valued at cost or under.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
17. Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	**8.60**	308.45
Unsecured, considered good	**29.10**	4,927.71
Doubtful	**67.49**	42.14
	105.19	5,278.30
Less: Provision for doubtful trade receivables	**67.49**	42.14
	37.70	5,236.16
Other Trade receivables		
Secured, considered good	**2.00**	1.60
Unsecured, considered good	**8,348.79**	7,522.22
	8,350.79	7,523.82
	8,388.49	12,759.98

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
18. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	**5.33**	4.81
Balances with banks		
In current accounts *	**206.33**	375.13
In deposit accounts **	**317.54**	88.84
Others bank balances		
In deposit accounts #	**565.78**	551.81
	1,094.98	1,020.59

* Includes Rs. 3.51 lacs (Previous year: Rs. 5.25 lacs) as security with Debenture trustees and Rs. 27.35 lacs (Previous year: Rs. 286.33 lacs) earmarked for specific use.

** Includes Rs. 0.27 lacs (Previous year: Rs. Nil) as security with Debenture trustees, Rs. 4.96 lacs (Previous year: Rs. 4.32 lacs) against bank guarantee/ security and Rs. 264.86 lacs (Previous year: Rs. 15.43 lacs) earmarked for specifice uses.

\# Includes Rs. 3.69 lacs (Previous year: Rs. 2.27 lacs) against bank guarantee/ security, Rs. 419.39 lacs (Previous year: Rs. 424.77 lacs) as security with Debenture trustees and Rs. 119.69 lacs (Previous year: Rs. 97.94 lacs) earmarked for specific uses.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
19. Short term loans & advances		
Unsecured, considered good		
Advance to Suppliers	**64.80**	111.52
Loans and advances to employees	**43.09**	33.98
Security deposits	**3.30**	2.64
Prepaid expenses	**49.52**	73.44
Balances with government authorities	**862.19**	1,043.66
Advance income tax {(net of provisions Rs. 2158.09 lacs, (Previous year: Rs. 2191.63 lacs)}	**426.36**	164.41
MAT credit entitlement	**440.00**	-
Other loans & advances @	**501.71**	399.14
	2,390.97	1,828.79

@ Represents advance for purchase in rights in flats Rs. 501.71 lacs (Previous year: Rs. 399.14 lacs).

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
20. Other current assets		
Unsecured, Considered goods		
Interest accrued on deposits	**22.77**	15.22
Unbilled revenue	**78.64**	95.53
Insurance claim	**192.06**	192.06
Others receivables	**724.20**	194.05
	1,017.67	496.86

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
21. Revenue from operations		
Sale of products		
Manufactured goods		
Cotton Yarn	**26,589.18**	25,451.19
Sale of services	**3,937.81**	4,297.68
	30,526.99	29,748.87
Other operating revenues		
Waste Sales	**1,781.57**	1,360.96
Duty drawback and other export incentives	**710.73**	113.59
Liabilities/ Provisions no longer required written back	**1,841.11**	7.55
Miscellaneous sales/ Income	**13.94**	17.34
	4,347.35	1,499.44
	34,874.34	31,248.31
Less: Excise duty	**23.05**	19.29
	34,851.29	31,229.02

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
22. Other Income		
Interest income	**146.07**	108.80
Dividend from non-trade non-current investments		
Subsidiaries	**451.50**	-
Others	**0.70**	1.70
Net gain on foreign currency transactions and translation	**247.08**	133.71
Profit on sale of fixed assets	**0.60**	36.09
Liabilities/ Provisions no longer required written back	**0.29**	36.93
Other non-operating income	**31.71**	29.24
	877.95	346.47

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
23. Cost of materials consumed		
23.a Cost of materials consumed - Cotton		
Opening stock	**10,873.47**	6,970.06
Add: Purchases	**15,407.13**	21,946.85
	26,280.60	28,916.91
Less: Closing stock	**4,233.42**	10,873.47
	22,047.18	18,043.44

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
Cost of materials consumed continued...		
23.b Purchases of stock-in-trade		
Cotton Yarn	–	161.43
	–	161.43
23.c Changes in inventories of finished goods, work-in-progress and land (for development)		
Inventories at the end of the year :		
Finished goods	**2,035.50**	3,633.84
Work-in-progress	**490.76**	765.39
Land (for development)	**1,000.00**	1,000.00
	3,526.26	5,399.23
Inventories at the beginning of the year :		
Finished goods	**3,633.84**	526.92
Work-in-progress	**765.39**	348.65
Land (for development)	**1,000.00**	1,000.00
	5,399.23	1,875.57
Net (increase) / decrease	**1,872.97**	(3,523.66)

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
24. Employee benefits expense		
Salaries, wages, bonus and gratuity etc.	**4,679.55**	5,163.75
Contributions to provident and other funds	**364.52**	403.03
Staff welfare expenses	**79.40**	67.44
	5,123.47	5,634.22

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
25. Finance costs		
Interest expense @		
on borrowings	**1,912.79**	1,373.33
on taxes	**14.79**	–
Other borrowing costs	**48.72**	56.23
	1,976.30	1,429.56

@ Interest Rs. Nil (Previous year: Rs. 12.96 lacs) has been transferred to fixed assets and Rs. 0.05 lacs (Previous year: Rs. 0.50 lacs) has been adjusted against contingency provision.

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
26. Depreciation and amortization expense		
Depreciation on tangible assets	**984.53**	955.56
Amortisation on intangible assets	**5.51**	1.73
	990.04	957.29

		For the year ended March 31, 2012 Rs./Lacs		For the year ended March 31, 2011 Rs./Lacs
27. Other expenses				
Stores, spare parts, packing materials and components consumed		**651.84**		620.99
Power and fuel		**2,233.29**		2,220.69
Rent		**74.93**		78.79
Repairs to :				
- Buildings		**22.79**		21.62
- Machinery		**29.24**		28.65
- Others		**25.10**		22.79
Subcontracting Charges		**348.97**		103.76
Freight and forwarding		**487.04**		500.95
Insurance		**52.42**		32.80
Rates and taxes		**14.58**		13.54
Brokerage, discount (other than trade discount), etc.		**119.36**		96.55
Auditors' Remuneration#				
As auditors				
- Audit fees		**11.50**		10.00
In other capacity				
- for tax audit		**2.00**		–
- verification of statement and other reports		**3.40**		3.60
- limited review of unaudited financial results		**13.50**		12.00
- for reimbursement of expenses		0.49		0.28
Directors' fees		**4.23**		2.88
Travelling and conveyance		**139.47**		132.71
Commission to selling agent (other than sole selling)		**323.68**		407.95
Sales Expenses		**123.28**		69.13
Donations		**3.51**		0.01
Legal and professional fees		**164.49**		343.34
Provision for doubtful trade receivables		**23.80**		5.34
Bad trade and other receivables, loans and advances written off				
Bad debts written off	**4.80**		163.44	
Less: Adjusted against provision for doubtful debts	–	**4.80**	(122.69)	40.75
Loss on fixed assets sold/written off		**5.49**		2.61
Land development expenses	**44.92**		109.82	
Less : Adjusted against provision held	**(44.92)**	–	(109.82)	–
Net loss on sale of long-term non trade investments		–		0.71
Miscellaneous expenses		**182.55**		236.23
		5,065.75		5,008.67

\# Excluding service tax

28. Exceptional item of Rs. 1,800.00 lacs represent compensation receivable from the developer of real estate project , pursuant to a settlement reached in relation to the flatted factory complex of the said project.

29. Disclosures required under Accounting Standard – 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below :

Defined contribution plans

Contributions to defined contribution plans charged off for the year are as under :

Particulars	**Current Year Rs. lacs**	Previous Year Rs. lacs
Company's contribution to provident fund	**121.62**	126.76
Company's contribution to superannuation fund	**29.66**	30.75
Company's contribution to employees' state insurance scheme	**44.65**	43.79

Defined benefit plans

(a) Gratuity

(b) Compensated absences – Earned / Sick leaves

These are unfunded schemes, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Rs./Lacs)

Particulars		Gratuity		Earned and sick leaves	
		Current year	**Previous year**	**Current year**	**Previous year**
Change in present value of obligation					
Present value of obligation as at the beginning of the year		**392.51**	382.02	**160.92**	155.68
Current service cost		**30.98**	32.20	**16.67**	17.77
Interest cost		**33.37**	30.56	**13.68**	12.46
Actuarial (gain) / loss		**10.80**	(10.92)	**(17.60)**	0.77
Benefits paid		**(100.98)**	(41.35)	**(20.28)**	(25.76)
Present value of obligation as at the end of the year	Total	**366.68**	392.51	**153.39**	160.92
	Non – current	**325.39**	337.59	**141.14**	138.39
	Current	**41.29**	54.92	**12.25**	22.53
Change in plan assets		**Not applicable**	Not applicable	**Not applicable**	Not applicable
Plan assets at the beginning of the year		**–**	–	**–**	–
Expected return on plan assets					
Contribution by the Company					
Benefits paid					
Actuarial gain / (loss)					
Plan assets at the end of the year		**–**	–	**–**	–
Liability recognised in the financial statement					
Cost for the year					
Current service cost		**30.98**	32.20	**16.67**	17.77
Interest cost		**33.37**	30.56	**13.68**	12.46
Return on plan assets			-		-
Actuarial (gain) / loss		**10.80**	(10.92)	**(17.60)**	0.77
Net cost		**75.15**	51.84	**12.75**	31.00
Constitution of plan assets Other than equity, debt, property and bank account Funded with LIC		**Not applicable**	Not applicable	**Not applicable**	Not applicable
Main actuarial assumptions					
Discount rate		**8.50%**	8.00%	**8.50%**	8.00%
Rate of increase in compensation levels		**6.00%**	5.50%	**6.00%**	5.50%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

(Rs./Lacs)

Particulars	**For the year ended March 31, 2012**		For the year ended March 31, 2011		For the year ended March 31, 2010		For the year ended March 31, 2009		For the year ended March 31, 2008	
	Gratuity	**Compensated Absences**	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of obligation at the end	**366.68**	**153.39**	392.51	160.92	382.02	155.68	308.44	127.46	266.20	108.97
Fair value of plan assets at the end	**–**	**–**	–	–	–	–	–	–	–	–
Net liability recognized in balance sheet	**366.68**	**153.39**	392.51	160.92	382.02	155.68	308.44	127.46	266.20	108.97
Net actuarial (gain)/loss recognized.	**10.8**	**(17.6)**	(10.92)	0.77	39.18	13.49	21.87	6.36	44.95	17.21

30. In terms of the Scheme of Restructuring and Arrangement approved by the Delhi High Court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 (Act) and subsequent modification thereto vide Delhi High Court order dated April 28, 2011(hereinafter referred to as SORA), the Company as envisaged thereunder has :

a) with effect from April 1, 2001, spun off Engineering business into a subsidiary i.e. DCM Engineering Limited and merged a wholly owned subsidiary into the Company with effect from April 1, 1999.

b) entered into definitive agreement on February 16, 2004 with Purearth Infrastructure Limited (PIL), a co-promoted company, for sale of development rights in freehold and leasehold land at Bara Hindu Rao/Kishanganj for a total consideration of Rs. 28,820 lacs includes Rs. 3400 lacs on account of leasehold land out of which Rs. 2,400 lacs is subject to certain minimum profits being earned by PIL from the leasehold land. The status of these agreements is as under :

– In terms of the Freehold Definitive Agreement dated February 16, 2004, the Company had, during the year 2003-04, recognised the sale of development rights to PIL in freehold land at Bara Hindu Rao for a consideration of Rs.14,449.92 lacs (excluding the outstanding of Rs.10,962.08 lacs against the sale of rights aggregating Rs. 39,567 lacs in the previous years).

– the “Leasehold Definitive Agreement” dated February 16, 2004 has technically not come into effect as the conditions to make the agreement effective are yet to be complied with. As a result, the Company has considered prudent not to recognize the sale of development rights in leasehold land and has carried forward the same at its estimated net realisable value as “ Land (for development)” under the head inventories in Note 16.

Consequent to the above, in terms of the SORA and the definitive agreements referred to as above, all rights and obligations with respect to development of freehold land have been taken over by PIL including the obligation towards advances received by the Company in the previous years against sale of flats on installment payment basis. Further, the provision for contingencies aggregating Rs. 501.74 lacs carried forward from the previous year to cover the expenses to be incurred in relation to the above project has been utilized/ adjusted during the year.

c) Since, in terms of para 43 of the SORA, it can not be implemented partially as, by its very nature, it would be implemented as a whole and in totality and that in the event any part of the SORA, either in part or in whole, is not capable of implementation, the whole SORA will have no effect. The management has confirmed to the auditors that the conditions contained in the leasehold definitive agreement (See (b) above) would be complied with and would not result in any adverse impact on the financials of the Company or on the successful implementation of the SORA.

d) The Company has in the previous years accounted for the impact of financial restructuring, resulting in rescheduling/ waiver of interest/ principal, including the modification of security terms, if any, with regard to partly convertible debentures, non convertible debentures, loans from Financial Institutions and certain inter corporate deposits as envisaged in the SORA.

e) After considering the effect of Delhi High Court order dated April 28, 2011, the Company, has complied with the debt repayment obligations including in respect of debentures, deposits, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a ‘No Lien /Designated Account’ with scheduled banks. Aggregate of amount so deposited as at the year end is Rs. 823.16 lacs (Previous year: Rs. 829.71 lacs).

31. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for in the financial statements aggregate Rs. 355.72 lacs (Previous year: Rs. 183.14 lacs).

32. Contingent liabilities not provided for :

Particulars	**Current Year Rs. Lacs**	Previous Year Rs. Lacs
Claims not acknowledged as debts : *		
– Income-tax matters	**27.93**	41.22
– Service tax	–	4.84
– Customs duty	**12.55**	12.55
– Employees’ claims (to the extent ascertained)	**39.32**	44.52
– Property tax	**800.62**	800.62
– Others	**249.82**	236.86

* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Company

33. Managerial remuneration

	Current Year Rs. Lacs	Previous Year Rs. Lacs
– Directors' sitting fees	**4.23**	2.88

34. Earnings per share :

	Current Year Rs. Lacs	Previous Year Rs. Lacs
(a) Profit after taxation as per statement of profit and loss (Rs./lacs)	**544.40**	2,576.28
(b) Number of equity shares (face value of Rs. 10 per share)	**173,79,037**	173,79,037
(c) Basic and diluted earning per share (Rs. Per share)	**3.13**	14.82

35. During the financial period 1992-93, the Company revalued the lands pertaining to the Company's unit Hissar Textile Mills, Hissar, as of April 1, 1990, the date when the Company was re-organised, on the basis of valuation carried out by an approved valuer. This revaluation resulted in a surplus of Rs. 969 lacs, which was credited to the revaluation reserve, already adjusted in previous years.

36. The Collector, Hissar in the year 1989-90 had ordered resumption of 250 acres of land of the closed unit at Hissar and had served a notice on the Company to start textile operations on the remaining 129.5 acres of land at Hissar within a specified period failing which that land would also be resumed. The Company has since setup a spinning mill at this location and had filed a writ petition in the Punjab and Haryana High Court challenging the order and the notice. In previous year, the Company's writ petition has been decided in favour of the Company. During the year, an appeal has been filed by the State of Haryana in the matter which is pending before the High Court.

37. Capital advances includes Rs. 295 lacs (Previous year: Rs. 295 lacs) paid during the previous years to a party to acquire certain property under construction at New Delhi. The construction was a matter of litigation between the builder and the local authorities. The High Court of Delhi has allowed the builder to construct the property subject to certain conditions. The management is confident that the advance paid to acquire the property is good and fully recoverable.

38. In the previous years, the Company's claim for the refund of an Inter Corporate Deposit amounting to Rs.100 lacs against a body corporate was settled by the body corporate by issuing, in terms of an arbitration award, 0% non-cumulative, non-voting, redeemable preference shares of Rs.100 each to the Company, redeemable within 20 years. The management is confident that the investment acquired by the Company in preference shares of the body corporate is good and fully recoverable.

39. The Company's significant operating lease arrangements, entered into subsequent to March 31, 2001, are in respect of premises (residential, office, stores, godown, etc.). These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. The lease rentals charged as rent aggregate Rs. 74.93 lacs (Previous year: Rs. 78.79 lacs) under note 27.

40. The business of the Company was reorganised under a Scheme of Arrangement sanctioned by the High Court of Delhi, New Delhi vide its order dated April 16, 1990, effective from April 1, 1990 under the provisions of sections 391-394 of the Companies Act, 1956 and all the units of the Company existing at that time were re-organised under four separate companies, including this Company, namely, DCM Limited, DCM Shriram Industries Limited, DCM Shriram Consolidated Limited and Mawana Sugars Limited. There are various issues relating to sales tax, income-tax, etc., arising/arisen out of the reorganisation arrangement, which will be settled and accounted for in terms of the Scheme of Arrangement and memorandum of understanding between the companies as and when the liabilities/benefits are fully determined.

The demands aggregating Rs 451 lacs raised by the Income-tax Authority during the year 1994-95, in relation to the above matters, have either been decided in favour of the Company or have been adjusted against the carried forward losses. However, the matters are disputed by the Income-tax Authorities in appeal.

41. Details of loans and advances in the nature of loans, as per clause 32 of Listing Agreement where there is no repayment schedule are i) Bahubali Services Limited Rs. 155.46 lacs (Previous year: Rs. 155.46 lacs) {(Maximum amount outstanding Rs. 155.46 lacs (Previous year: Rs. 155.46 lacs)}, ii) Jaya Rapid Rollers Limited Rs. 22.22 lacs (Previous year: Rs. 22.22 lacs) {(Maximum amount outstanding Rs. 22.22 lacs (Previous year: Rs. 22.22 lacs)}, iii) LKP Merchant Financing Limited Rs. 84.25 lacs (Previous year: Rs. 84.25 lacs) {(Maximum amount outstanding Rs. 84.25 lacs (Previous year: Rs. 84.25 lacs)} and iv) DCM Employees Welfare Trust Rs. 279.90 lacs (Previous year: Rs. 279.90 lacs) {(Maximum amount outstanding Rs. 279.90 lacs (Previous year: Rs. 279.90 lacs)}.

42. SEGMENT REPORTING

a) The business segments comprise the following :

Textiles – Yarn manufacturing

IT Services – IT Infrastructure services and software development.

Real Estate – Development at the Company's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi.

b) Business segments have been identified based on the nature and class of products and services, their customers and assessment of the differential risks and returns and financial reporting system within the Company.

c) The geographical segments considered for disclosure are based on location of customers, broadly as under :

– within India
– outside India

d) Segment accounting policies;

In addition to the significant accounting policies, applicable to the business as set out in note 1 'Notes to the Financial Statements', the accounting policies in relation to segment accounting are as under :

(i) Segment assets and liabilities :

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amounts of certain assets/liabilities pertaining to two or more segments are allocated to the segments on reasonable basis.

(ii) Segment revenue and expenses :

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(iii) Inter segment sales :

Inter-segment sales are accounted for at cost and are eliminated in consolidation.

e) (i) Primary Segment information (Business Segments) for the year ended March 31, 2012

(Rs./Lacs)

Particulars	Textiles		IT Services		Real Estate		Segment Total		Unallocated		Total Company	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
1. Segment revenue												
– External sales/services	**26,566.13**	25,431.90	**3,937.82**	4,297.68	**–**	–	**30,503.95**	29,729.58	**–**	–	**30,503.95**	29,729.58
– Other Operating income	**2,506.54**	1,491.89	**1.81**	7.55	**3,638.99***	–	**6,147.34**	1,499.44	**–**	–	**6,147.34**	1,499.44
Total Revenue	**29,072.67**	26,923.79	**3,939.63**	4,305.23	**3,638.99**	–	**36,651.29**	31,229.02	**–**	–	**36,651.29**	31,229.02
2. Segment results	**(1,479.44)**	5,565.98	**26.02**	15.86	**3,638.99***	–	**2,185.57**	5,581.84			**2,185.57**	5,581.84
Unallocated corporate expenses/income (net of unallocated income/ expenses)									**244.26**	(287.74)	**244.26**	(287.74)
Profit before finance cost and tax											**2,429.83**	5,294.10
Finance Cost									**1,976.30**	1,429.56	**1,976.30**	1,429.56
3. Profit before tax											**453.53**	3,864.54
Provision for taxation									**(90.87)**	1,288.26	**(90.87)**	1,288.26
4. Profit after taxation											**544.40**	2,576.28
5. Other information												
(a) Segment assets	**18,848.20**	30,548.14	**1,150.66**	1,222.29	**9,055.09**	9,688.82	**29,053.95**	41,459.86			**29,053.95**	41,459.86
Investments									**7,020.34**	7,020.34	**7,020.34**	7,020.34
Other unallocated assets									**4,388.65**	3,964.78	**4,388.65**	3,964.78
Total Assets											**40,462.94**	52,444.98
(b) Segment liabilities	**1,654.55**	1,294.62	**378.45**	408.99	**3,139.12**	4,975.53	**5,172.12**	6,679.14			**5,172.12**	6,679.14
Share capital and reserves									**15,957.55**	15,847.63	**15,957.55**	15,847.63
Loan funds									**15,918.28**	26,237.48	**15,918.28**	26,237.48
Other unallocated liabilities									**3,414.99**	3,680.73	**3,414.99**	3,680.73
Total liabilities											**40,462.94**	52,444.98
(c) Capital expenditure	**198.53**	1,362.45	**6.93**	9.83	**–**	–	**205.46**	1,372.28	**1.60**	26.06	**207.06**	1,398.34
(d) Depreciation	**952.21**	913.33	**21.94**	24.88	**–**	–	**974.15**	938.21	**15.89**	19.08	**990.04**	957.29
(e) Non-cash expenditure other than depreciation	**20.21**	2.60	**9.47**	14.69	**–**	–	**29.68**	17.29	**4.41**	32.12	**34.09**	49.41

(ii) Secondary segment information (Geographical segments)

Particulars	Current Year Rs. Lacs	Previous Year Rs. Lacs
Segment revenue (Including excise duty)		
– Revenue within India	**21,275.79***	13,105.33
– Revenue outside India	**15,375.50**	18,123.69
Total segment revenue	**36,651.29**	31,229.02
Segment assets		
– Within India	**25,653.16**	35,813.92
– Outside India	**3,400.79**	5,645.94
Total segment assets	**29,053.95**	41,459.86
Capital expenditure		
– Within India	**205.82**	1,398.34
– Outside India	**1.24**	–
Total segment capital expenditure	**207.06**	1,398.34

* Includes exceptional income of Rs. 1800.00 lacs (Refer note 28). It also includes Rs. 1836.81 lacs on account of liabilities / provisions no longer required written back in relation to real estate project.

43. Related party disclosures under Accounting Standard (AS) 18

A. Names of related party and nature of related party relationship

I. Subsidiaries (enterprises where control exists) :

a. DCM Finance & Leasing Limited (DFL)
b. DCM Textiles Limited (DTL)
c. DCM Engineering Limited (DEL)
d. DCM Tools & Dies Limited (DTDL)
e. DCM Realty Investment & Consulting Limited (DRICL)

II. Joint venture :

Purearth Infrastructure Limited (PIL)

III. Key management personnel and/or Individuals having direct or indirect control or significant influence, and their relatives :

a. Mr. Naresh Kumar Jain – Managing Director
b. Dr. Vinay Bharat Ram – Chief Executive Officer
c. Mr. Hemant Bharat Ram – President – Textiles
d. Mr. Sumant Bharat Ram – Chief Operating and Financial Officer

IV. Enterprises where key management personnel have significant influence

a. Aggresar Leasing and Finance Private Limited (ALFPL)
b. Betterways Finance and leasing Private Limited (BFLPL)
c. Xonix Enterprises Private Limited (XEPL)
d. Lotus Finance & Investments Private Limited (LFIPL)
e. Midopa Holdings Private Limited (MHPL)
f. Lotte Trading and Allied Services Private Limited. (LTASPL)

B. Transactions with related parties referred to in A above.

i) Transactions with subsidiaries, joint venture and enterprises in which key managerial persons have significant influence (Rs./Lacs)

Particulars		Subsidiary		Joint venture		Others*		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Expenses recovered	DEL	**16.11**	11.82	**–**	–	**–**	–	**16.11**	11.82
	DRICL	**0.03**	1.26	**–**	–	**–**	–	**0.03**	1.26
	PIL	**–**	–	**69.85**	49.08	**–**	–	**69.85**	49.08
Compensation Received	PIL	**–**	–	**1,800.00**	–	**–**	–	**1,800.00**	–
Liabilities no longer required written back	PIL	**–**	–	**1,356.00**	–	**–**	–	**1,356.00**	–

Transactions with related parties continue...

(Rs./Lacs)

Particulars		Subsidiary		Joint venture		Others*		Total	
		Current year	Previous year	**Current year**	Previous year	**Current year**	Previous year	**Current year**	Previous year
Advance/ Consideration given for purchase of rights in flats	PIL	**–**	–	**102.58**	–	**–**	–	**102.58**	–
Investment in equity shares	PIL	**–**	–	**–**	219.82	**–**	–	**–**	219.82
Dividend received	DEL	**451.50**	–	**–**	–	**–**	–	**451.50**	–
Dividend paid	ALFPL	**–**	–	**–**	–	**92.91**	–	**92.91**	–
	BFLPL	**–**	–	**–**	–	**38.76**	–	**38.76**	–
	XEPL	**–**	–	**–**	–	**19.44**	–	**19.44**	–
	Others	**–**	–	**–**	–	**40.36**	–	**40.36**	–
Balance outstanding at the year end :									
a) Trade Receivable	– PIL	**–**	–	**6,417.50**	8,672.39	**–**	–	**6,417.50**	8,672.39
b) Other Receivable									
– Non-current	– PIL	**–**	–	**990.00**	–	**–**	–	**990.00**	–
– Current	– PIL	**–**	–	**630.00**	–	**–**	–	**630.00**	–
c) Advance / consideration for purchase of rights in flats	– PIL	**–**	–	**501.72**	399.14	**–**	–	**501.72**	399.14
d) Deposit payable	– PIL	**–**	–	**–**	300.00	**–**	–	**–**	300.00
e) Advances recoverable/(Payable)	– PIL	**–**	–	**(5.92)**	(59.96)	**–**	–	**(5.92)**	(59.96)
	– DRICL	**–**	0.05	**–**	–	**–**	–	**–**	0.05

* Enterprises where key management personnel have significant influence.

ii) Transactions with key managerial personnel

	Current Year Rs. Lacs	Previous Year Rs. Lacs
Remuneration*		
– Mr. Hemant Bharat Ram	**117.13**	89.86
– Mr. Sumant Bharat Ram	**–**	30.30
Sitting fees		
– Mr. Naresh Kumar Jain	**0.65**	0.47
Dividend paid		
– Dr. Vinay Bharat Ram	**0.16**	–
Balance outstanding at the year end :		
Payables :		
– Dr. Vinay Bharat Ram	**0.92**	0.92
– Mr. Hemant Bharat Ram	**3.43**	3.35
– Mr. Sumant Bharat Ram	**–**	15.46
Guarantees given on behalf of the Company by :		
– Mr. Sumant Bharat Ram	**–**	1,000.00

* Does not include provision for leave salary and contribution / provision towards gratuity, since the provision / contribution is made for the Company as a whole on actuarial basis.

44. Disclosures related to joint venture :

Name	Country of incorporation	Nature of Interest	Percentage of ownership as at	
			March 31, 2012	March 31, 2011
Purearth Infrastructure Limited	India	Equity share Holding	**14.17%**	14.27%

The Company's investment in the above joint venture is shown as non-current investment - Trade (unquoted), under Note 13. Due to non availability of financial statements of the aforesaid joint venture for year ended March 31, 2012 or within 6 months thereof, the disclosures required to be made in terms of Accounting Standard (AS) –27 "Financial Reporting of interest in Joint Venture" for the current year have been made on the basis of Joint Venture's latest available 'standalone' financial statements for the year ended March 31, 2011. However, the Company's share of Assets, Liabilities, Income and Expenses, etc. (without elimination of the effect of transactions between the Company and the joint venture) has been determined on the basis of Company's shareholding in Joint Venture as of March 31, 2012.

(Rs./Lacs)

	As at March 31, 2011 (Based on ownership interest of 14.17%)	As at March 31, 2010 (Based on ownership interest of 14.27%)
ASSETS		
Fixed assets	**15.48**	18.16
Investments	**41.32**	193.04
Current assets, loans and advances		
a) Inventories	**6,217.45**	6,167.25
b) Sundry debtors	**66.59**	40.02
c) Cash and bank balances	**204.88**	561.14
d) Loans and advances	**423.94**	267.36
LIABILITIES		
Loans		
Secured loans	**780.47**	803.16
Current Liabilities and provisions :		
a) Liabilities	**3,690.44**	4,147.14
b) Provisions	**30.71**	67.14
Employees stock options outstanding	**49.81**	50.09
	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME		
Real Estate Operations	**561.22**	758.77
Other income	**45.81**	51.08
EXPENSES		
Cost of sales	**388.47**	557.91
Personnel expenses	**27.25**	24.73
Operating & other expenses	**132.99**	126.21
Depreciation/amortization	**3.83**	3.93
Financial expenses	**5.51**	5.88
Provision for taxation	**24.35**	47.33
OTHER MATTERS		
Contingent liabilities	**65.61**	65.07

45. There are no undisputed dues of wealth tax, excise duty, service tax, sales tax and cess, which have not been deposited by the Company. The details of disputed dues as of March 31, 2012 in respect of customs duty and income tax that have not been deposited by the Company, are as follows : -

Name of the statute	**Nature of the dues**	**Forum where pending**	**Total amount involved * (Rs. Lacs)**	**Amount paid under protest (Rs. Lacs)**	**Period to which the amount relates**
Customs Act, 1962	Customs Duty	Commissioner of Customs (Appeals)	12.55	–	1988-89
Income-tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	27.93	19.88	Assessment year 2009-10

* Amount as per demand order including interest and penalty wherever indicated in the demand.

For the above purposes, statutory dues payable in India have been considered. Further, the demands raised and already set off by the Income-tax Authorities against the carried forward losses of the Company or the refunds due to the Company, being no longer due for payment, have not been considered.

The following matters which have been excluded from the above table, have been decided in favour of the Company, although the concerned regulatory authority has preferred appeal at a higher level :

Name of the statute	**Nature of the dues**	**Forum where pending**	**Amount (Rs. lacs)**	**Period to which the amount relates**
Income -tax Act, 1961	Income- tax	Delhi High Court	442.48	Assessment Years 1983-84 to 1990-91.

46. Quantitative data about Derivative Instrument

Nature of derivative	Number of deals		Purpose		Amount in foreign currency (in US $)		Amount in Rs. Lacs	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Forward Contract	**20**	3	**Hedge**	Hedge	**21,29,443**	3,55,546	**1063.22**	166.66

Foreign currency exposure of the Company that is not hedged by derivative instruments or otherwise is as follows :-

Particulars	Current Year			Previous Year		
	Amount in Foreign currency		**Amount in Rs. Lacs**	Amount in Foreign currency		Amount in Rs. Lacs
Trade receivables	**US$**	**1,108,008**	**560.65**	US$	3,128,920	1,392.15
Cash and Bank	**US$**	**75,005**	**37.95**	US$	72,174	32.10
Loans and Advances	**US$**	**49,883**	**25.24**	US$	82,051	36.50
	Euro	**16,253**	**10.75**	Euro	4,482	2.81
Trade Payable	**US$**	**413,939**	**210.08**	US$	639,193	285.55
Provisions	**US$**	–	–	US$	5,000	2.22

47. Other Additional Information

Description	**Current Year Rs./Lacs**		Previous Year Rs./Lacs	
(a) Value of imports on CIF basis				
Components and spare parts	**18.95**		17.05	
Capital goods	–		413.56	
(b) Expenditure in foreign currency				
Commission, travel etc.	**264.53**		262.43	
Overseas offices expenses	**2,928.42**		3,286.64	
(c) Earnings in foreign exchange				
– Direct export of goods on FOB basis/ as per contracts where FOB value not readily ascertainable	**12,741.80**		14,088.48	
– Software / Services export	**59.90**		46.30	
– Overseas offices income	**3,094.53**		3,468.08	
(d) Value of imports/indigenous raw materials, components and stores and spares consumed				
(i) Raw materials				
Imported	–	**0.00%**	16.70	0.09%
Indigenous	**22,047.18**	**100.00%**	18,026.74	99.91%
	22,047.18	**100.00%**	18,043.44	100.00%
(ii) Stores , spares parts and components				
Imported	**21.21**	**3.25%**	18.18	2.93%
Indigenous	**630.63**	**96.75%**	602.81	97.07%
	651.84	**100.00%**	620.99	100.00%

48. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to notes 1 to 48

NARESH KUMAR JAIN
Managing Director

JITENDRA TULI
Chairman

BHABAGRAHI PRADHAN
Company Secretary

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

Place : New Delhi
Date : May 28, 2012

	Name of the Subsidiary		DCM Engineering Ltd.	DCM Tools & Dies Ltd.	DCM Textiles Ltd.	DCM Finance & Leasing Ltd.	DCM Realty Investment & Consulting Ltd.
1	Financial year of the Subsidiary		31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
2	Extent of interest in the Subsidiary Company						
	- Fully paid Equity Shares	Nos.	15,049,988	50,000	50,000	49,996	2,550,020
	- % of total Equity Shares	%	75.06%	100%	100%	99.99%	99.99%
	- Fully paid Pref. Shares	Nos.	Nil	Nil	Nil	100	Nil
	- % of total Pref. shares	%	Nil	Nil	Nil	100%	Nil
3	Net aggregate amount of the profit/(loss) of the Subsidiary Company so far as it concerns to the members of DCM Ltd.:						
a	dealt with in the accounts of the Company						
	- for the financial year of the Subsidiary	Rs./Lacs	Nil	Nil	Nil	Nil	Nil
	- for the previous financial years since it became subsidiary of the Company	Rs./Lacs	Nil	Nil	Nil	Nil	Nil
b	not dealt with in the accounts of the Company						
	- for the financial year of the Subsidiary	Rs./Lacs	685.93	0.05	0.04	0.35	0.13
	- for the previous financial years since it became subsidiary of the Company	Rs./Lacs	2,569.77	0.84	0.39	(236.61)	29.24
4	Additional information u/s 212 (5)		N.A.	N.A.	N.A.	N.A.	N.A.

Subsidiary Companies' Particulars - As at March 31, 2012

Pursuant to general circular no. 2/2011 dated February 08, 2011 issued by Ministry of Corporate Affairs.

(Amount in Rs./Lacs)

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
DCM Engineering Limited	2,005.00	7,398.35	21,379.35	11,976.00	42,634.93	1,285.94	372.13	913.81	601.50
DCM Realty Investment & Consulting Limited	255.01	59.33	319.53	5.19	6.47	0.21	0.08	0.13	–
DCM Tools & Dies Limited	5.00	0.90	6.07	0.17	0.38	0.25	0.20	0.05	–
DCM Textiles Limited	5.00	0.43	5.60	0.16	0.34	0.22	0.18	0.04	–
DCM Finance & Leasing Limited	5.10	3.90	9.44	0.44	1.08	0.83	0.48	0.35	–

Details of investments, (other than in subsidiaries) are :

	Rs./Lacs
LongTerm	
Non-trade - Quoted	
SRF Limited	
1,80,850 equity shares of Rs. 10/- each fully paid of	503.74
Non-trade - Unquoted	
Purearth Infrastructure Limited	
24,66,135 equity shares of Rs. 10/- each fully paid of	246.61

Note :

The Company will make available the annual accounts and related detailed information of the subsidiary companies upon request by the shareholders of the holding and the subsidiary companies. These shall also be kept for inspection at the Registered Office of the Company and the subsidiary companies.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DCM LIMITED

1. We have audited the attached Consolidated Balance Sheet of DCM Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2012, the Statement of Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiary viz., DCM Engineering Limited, DCM Finance & Leasing Limited, DCM Textiles Limited, DCM Tools & Dies Limited and DCM Realty Investment & Consulting Limited, whose financial statements reflect total assets of Rs. 20,655.83 lacs as at March 31, 2012, total revenues of Rs. 42,663.14 lacs and net cash outflow amounting to Rs. 0.19 lac for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

4. Attention is invited to note 31 of the financial statements which explains in detail the position of the "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) and the status of its implementation. The 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 and would not result in to any adverse impact on the financials of the Company or on the successful implementation of the SORA;

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006, *except that in the absence of requisite information the Company's interest in its joint venture company, viz., Purearth Infrastructure Limited has not been reported in these financial statements using the proportionate consolidation method, as required in terms of Accounting Standard (AS)-27, "Financial Reporting of interests in Joint Ventures". (Refer to note 1(ii) of financial statements);*

6. *Various matters arising/arisen out of reorganisation will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 40 of the financial statements. The effect of these on the accounts is not ascertainable at this stage.*

   The matters referred to in paragraphs 5 and 6 above, to the extent covered herein above, were also subject matter of qualifications in our audit report on the Consolidated Financial Statements for the year ended March 31, 2011.

7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us and *subject to our comment in paragraphs 5 and 6 above*, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with accounting principles generally accepted in India :

   a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No. 090295)

Place : New Delhi
Date : May 28, 2012

	Note	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**1,737.59**	1,737.59
Reserves and surplus	4	**17,586.87**	17,315.21
		19,324.46	19,052.80
Minority Interest		**2,497.22**	2,443.68
Non-current liabilities			
Long-term borrowings	5	**4,116.07**	5,796.74
Deferred tax liabilities (Net)	6	**320.28**	412.28
Other long-term liabilities	7	**2,805.63**	3,136.90
Long-term provisions	8	**1,969.67**	2,325.92
		9,211.65	11,671.84
Current liabilities			
Short-term borrowings	9	**13,021.95**	21,958.23
Trade payables	10	**5,390.56**	4,056.24
Other current liabilities	11	**6,333.69**	7,201.75
Short-term provisions	12	**864.14**	1,005.60
		25,610.34	34,221.82
		56,643.67	67,390.14
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		**12,494.42**	12,653.78
Intangible assets		**47.07**	32.74
Capital work-in-progress		**391.38**	252.36
		12,932.87	12,938.88
Non-current investments	14	**3,295.58**	3,295.58
Deferred tax Assets (Net)	6	**397.50**	329.15
Long-term loans and advances	15	**4,001.53**	4,036.10
Other non-current assets	16	**3,013.24**	2,000.00
		23,640.72	22,599.71
Current assets			
Inventories	17	**11,566.74**	19,760.16
Trade receivables	18	**15,364.09**	19,478.34
Cash and bank balances	19	**1,187.81**	1,113.61
Short-term loans and advances	20	**3,526.63**	3,047.79
Other current assets	21	**1,357.68**	1,390.53
		33,002.95	44,790.43
		56,643.67	67,390.14

Significant accounting policies and notes to consolidated financials statements 1 to 47

As per our report attached

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No.: 090295)

Place : New Delhi
Date : May 28, 2012

NARESH KUMAR JAIN
Managing Director

BHABAGRAHI PRADHAN
Company Secretary

JITENDRA TULI
Chairman

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

Statement of Consolidated Profit and Loss for the year ended March 31, 2012

	Note	**For the year ended March 31, 2012 Rs./Lacs**	For the year ended March 31, 2011 Rs./Lacs
Revenue			
Revenue from operations (gross)	22	**81,580.08**	72,434.37
Less: Excise duty		**4,489.51**	3,857.54
		77,090.57	68,576.83
Other income	23	**850.31**	509.27
		77,940.88	69,086.10
Expenses			
Cost of materials consumed	24.a	**40,423.53**	32,967.47
Purchases of stock-in-trade	24.b	**–**	161.43
Changes in inventories of finished goods, work in progress and land (for development)	24.c	**1,730.10**	(3,771.15)
Employee benefits expense	25	**10,391.15**	10,358.36
Finance costs	26	**2,793.34**	2,111.79
Depreciation and amortisation expense	27	**1,905.37**	2,029.36
Other expenses	28	**21,207.92**	19,017.75
		78,451.41	62,875.01
Profit before exceptional items and tax		**(510.53)**	6,211.09
Exceptional Items of operational income	29	**1,800.00**	-
Profit before tax		**1,289.47**	6,211.09
Tax expense :			
Current tax (including foreign tax Rs. Nil; Previous year: Rs. 2.27 lacs)		**451.11**	1,384.65
Minimum alternative tax (MAT) credit utilised		**–**	329.16
Minimum alternative tax (MAT) credit entitlement		**(10.00)**	(444.17)
Deferred tax charge/(benefit)		**(160.20)**	809.01
Tax relating to prior years {including foreign tax Rs. 1.13 lacs; Previous year: Rs. (7.72) lacs}		**1.29**	(13.30)
		282.20	2,065.35
Profit after tax		**1,007.27**	4,145.74
Less: Minority's interest		**227.88**	390.61
Profit for the year		**779.39**	3,755.13
Basic and diluted earning per share of Rs. 10 each		**4.48**	21.61

Significant accounting policies and notes to consolidated financial statements 1 to 47

As per our report attached

For **A. F. FERGUSON & CO.** Chartered Accountants (Registration No. 112066W)	**NARESH KUMAR JAIN** Managing Director	**JITENDRA TULI** Chairman
JAIDEEP BHARGAVA Partner (Membership No.: 090295)	**BHABAGRAHI PRADHAN** Company Secretary	**ASHWANI SINGHAL** Executive Vice President (Finance & Taxation)

Place : New Delhi
Date : May 28, 2012

		For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
A.	**Cash flow from operating activities**		
	Profit before tax	**1,289.47**	6,211.09
	Adjustments for :		
	Depreciation and amortisation expense	**1,905.37**	2,029.36
	Net loss/ (profit) on sale / write off of fixed assets	**(263.31)**	(19.22)
	Finance cost	**2,793.34**	2,111.79
	Interest income	**(232.49)**	(218.77)
	Dividend income	**(26.02)**	(39.68)
	Net (gain) / loss on sale of non- trade non - current investments	–	0.71
	Operating profit before working capital changes	**5,466.36**	10,075.28
	Adjustments for changes in :		
	Inventories	**8,193.42**	(8,301.54)
	Trade receivables	**4,114.25**	(2,777.25)
	Short-term loans and advances	**120.61**	460.83
	Long-term loans and advances	**(345.32)**	183.47
	Other current assets	**16.53**	(823.06)
	Other non-current assets	**(995.24)**	-
	Trade payables	**1,334.31**	546.73
	Other current liabilities	**(1,168.39)**	169.43
	Other long-term liabilities	**(331.27)**	(186.40)
	Short-term provisions	**(103.83)**	158.85
	Long-term provisions	**(356.25)**	133.85
		15,945.18	(359.81)
	Net income tax (paid)	**(899.65)**	(1,126.93)
	Net cash generated / (used in) operating activities	**15,045.53**	(1,486.74)
B.	**Cash flow from investing activities :**		
	Loans received back / (given) (net)	**250.00**	(500.00)
	Sales of non- trade non - current investments	–	2.10
	Purchase of non- trade non - current investments	–	(259.88)
	Invested in fixed deposits	**(18.00)**	-
	Purchase of fixed assets	**(2,003.33)**	(2,086.44)
	Sale of fixed assets	**305.99**	86.97
	Dividend received	**26.02**	40.03
	Interest received	**248.81**	191.55
	Net cash from investing activities	**(1,190.51)**	(2,525.67)
C.	**Cash flow from financing activities :**		
	Proceeds from long term borrowings	**1,307.73**	3,419.24
	Repayment of long-term borrowings	**(2,674.41)**	(3,387.27)
	Proceeds from short-term borrowings	**250.00**	1,000.00
	Repayment of short-term borrowings	**(1,000.00)**	(1,000.00)
	Changes in working capital borrowings	**(8,186.28)**	8,083.64
	Dividend paid	**(572.56)**	-
	Corporate dividend tax paid	**(97.55)**	-
	Finance cost paid	**(2,807.72)**	(4,059.68)
	Net cash from financing activities	**(13,780.82)**	4,055.93
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**74.20**	43.52
	Cash and cash equivalents at the beginning of the year *		
	Cash and bank balances	**1,113.61**	977.20
	Cash and bank balances on consolidation of a subsidiary	–	92.89
	Cash and cash equivalents at the end of the year *		
	Cash and bank balances	**1,187.81**	1,113.61
		74.20	43.52

Significant accounting policies & Notes to consolidated financial statements 1 to 47

* Includes Rs. 423.17 lacs (Previous year: Rs. 430.02 lacs) as security with Debenture Trustees and Rs. 411.90 lacs (Previous year: Rs. 399.70 lacs) earmarked for specific uses.

As per our report attached

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Registration No. 112066W)

JAIDEEP BHARGAVA
Partner
(Membership No.: 090295)

Place : New Delhi
Date : May 28, 2012

NARESH KUMAR JAIN
Managing Director

BHABAGRAHI PRADHAN
Company Secretary

JITENDRA TULI
Chairman

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS) - "Consolidated Financial Statements", notified in the Companies (Accounting Standard) Rules, 2006.

i. The subsidiaries (which along with DCM Limited, the parent, constitute the group) considered in preparation of these consolidated financial statements are :

Name	**Percentage of Voting power as on March 31, 2012**
DCM Realty Investment & Consulting Limited (DRICL)	**99.99**
DCM Tools & Dies Limited (DTDL)	**100**
DCM Textiles Limited (DTL)	**100**
DCM Finance & Leasing Limited (DFLL)	**99.99**
DCM Engineering Limited (DEL) (refer note ii below)	**75.06**

ii. The group has a joint venture entity Purearth Infrastructure Limited (PIL). Since "fit for consolidation" accounts of PIL could not be made available, the same have not been considered for consolidation by the Company in these consolidated financial statements although required in terms of Accounting Standard (AS) – 27 "Financial Reporting of interests in Joint Ventures".

2. Significant accounting policies

a) Accounting convention :

These financial statements have been prepared under the historical cost convention except revaluation of certain plots of land, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the company's (Accounting Standards) Rules, 2006 (as amended) and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the company.

b) Use of Estimates :

The preparation of financial statements requires the management of DCM Limited to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from such estimates. The differences between the actual results and estimates are recognised in the year in which the results are known / materialized. Any revision to accounting estimate is recongnise prospectively in current and future period.

c) Fixed assets :

Fixed assets, other than certain plots of land, which have been revalued, are stated at cost of acquisition/ construction less accumulated depreciation. The cost includes all pre-operative expenses and the financing cost of borrowed funds relating to the construction period in the cases of new projects and expansion of existing factories. Certain lands, which are revalued, are stated at revalued figures on the basis of valuation reports of approved valuers.

d) Impairment :

At each Balance Sheet date, the Group reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

e) Depreciation and Amortisation :

(i) The Group follows straight-line method of depreciation in respect of buildings / plant and machinery and all assets of IT Division and DCM Engineering Ltd. and written down value method in respect of other assets.

(ii) The rates of depreciation charged on all fixed assets are in accordance with the rates specified in Schedule XIV to the Companies Act, 1956, except (excluding those relating to IT Division and DCM Engineering Ltd.) in the following cases :

a) Vehicles, office and other equipment - 33.33%
(Other than computers)

b) Assets acquired upto June 30, 1986
- Plant and machinery - Rates prescribed under the Income-tax Rules, 1962, at the time of acquisition of such assets.
- Factory buildings - 3.39%
- Other buildings - 1.64%

iii) On assets sold, discarded, etc., during the period/year, depreciation is not provided up to the date of sale/discard.

iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation of all assets of the IT Division and on plant and machinery in other cases. Depreciation on remaining assets is provided for full year / period irrespective of the date of acquisition.

v) Leasehold improvements are amortised over the balance of the primary lease period.

vi) The intellectual property rights are amortised on a straight-line basis, based on management estimates of useful life varying from 1 to 5 years, commencing from the month in which the asset is available for use.

vii) Computer Software are amortised over a period of 5 years.

f) Investments :
Long-term investments are valued at cost unless there is a permanent fall in the value thereof.

g) Inventories :

i) Stores, spares and components are valued at cost or under.

ii) Raw materials, process stocks and finished goods and Stock-in Trade are valued at lower of cost and net realisable value.

iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.
Cost of inventories, other than land (for development), is ascertained on the weighted average basis. Further, in respect of the manufactured inventories, i.e., process stocks and finished goods, appropriate share of manufacturing expenses are included on absorption costing basis. Work in process relating to software contracts includes salary and other directly identifiable expenses incurred on fixed price contracts, till the completion of specified deliverables, and are valued at cost or net realisable value, whichever is lower.

h) Revenue recognition :

i) Sale of goods is recognised at the point of despatch of finished goods to customers which coincides with the transfer of risk and reward of ownership. Sales are inclusive of excise duty and exclusive of sales tax.

ii) Revenue from software development contracts is recognised on the basis of milestone achieved, as provided in the contract.

iii) Revenue on maintenance contracts is recognised on pro-rata basis linked with the period of contract.

iv) Services income is recognised on accrual basis, as provided in the contracts.

v) In respect of Land Development Project, sale of rights on outright basis is recognised in the year of such sale.

vi) Interest income is recognised using the time proportion method.

vii) Interest on housing loans : Repayment of housing loan is by way of equated monthly installments (EMI's) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the borrower's financial year. EMI's commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.

i) Excise Duty :
Excise duty on sales is being deducted from gross sales and any increase/ decrease in excise duty on finished goods is being shown separately in the statement of profit and loss.

j) Research and development expenditure :
The revenue expenditure on research and development is expensed out in the year in which it is incurred. Expenditure, which results in creation of capital assets, is treated as similar to expenditure on other fixed assets.

k) Employees' Benefits :

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to statement of Profit and Loss.

l) Taxes on Income :
Income-tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income tax Act, 1961.
Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods.
Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

m) Foreign exchange transactions :

i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
Monetary items denominated in foreign currency are reported using the closing exchange rates on the date of the balance sheet.
The exchange differences arising on settlement of monetary items or on reporting these items at the rates different from the rates at which these were initially recorded / reported in previous financial statements, are recognised as income / expense in the period in which they arise, except for exchange

differences arising during construction period on restatement of foreign currency liabilities incurred in relation to the project which are adjusted in cost of fixed assets.

In case of forward exchange contracts, the premium or discount, arising at the inception of such contracts, is amortised as income or expense over the life of the contract and the exchange difference on such contracts, i.e., difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception of contract / the last reporting date, is recognised as income / expense for the period except for exchange differences arising during construction period on restatement of foreign currency liabilities incurred in relation to the project which are adjusted in cost of fixed assets. Derivatives not covered in AS -11 are marked to market at balance sheet date and resulting loss, if any, is recognized in the statement of profit and loss in view of the principle of prudence.

(ii) In respect of financial statements of integral foreign operations of foreign branches, fixed assets are recorded at cost, based on the exchange rate prevailing on the date of transactions. Current assets and current liabilities are reported using the exchange rates on the date of the balance sheet. Incomes and expenses are translated at the average of monthly closing rates of exchange. The resultant exchange gains / losses are recognised in the statement of profit and loss.

	No. of shares	**As at March 31, 2012 (Rs. Lacs)**	No. of shares	As at March 31, 2011 (Rs. Lacs)
3. Share capital				
Authorised				
Equity shares of Rs. 10 each with voting rights	**60,000,000**	**6,000.00**	60,000,000	6,000.00
9.5% - 6th Cumulative redeemable preference shares of Rs. 25 each	**320,000**	**80.00**	320,000	80.00
Preference shares of Rs. 25 each	**3,680,000**	**920.00**	3,680,000	920.00
Cumulative convertible preference shares of Rs. 100 each	**1,000,000**	**1,000.00**	1,000,000	1,000.00
		8,000.00		8,000.00
Issued, Subscribed and fully paid up *				
Equity shares of Rs. 10 each with voting rights fully paid up **	**17,379,037**	**1,737.90**	17,379,037	1,737.90
Less: Calls in arrears by others		**0.31**		0.31
		1,737.59		1,737.59

* The Company has issued one class of equity shares having at par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.

** There is no change in issued, subscribed and paid up share capital during the current year and corresponding previous year.

The shareholders holding more than 5% equity shares of the Company are as under :

	Number of shares	**As at March 31, 2012 % holding in the shares**	Number of shares	As at March 31, 2011 % holding in the shares
Aggresar Leasing and Finance Private Limited	**3,716,578**	**21.39%**	3,716,578	21.39%
Betterways Finance & Leasing Pvt Ltd	**1,224,835**	**7.05%**	1,152,079	6.63%
Life Insurance Corporation of India	**1,573,307**	**9.05%**	1,573,307	9.05%

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
4. Reserves and surplus		
Capital reserve *		
At the beginning and end of the year	**24.90**	24.90
Capital redemption reserve		
Opening balance	**130.08**	130.00
Share in capital resdemption reserve of a subsidiary	–	0.8
Closing balance	**130.08**	130.08
Securities premium account		
At the beginning and end of the year	**3,767.00**	3,767.00
Debenture redemption reserve		
Opening balance	–	576.02
Less: Transferred to Statement of Profit and Loss	–	576.02
Closing balance	–	–
Reserve fund#		
At the beginning and end of the year	**0.27**	0.27

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
Reserves and surplus continue...		
Special Reserve ##		
At the beginning and end of the year	**29.96**	29.96
General reserve		
Opening balance	**380.10**	–
Add: Transferred from surplus in Statement of Profit and Loss	**180.10**	380.10
Closing balance	**560.20**	380.10
Surplus in Statement of Profit and Loss		
Opening balance	**12,982.90**	7,571.16
Share in accumulated profits of a subsidiary (net of minority interest of Rs. 677.38 lacs)	–	2,038.90
Add: Profit for the year	**779.39**	3,755.13
Amounts transferred from Debenture redemption reserve	–	576.02
	13,762.29	13,941.21
Less: Proposed dividend on equity shares	**434.48**	434.48
Corporate dividend tax	**143.73**	143.73
Corporate dividend tax no longer payable written back	**(70.48)**	–
Transferred to general reserve	**180.10**	380.10
	687.83	958.31
Closing balance	**13,074.46**	12,982.90
	17,586.87	17,315.21

* Represents central/state government subsidy.
\# As per Income Tax Act,1961.
\## As per Reserve Bank India Act, 1934.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
5. Long-term borrowings		
Secured		
Term loans		
From banks *	**6,481.67**	8,058.60
From others **	**14.44**	24.13
	6,496.11	8,082.73
Unsecured		
Term loans		
From Others ***	**1,071.35**	1,071.35
Deferred payment liability #	**221.13**	-
Other deposits	**45.61**	46.80
	1,338.09	1,118.15
	7,834.20	9,200.88
Less: Current Maturities on long term borrowings ##	**3,718.13**	3,404.14
	4,116.07	5,796.74

* Term loans from Banks include :

– Term loans aggregating Rs. 3,996.75 lacs (Previous year: Rs. 4,557.85 lacs) are secured by first charge by way of hypothecation, ranking pari-passu with the charge created for availing cash credit, overdraft and working capital demand loan facilities described in note 9, on existing as well as future block of movable assets and an equitable mortgage, by deposit of title deeds, of all the immovable assets, both present and future, pertaining to the Textile Division at Hissar. Due within one year Rs. 902.00 lacs (Previous year: Rs. 834.75 lacs).

  Rs. 2,312.50 lacs repayable in 13 quarterly installments, Rs. 397.00 lacs repayable in 20 quarterly installments and Rs. 1,287.25 lacs repayable in 27 quarterly installments.

– Corporate loan of Rs. 1,943.82 lacs (Previous year: Rs. 2,288.82 lacs) secured by first charge by way of hypothecation, ranking pari-passu with the charge created for availing cash credit, overdraft and working capital demand loan facilities and term loans described above, on existing as well as future block of movable assets and an equitable mortgage, by deposit of title deeds, of all the immovable assets, both present and future, pertaining to the Textile Division at Hissar. Due within one year Rs. 1,327.00 lacs (Previous year: Rs. 836.00 lacs). Rs. 1,243.82 lacs repayable in 5 quarterly installments and Rs. 700 lacs repayable in 4 equal quarterly installments.

– Rs. 207.34 lacs (Previous year: Rs. 211.77 lacs) relate to assets purchased under hire purchase/financing arrangements with banks and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. Due within one year Rs. 61.80 lacs (Previous year: Rs. 57.31 lacs).

– Term loan Rs. 333.76 lacs (Previous year: 1000.16 lacs) is secured by way of first charge on all fixed assets and lands pertaining to DCM Engineering Limited at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto. The term loan is repayble in 2 quarterly installments commencing from December 2009. Due within one year Rs. 333.76 lacs (Previous year: 666.40 lacs).

** Rs. 14.44 lacs (Previous year: Rs. 24.13 lacs) relate to assets purchased under hire purchase/financing arrangements with finance companies and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. Due within one year Rs. 5.12 lacs (Previous year: Rs. 9.69 lacs).

*** Term loan aggregating to Rs. 1,071.35 lacs includes Rs. 1,000.00 lacs (Previous year: Rs. 1,000.00 lacs) secured by registered mortgage of farm house land situated at Rajokri, New Delhi, admeasuring 2.50 acres, owned by a promoter group company. Due within one year Rs. 1,000.00 lacs (Previous year: Rs. 1,000.00 lacs).

Deferred payment liability Rs. 221.13 lacs is repayble in 5 equal semi-annual installments. Due within one year Rs. 88.45 lacs (Preivous year: Rs. Nil).

refer note 11.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
6. Deferred Tax Assets/ liabilities (net)		
Accelerated depreciation	**741.02**	812.86
Less :		
Deferred tax asset on :		
Unabsorbed depreciation	**50.70**	-
Accrued expenses deductible on payment	**737.85**	694.46
Provision for doubtful debts and advances	**29.69**	35.27
	818.24	729.73
	77.22	(83.13)
Classified on a company wise basis		
(a) Deferred tax assets	**397.50**	329.15
(b) Deferred tax liabilities	**(320.28)**	(412.28)
Net Deferred tax (liabilities)/ asset	**77.22**	(83.13)

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
7. Other long-term liabilities		
Trade payables	**82.39**	82.17
Security deposits	**19.01**	319.57
Land development project liabilities	**1,577.71**	1,601.56
Others	**1,126.52**	1,133.60
	2,805.63	3,136.90

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
8. Long-term provisions		
Provision for employee benefits :		
Compensated absences	**395.79**	329.46
Gratuity	**1,573.88**	1,494.72
	1,969.67	1,824.18
Others :		
Provision for contingencies	–	501.74
	1,969.67	2,325.92

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
9. Short-term borrowings		
Secured		
Loans repayable on demand from banks *	**12,771.95**	20,958.23
Other loans and advances **	**250.00**	1,000.00
	13,021.95	21,958.23

* Loans repayable on demand from banks include.

- cash credit/overdraft and working capital demand loan facilities aggregating Rs. 8,161.17 lacs (Previous year: Rs. 12,001.76 lacs) and other non-fund based facilities from a bank, are secured by way of hypothecation of stocks / stores and book debts, both present and future. These are further secured by equitable mortgage of immovable assets, both present and future, and first charge, ranking pari-passu with the charge created for availing term loans as described in note 5, by way of hypothecation of existing as well as future block of movable assets pertaining to the Textile Division at Hissar.
- working capital demand loans aggregating Rs. Nil (Previous year: Rs. 4,750.00 lacs) from banks are secured by way of pledge of cotton stocks, pertaining to the Textile Division at Hissar.
- cash credit facilities relating to IT Division, aggregating Rs. 410.57 lacs (Previous year: Rs. 457.78 lacs) and other non-fund based facilities from a bank, are secured by way of first charge/hypothecation of raw materials, stock-in-progress, finished goods, stores, spares, book debts and other assets of the Division (both present and future), and by way of first charge on office property at Hyderabad. The above facility is further secured by way of first charge created / to be created on other fixed assets of the Division.

  Cash credit aggregating Rs. 4,200.21 lacs (Previous year: Rs. 3,748.69 lacs) are secured by first charge by way of hypothecation of stocks, stores and spares, book debts and all other movables, both present and future and second charge on all fixed assets and land pertaining to DCM Engineering Limited at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, together with all buildings, Plant & Machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto.

** Other loans and advances include.

- Rs. 250.00 lacs (Previous year: Rs. 1,000.00 lacs) secured by pledge of 1,100,000 (Previous year: 2,000,000) equity shares of DCM Engineering Limited on a margin of 100% over the outstanding loan amount.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
10. Trade payables		
Dues to Micro & Small Enterprise#	**587.28**	594.55
Other Trade Payables	**4,803.28**	3,461.69
	5,390.56	4,056.24

\# Based upon the information available with the Company, the balance due to the Micro, Small and Medium Enterprises under the MSMED Act, 2006 is Rs. 587.28 lacs (Previous year: Rs. 594.55 lacs). Further, no interest has been paid during the year under the terms of the MSMED Act, 2006.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
11. Other current liabilities		
Current maturities of long-term borrowings *		
Secured		
From Banks	**2,624.56**	2,394.46
From Others	**5.12**	9.68
Unsecured		
From Others	**1,000.00**	1,000.00
Deferred payment liability	**88.45**	–
Unclaimed dividends	**11.91**	–
Unclaimed matured deposits and interest accrued thereon **	**137.35**	137.84
Unclaimed matured debentures and interest accrued thereon **	**698.98**	705.00
Unclaimed application money on debenture **	**1.21**	1.21
Statutory dues payable	**169.82**	162.52
Liabilities for capital goods	**0.78**	11.97
Security deposits received	**0.43**	3.93
Advances from customers	**80.00**	241.93
Interest accrued and not due on borrowings	**2.58**	4.38
Interest accrued and due on borrowings	–	12.58
Land development project liabilities	**1,512.50**	2,516.25
	6,333.69	7,201.75

* Refer note 5.

** No amount is due for transfer under Investor Education and Protection Fund in view of SORA, persuant to which certain past dues have been reschduled for payment.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
12. Short-term provisions		
Provision for employee benefits :		
Compensated absences	**17.11**	26.10
Gratuity	**64.11**	74.85
	81.22	100.95
Others :		
Provision for sales return	**74.93**	159.22
Provision for Tax	**103.52**	141.15
(net of avance tax of Rs. 3222.40 lacs; Previous year: Rs. 2832.80 lacs)		
Provision for non performing assets	**1.93**	1.74
Proposed equity dividend	**434.48**	434.48
Corporate dividend tax	**168.06**	168.06
	782.92	904.65
	864.14	1,005.60

13. Fixed assets (Rs./Lacs)

Description	Gross Block					Depreciation and amortisation					Net Block	
	As at March 31, 2011	Adjustment	Additions	Deductions	As at March 31, 2012	Upto March 31, 2011	Adjustment	For the year	On sales/ disposal	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets												
Freehold Land * $	1,400.09	—	—	**6.80**	**1,393.29**	—	—	—	—	—	**1,393.29**	1,400.09
Building $	3,021.58	—	**115.66**	—	**3,137.24**	812.53	—	**89.32**	—	**901.85**	**2,235.39**	2,209.05
Lease improvement	28.43	—	—	—	**28.43**	5.18	—	**2.98**	—	**8.16**	**20.27**	23.25
Plant and machinery	23,651.58	—	**1,541.43**	**389.01**	**24,804.00**	15,167.87	—	**1,698.87**	**374.88**	**16,491.86**	**8,312.14**	8,483.71
Furniture and fittings	271.68	—	**8.88**	**0.18**	**280.38**	215.10	—	**10.18**	**0.13**	**225.15**	**55.23**	56.58
Office Equipments	155.63	—	**13.11**	**2.66**	**166.08**	77.55	—	**10.06**	**1.02**	**86.59**	**79.49**	78.08
Vehicles	604.62	—	**73.85**	**43.49**	**634.98**	201.60	—	**58.72**	**23.95**	**236.37**	**398.61**	403.02
Sub Total	29,133.61	—	**1,752.93**	**442.14**	**30,444.40**	16,479.83	—	**1,870.13**	**399.98**	**17,949.98**	**12,494.42**	
Previous Year	13,690.04	**14,038.00**	**2,191.97**	**786.40**	**29,133.61**	6,798.31	8,399.00	**2,001.17**	**718.65**	**16,479.83**		12,653.78
Intangible Assets												
Software	352.58	—	**50.08**	**4.00**	**398.66**	319.84	—	**35.24**	**3.49**	**351.59**	**47.07**	32.74
Intellectual Property Rights	279.90	—	—	—	**279.90**	279.90	—	—	—	**279.90**	—	—
Sub Total	632.48	—	**50.08**	**4.00**	**678.56**	599.74	—	**35.24**	**3.49**	**631.49**	**47.07**	
Previous Year	629.86	—	**3.77**	**1.15**	**632.48**	572.70	—	**28.19**	**1.15**	**599.74**		32.74
Grand Total	29,766.09	—	**1,803.01**	**446.14**	**31,122.96**	17,079.57	—	**1,905.37**	**403.47**	**18,581.47**	**12,541.49**	
Previous Year	14,319.90	**14,038.00**	**2,195.74**	**787.55**	**29,766.09**	7,371.01	8,399.00	**2,029.36**	**719.80**	**17,079.57**		12,686.52
Capital Work-in-progress											**391.38**	252.36
											12,932.87	12,938.88

* Include Rs. 969 lacs added in 1992-93 on revaluation.

$ Gross block includes land and buildings aggregating Rs. 84.52 lacs (Previous year: Rs. 84.52 lacs) and Rs. 15.48 lacs (Previous year: Rs. 15.48 lacs) respectively at Nawansahar for which title deeds are yet to be executed in the favour of the DCM Engineering Limited.

		As at March 31, 2012 Rs./Lacs		As at March 31, 2011 Rs./Lacs
14. Non-current investments				
Investments (At cost unless otherwise stated) :				
In equity instruments				
A. Trade (unquoted)				
Joint venture companies				
17,853,605 (Previous year: 17,853,605) shares of Rs. 10 each fully paid up in Purearth Infrastructure Limited *		**2,690.25**		2,690.25
Total - Trade (A)		**2,690.25**		2,690.25
B. Others				
Quoted				
185,850 (Previous year: 185,850) shares of Rs. 10 each fully paid up in SRF Limited		**505.33**		505.33
59,584 (Previous year: 59,584) shares of Rs. 10 each fully paid up in Daewoo Motors India Limited **	**16.34**		16.34	
Less: Provision for diminution in value of investments	**(16.34)**	**#**	(16.34)	#
		505.33		505.33
In preference shares				
Unquoted				
Others				
100,000 (Previous year: 100,000) 0% Non Cumulative Redeemable preference shares of Rs. 100 each fully paid up in Combine Overseas Limited ***		**100.00**		100.00
		100.00		100.00
Total - Other investments (B)		**605.33**		605.33
Total (A+B)		**3,295.58**		3,295.58
Aggregate cost of quoted investments (net of provision for diminution)		**505.33**		505.33
Aggregate market value of listed and quoted investments		**460.35**		591.56
Aggregate cost of unquoted investments		**2,790.25**		2,790.25

* In terms of SORA, the Company will not dispose off its shareholding in Purearth Infrastructure Limited until the completion of the land development project at Bara Hindu Rao/ Kishan Ganj.

** 59,584 (Previous year: 59,584) fully paid equity shares of Rs. 10 each of Daewoo Motors (India) Limited have been pledged with one of the financial institution are pending for release.

*** Refer note 38.

\# Represents Re. 1/-

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
15. Long-term loans and advances		
Unsecured, considered good		
Capital advances *	**1,487.56**	1,437.45
Security deposits	**669.70**	312.18
Balances with government authorities	**51.95**	51.71
MAT credit entitlement	**1,234.84**	1,664.84
Loans and advances to employees	**9.24**	18.88
Other loans & advances	**548.24**	551.04
Considered Doubtful		
Other loans & advances $	**787.48**	787.48
	4,789.01	4,823.58
Less: Provision for other doubtful loans and advances	**787.48**	787.48
	4,001.53	4,036.10

* Refer note 37.

$ Include Rs. 150.22 lacs (Previous year: Rs. 150.22 lacs) as inter corporate deposits.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
16. Other non-current assets		
Unsecured, considered good		
Trade receivables	**2,000.00**	2,000.00
Other receivable		
Compensation receivable from a customer	**990.00**	–
Other bank balances		
Deposits with maturity for more than 12 months *	**23.24**	–
	3,013.24	2,000.00

* Held as margin money against bank guarantee/security.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
17. Inventories		
Raw materials #	**5,257.05**	11,956.88
Work-in-progress #	**1,736.61**	1,868.37
Finished goods #	**2,035.50**	3,633.84
(Includes goods in transit Rs. 484.32 lacs (Previous year: Rs. 71.02 lacs)		
Land (for Development) ##	**1,000.00**	1,000.00
Stores and spares ###	**1,537.58**	1,301.07
	11,566.74	19,760.16

\# Valued at lower of cost and net realisable value.

\## Valued at the lower of its historical cost and net realisable value and includes appropriate share of land development expenses and finance cost of borrowed funds.

\### Valued at cost or under.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
18. Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	**8.60**	308.45
Unsecured, considered good	**132.78**	5,002.73
Doubtful	**80.45**	97.61
	221.83	5,408.79
Less: Provision for doubtful trade receivables	**80.45**	97.61
	141.38	5,311.18
Other Trade receivables		
Secured, considered good	**2.00**	1.60
Unsecured, considered good	**15,220.71**	14,165.56
	15,222.71	14,167.16
	15,364.09	19,478.34

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
19. Cash and Bank Balances		
Cash and cash equivalents		
Cash on hand	**7.48**	7.10
Cheques in hand	–	0.76
Balances with banks		
In current accounts *	**257.42**	412.28
In deposit accounts **	**341.71**	127.11
Others Bank Balances		
In deposit accounts ***	**581.20**	566.36
	1,187.81	1,113.61

* Includes Rs. 3.51 lacs (Previous year: Rs. 5.25 lacs) as security with Debenture trustees and Rs. 27.35 lacs (Previous year: Rs. 286.33 lacs) earmarked for specific use.

** Includes Rs. 0.27 lacs (Previous year: Rs. Nil) as security with Debenture trustees, Rs. 4.96 lacs (Previous year: Rs. 4.32 lacs) against bank guarantee/ security and Rs. 264.86 lacs (Previous year: Rs. 15.43 lacs) earmarked for specifice uses.

*** Includes Rs. 19.11 lacs (Previous year: Rs. 16.82 lacs) against bank guarantee/ security, Rs. 419.39 lacs (Previous year: Rs. 424.77 lacs) as security with Debenture trustees and Rs. 119.69 lacs (Previous year: Rs. 97.94 lacs) earmarked for specific uses.

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
20. Short Term Loans & Advances		
Unsecured, considered good		
Advance to Suppliers	**210.24**	334.42
Loans and advances to employees	**78.98**	44.41
Security deposits	**3.30**	2.64
Prepaid expenses	**107.69**	110.62
Balances with government authorities	**1,024.98**	1,169.56
Advance income tax (net of provisions Rs. 3222.40 lacs, Previous year: Rs. 2832.80 lacs)	**622.50**	213.04
MAT credit entitlement	**440.00**	-
Inter corporate deposit	**250.00**	500.00
Other Loans & Advance@	**788.94**	673.10
	3,526.63	3,047.79

@ Includes advance for purchase in rights in flats Rs. 775.36 lacs (Previous year: Rs. 672.79 lacs).

	As at March 31, 2012 Rs./Lacs	As at March 31, 2011 Rs./Lacs
21. Other current assets		
Unsecured, considered good		
Interest accrued on deposits	**27.09**	18.24
Interest receivable on income-tax refund	–	25.17
Unbilled revenue	**413.86**	960.55
Insurance claim	**192.06**	192.06
Other receivables	**724.67**	194.51
	1,357.68	1,390.53

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
22. Revenue from operations		
Sale of products		
Manufactured goods		
Cotton Yarn	**26,589.18**	25,451.19
Iron castings *	**46,429.34**	40,967.16
Patterns, jigs and fixtures *	**140.08**	58.45
Sale of services	**3,937.82**	4,297.69
	77,096.42	70,774.49
Other operating revenues		
Waste Sales	**1,781.57**	1,360.96
Duty drawback and other export incentives	**710.73**	113.59
Liabilities/ provisions no longer required written back	**1,849.59**	21.74
Income from housing finance activity	**5.40**	9.58
Miscellaneous sales/ Income	**118.04**	115.84
Discounts received from vendors	**18.33**	38.17
	4,483.66	1,659.88
	81,580.08	72,434.37
Less :		
Excise duty	**4,489.51**	3,857.54
	77,090.57	68,576.83

* Includes unbilled revenue of Rs. 335.24 lacs (Previous year: Rs. 865.02 lacs) net of excise duty and taxes amounting to Rs. 51.50 lacs (Previous year: Rs. 116.35 lacs) arising on retrospective sales order amendments given by a few cutomers subsequent to the year end for finished goods sold to them during the year.

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
23. Other Income		
Interest income	**232.49**	218.77
Dividend from non-trade non-current investments	**26.02**	39.68
Net gain on foreign currency transactions and translation	**262.67**	141.27
Profit on sale of fixed assets	**288.74**	37.66
Liabilities/ provisions no longer required written back	**0.29**	36.93
Other non-operating income	**40.10**	34.96
	850.31	509.27

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
24. Cost of materials consumed		
24.a Cost of materials consumed		
Opening stock	**11,956.89**	6,970.06
Add: Purchases	**33,723.69**	37,954.30
	45,680.58	44,924.36
Less: Closing stock	**5,257.05**	11,956.89
	40,423.53	32,967.47
Material consumed comprises :		
Cotton	**22,047.18**	18,043.44
Melting scrap	**13,676.96**	10,830.59
Pig iron	**2,567.45**	2,145.95
Ferro alloys	**1,174.15**	1,184.60
Metallic additives	**478.81**	365.28
Carboriser	**478.98**	397.61
	40,423.53	32,967.47
24.b Purchases of stock-in-trade		
Cotton Yarn	–	161.43
	–	161.43
24.c Changes in inventories of finished goods, work-in-progress and land (for development)		
Inventories at the end of the year :		
Finished goods	**2,035.50**	3,633.84
Work-in-progress	**1,736.61**	1,868.37
Land (for development)	**1,000.00**	1,000.00
	4,772.11	6,502.21
Inventories at the beginning of the year :		
Finished goods	**3,633.84**	526.92
Work-in-progress	**1,868.37**	1,204.14
Land (for development)	**1,000.00**	1,000.00
	6,502.21	2,731.06
Net (increase) / decrease	**1,730.10**	(3,771.15)

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
25. Employee benefits expense		
Salaries, wages, bonus, gratuity etc.	**9,244.36**	9,308.00
Contributions to provident and other funds	**835.74**	813.70
Staff welfare expenses	**311.05**	236.66
	10,391.15	10,358.36

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
26. Finance costs		
Interest expense : *		
On borrowings	**2,574.27**	1,941.73
On taxes	**46.70**	10.65
Other borrowing costs	**162.55**	159.41
Applicable net loss on foreign currency transactions and translation	**9.82**	-
	2,793.34	2,111.79

* Interest Rs. Nil (Previous year: Rs. 12.96 lacs) has been transferred to fixed assets and Rs. 0.05 lacs (Previous year: Rs. 0.50 lacs) has been adjusted against contingency provision.

	For the year ended March 31, 2012 Rs./Lacs	For the year ended March 31, 2011 Rs./Lacs
27. Depreciation and amortization expense		
Depreciation on tangible assets	**1,870.13**	2,001.17
Amortisation on intangible assets	**35.24**	28.19
	1,905.37	2,029.36

		For the year ended March 31, 2012 Rs./Lacs		For the year ended March 31, 2011 Rs./Lacs
28. Other expenses				
Stores, spare parts and components consumed@		**7,471.91**		6,313.10
Power, fuel, etc.		**8,403.43**		7,682.74
Rent		**200.68**		190.83
Repairs to :				
– Buildings		**77.17**		42.43
– Machinery		**1,062.36**		903.53
– Others		**65.54**		50.37
Subcontracting Charges@@		**1,008.47**		861.97
Freight and forwarding		**946.89**		898.48
Insurance		**65.06**		46.27
Rates and taxes		**69.89**		14.42
Brokerage, discount (other than trade discount) etc.		**146.84**		113.09
Auditors' Remuneration#				
As auditors				
– Audit fees		**19.75**		19.75
In other capacity				
– for tax audit		**4.00**		2.00
– verification of statements and other reports		**3.55**		4.17
– limited review of unaudited financial results		**13.50**		12.00
– for reimbursement of expenses		**1.05**		0.84
Directors' fee		**7.73**		5.48
Travelling and conveyance		**408.28**		382.78
Commission to selling agent (other than sole selling)		**324.15**		407.95
Sales Expenses		**123.28**		69.13
Donations		**3.81**		3.14
Legal and professional fees		**327.02**		470.09
Provision for doubtful trade receivables		**23.99**		60.81
Bad trade and other receivables, loans and advances written off				
Bad debts written off	**38.85**		164.69	
Less: Adjusted against provision for doubtful debts	**(34.05)**	**4.80**	(123.94)	40.75
Loss on fixed assets sold/ written off		**25.43**		18.45
Land Development Expenses	**44.92**		109.82	
Less: Adjusted against provision held	**(44.92)**	–	(109.82)	–
Net loss on sale of non-trade non-current investments		–		0.71
Miscellaneous expenses		**399.34**		402.47
		21,207.92		19,017.75

@ After allocating Rs. 38.13 lacs (Previous year: Rs.13.89 lacs) to other expense accounts.

@@ Includes freight, transportation expense Rs. 208.42 lacs (Previous year: Rs. 213.98 lacs) incurred on materials sent to and received back from sub-contractors.

\# Excluding service tax.

29. Exceptional item of Rs. 1,800.00 lacs represent compensation receivable from the developer of real estate project, pursuant to a settlement reached in relation to the flatted factory complex of the said project.

30. Disclosures required under Accounting Standard – 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below :

Defined contribution plans

Contributions to defined contribution plans charged off for the year are as under :

Particulars	**Current Year Rs. Lacs**	Previous Year Rs. Lacs
Company's contribution to provident fund	**371.80**	347.54
Company's contribution to superannuation fund	**105.94**	93.11
Company's contribution to employees' state insurance scheme	**155.06**	141.29

Defined benefit plans

(a) Gratuity

(b) Compensated absences – Earned / Sick leaves

These are unfunded schemes, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Rs./Lacs)

Particulars		**Gratuity**		**Earned and sick leaves**	
		Current year	**Previous year**	**Current year**	**Previous year**
Change in present value of obligation					
Present value of obligation as at the beginning of the year		**1,569.58**	1,470.81	**355.56**	318.91
Current service cost		**90.87**	87.03	**121.82**	61.09
Interest cost		**133.60**	120.36	**30.22**	25.92
Actuarial (gain) / loss		**66.22**	22.11	**(26.83)**	9.67
Benefits paid		**(222.28)**	(130.74)	**(67.87)**	(60.03)
Present value of obligation as at the end of the year	Total	**1,637.99**	1,569.57	**412.90**	355.56
	Non – current	**1,573.88**	1,494.72	**395.79**	329.46
	Current	**64.11**	74.85	**17.11**	26.10
Change in plan assets		**Not applicable**	Not applicable	**Not applicable**	Not applicable
Plan assets at the beginning of the year		**–**	–	**–**	–
Expected return on plan assets					
Contribution by the Company					
Benefits paid					
Actuarial gain / (loss)					
Plan assets at the end of the year		**–**	–	**–**	–
Liability recognised in the financial statement					
Cost for the year					
Current service cost		**90.87**	87.03	**121.83**	61.09
Interest cost		**133.39**	120.36	**30.22**	25.92
Return on plan assets			-		-
Actuarial (gain) / loss		**66.22**	22.11	**(26.83)**	9.67
Net cost		**290.48**	229.50	**125.22**	96.68
Constitution of plan assets Other than equity, debt, property and bank a/c Funded with LIC		**Not applicable**	Not applicable	**Not applicable**	Not applicable
Main actuarial assumptions					
Discount rate		**8.50%**	8.00% / 8.25%	**8.50%**	8.00% / 8.25%
Rate of increase in compensation levels		**6.00% / 5.00%**	5.50% / 5.00%	**6.00% / 5.00%**	5.50% / 5.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

(Rs./Lacs)

Particulars	**For the year ended March 31, 2012**		For the year ended March 31, 2011		For the year ended March 31, 2010		For the year ended March 31, 2009		For the year ended March 31, 2008	
	Gratuity	**Compensated Absences**	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of obligation at the end	**1637.44**	**412.90**	1569.57	355.56	382.33	155.68	308.62	127.46	266.36	108.97
Fair value of plan assets at the end	**–**	**–**	–	–	–	–	–	–	–	–
Net liability recognized in balance sheet	**1637.44**	**412.90**	1569.57	355.56	382.33	155.68	308.62	127.46	266.36	108.97
Net actuarial (gain)/loss recognized.	**66.22**	**(26.83)**	22.11	9.67	39.18	13.49	21.87	6.36	44.95	17.21

31. In terms of the Scheme of Restructuring and Arrangement approved by the Delhi High Court vide its order dated October 29, 2003 under section 391 and 394 of the Companies Act, 1956 (Act) and subsequent modification thereto vide Delhi High Court order dated April 28, 2011(hereinafter referred to as SORA), DCM Limited as envisaged thereunder has :

a) with effect from April 1, 2001, spun off Engineering business into a subsidiary i.e. DCM Engineering Limited and merged a wholly owned subsidiary into the Company with effect from April 1, 1999.

b) entered into definitive agreement on February 16, 2004 with Purearth Infrastructure Limited (PIL), a co-promoted company, for sale of development rights in freehold and leasehold land at Bara Hindu Rao/Kishanganj for a total consideration of Rs. 28,820 lacs includes Rs. 3400 lacs on account of leasehold land out of which Rs. 2,400 lacs is subject to certain minimum profit being earned by PIL from the leasehold land. The status of these agreements is as under :

– In terms of the Freehold Definitive Agreement dated February 16, 2004, DCM Limited had, during the year 2003-04, recognised the sale of development rights to PIL in freehold land at Bara Hindu Rao for a consideration of Rs.14,449.92 lacs (excluding the outstanding of Rs.10,962.08 lacs against the sale of rights aggregating Rs. 39,567 lacs in the previous years).

– the "Leasehold Definitive Agreement" dated February 16, 2004 has technically not come into effect as the conditions to make the agreement effective are yet to be complied with. As a result, DCM Limited has considered prudent not to recognize the sale of development rights in leasehold land and has carried forward the same at its estimated net realisable value as " Land (for development)" under the head inventories in notes 17 of the consolidated financial statement.

Consequent to the above, in terms of the SORA and the definitive agreements referred to as above, all rights and obligations with respect to development of freehold land have been taken over by PIL including the obligation towards advances received by the Company in the previous years against sale of flats on instalment payment basis. Further, the provision for contingencies aggregating Rs.501.74 lacs carried forward from the previous year to cover the expenses to be incurred in relation to the above project has been utilized / adjusted during the year.

c) Since, in terms of para 43 of the SORA, it can not be implemented partially as, by its very nature, it would be implemented as a whole and in totality and that in the event any part of the SORA, either in part or in whole, is not capable of implementation, the whole SORA will have no effect. The management has confirmed to the auditors that the conditions contained in the leasehold definitive agreement (See (b) above) would be complied with and would not result in any adverse impact on the financials of DCM Limited or on the successful implementation of the SORA.

d) DCM Limited has in the previous years accounted for the impact of financial restructuring, resulting in rescheduling/ waiver of interest/ principal, including the modification of security terms, if any, with regard to partly convertible debentures, non convertible debentures, loans from Financial Institutions and certain inter corporate deposits as envisaged in the SORA.

e) After considering the effect of Delhi High Court order dated April 28, 2011, DCM Limited has complied with the debt repayment obligations including in respect of debentures, deposits, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien / Designated Accounts' with scheduled banks. Aggregate of amount so deposited as at the year end is Rs. 835.07 lacs (Previous year: Rs. 829.71 lacs).

32. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for in the financial statements aggregate Rs. 2,454.65 lacs (Previous year: Rs. 817.81 lacs).

33. Contingent liabilities not provided for : (Rs./Lacs)

Particulars	**Current Year**	Previous Year
Claims not acknowledged as debts : *		
– Income-tax matters	**294.42**	54.33
– Service tax	**4.38**	11.46
– Customs duty	**12.55**	12.55
– Employees' claims (to the extent ascertained)	**39.32**	158.48
– Property tax	**800.62**	800.62
– Excise Duty	**598.88**	192.00
– Others	**365.59**	236.86

*All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Group.

34. Earnings per share :

	Current Year	Previous Year
(a) Profit after taxation as per statement of profit and loss (Rs./lacs)	**779.39**	3,755.13
(b) Number of equity shares (face value of Rs. 10 per share)	**173,79,037**	173,79,037
(c) Basic and diluted earning per share (Rs. Per share)	**4.48**	21.61

35. During the financial period 1992-93, DCM Limited revalued its land pertaining to its unit Hissar Textile Mills, Hissar, as of April 1, 1990, the date when DCM Limited was re-organised, on the basis of valuation carried out by an approved valuer. This revaluation resulted in a surplus of Rs. 969 lacs, which was credited to the revaluation reserve, already adjusted in previous years.

36. The Collector, Hissar in the year 1989-90 had ordered resumption of 250 acres of land of the closed unit at Hissar and had served a notice on DCM Limited to start textile operations on the remaining 129.5 acres of land at Hissar within a specified period failing which that land would also be resumed. DCM Limited has since setup a spinning mill at this location and had filed a writ petition in the Punjab and Haryana High Court challenging the order and the notice. In previous year, DCM Limited's writ petition has been decided in favour of DCM Limited. During the year, an appeal has been filed by the State of Haryana in the matter which is pending before the High Court.

37. Capital advances includes Rs. 870.55 Lacs (Previous year: Rs. 870.55 Lacs) paid during the previous year to a party to acquire certain property under construction at New Delhi. The construction was a matter of litigation between the Builder and the local authorities. The High Court of Delhi has allowed the builder to construct the property subject to certain conditions. The management is confident that the advance paid to acquire the property is good and fully recoverable.

38. In the previous years, DCM Limited's claim for the refund of an Inter Corporate Deposit amounting to Rs.100 lacs against a body corporate was settled by the body corporate by issuing, in terms of an arbitration award, 0% non-cumulative, non-voting, redeemable preference shares of Rs.100 each to DCM Limited, redeemable within 20 years. The management is confident that the investment acquired by DCM Limited in preference shares of the body corporate is good and fully recoverable.

39. The Group's significant operating lease arrangements, entered into subsequent to March 31, 2001, are in respect of premises (residential, office, stores, godown, etc.). These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. The lease rentals charged as rent aggregate Rs. 200.68 lacs (Previous year: Rs. 190.83 lacs) under note 28.

40. The business of DCM Limited was reorganised under a Scheme of Arrangement sanctioned by the High Court of Delhi, New Delhi vide its order dated April 16, 1990, effective from April 1,1990 under the provisions of sections 391/394 of the Companies Act, 1956 and all the units of DCM Limited existing at that time were re-organised under four separate companies namely, DCM Limited, DCM Shriram Industries Limited, DCM Shriram Consolidated Limited and Mawana Sugars Limited. There are various issues relating to sales tax, income-tax, etc., arising/arisen out of the reorganisation arrangement, which will be settled and accounted for in terms of the Scheme of Arrangement and memorandum of understanding between the companies as and when the liabilities/benefits are fully determined.

The demands aggregating Rs 451 lacs raised by the Income-tax Authority during the year 1994-95, in relation to the above matters, have either been decided in favour of DCM Limited or have been adjusted against the carried forward losses. However, the matters are disputed by the Income-tax Authorities in appeal.

41. Details of loans and advances in the nature of loans, as per clause 32 of Listing Agreement where there is no repayment schedule are i) Bahubali Services Limited Rs. 155.46 lacs (Previous year: Rs. 155.46 lacs) {(Maximum amount outstanding Rs. 155.46 lacs (Previous year: Rs. 155.46 lacs)}, ii) Jaya Rapid Rollers Limited Rs. 22.22 lacs (Previous year: Rs. 22.22 lacs) {(Maximum amount outstanding Rs. 22.22 lacs (Previous year: Rs. 22.22 lacs)}, iii) LKP Merchant Financing Limited Rs. 84.25 lacs (Previous year: Rs. 84.25 lacs) {(Maximum amount outstanding Rs. 84.25 lacs (Previous year: Rs. 84.25 lacs)} and iv) DCM Employees Welfare Trust Rs. 279.90 lacs (Previous year: Rs. 279.90 lacs) {(Maximum amount outstanding Rs. 279.90 lacs (Previous year: Rs. 279.90 lacs)}.

42. SEGMENT REPORTING

a) The business segments comprise the following :

Textiles – Yarn manufacturing
IT Services – IT Infrastructure services and software development.
Real Estate – Development at DCM Limited's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi.
Grey Iron Castings – Grey iron casting manufacturing
Other – Leasing / financing, investing & others.

b) Business segments have been identified based on the nature and class of products and services, their customers and assessment of the differential risks and returns and financial reporting system within the Group.

c) The geographical segments considered for disclosure are based on location of customers, broadly as under :

– within India
– outside India

d) Segment accounting policies;

In addition to the significant accounting policies, applicable to the business as set out in note 2, the accounting policies in relation to segment accounting are as under :

(i) Segment assets and liabilities :

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amounts of certain assets/liabilities pertaining to two or more segments are allocated to the segments on reasonable basis.

(ii) Segment revenue and expenses :

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(iii) Inter segment sales :

Inter-segment sales are accounted for at cost and are eliminated in consolidation.

e) (i) Primary Segment information (Business Segments) for the year ended March 31, 2012

(Rs./Lacs)

Particulars	Textiles		IT Services		Real Estate		Grey Iron Casting		Other		Segment Total		Unallocated		Total Company	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
1. Segment revenue																
– External sales/services	**26,566.13**	25,431.90	**3,937.82**	4,297.68	–	–	**42,102.96**	37,187.36	**5.41**	9.58	**72,612.32**	66,926.52	–	–	**72,612.32**	66,926.52
– Other Operating income	**2,506.54**	1,491.89	**1.81**	7.55	**3,638.99***	–	**130.91**	149.82	–	1.05	**6,278.25**	1,650.31	–	–	**6,278.25**	1,650.31
Total Revenue	**29,072.67**	26,923.79	**3,939.63**	4,305.23	**3,638.99**	–	**42,233.87**	**37,337.18**	**5.41**	**10.63**	**78,890.57**	68,576.83	–	–	**78,890.57**	68,576.83
2. Segment results	**(1,479.44)**	5,565.98	**26.02**	15.86	**3,638.99***	–	**1,656.98**	**2,864.76**	**(1.35)**	**1.42**	**3,841.20**	8,448.02			**3,841.20**	8,448.02
Unallocated corporate expenses/income (net of unallocated income/ expenses)													**241.61**	(125.14)	**241.61**	(125.14)
Profit before finance cost and tax															**4,082.81**	8,322.88
Finance Cost													**2,793.34**	2,111.79	**2,793.34**	2,111.79
3. Profit before tax															**1,289.47**	6,211.09
Provision for taxation													**282.20**	2,065.35	**282.20**	2,065.35
4. Profit after taxation															**1,007.27**	4,145.74

Primary Segment information continue...

(Rs./Lacs)

Particulars	Textiles		IT Services		Real Estate		Grey Iron Casting		Other		Segment Total		Unallocated		Total Company	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
5. Other information																
(a) Segment assets	**18,848.20**	30,548.75	**1,150.66**	1,222.29	**9,055.09**	**9,688.82**	**18,971.57**	17,925.88	**340.12**	339.05	**48,365.64**	59,724.79			**48,365.64**	59,724.79
Investments													**3,295.58**	3,295.58	**3,295.58**	3,295.58
Other unallocated assets													**4,982.45**	4,369.77	**4,982.45**	4,369.77
Total Assets															**56,643.67**	67,390.14
(b) Segment liabilities	**1,654.55**	1,294.62	**378.45**	408.99	**3,139.12**	**4,975.53**	**5,275.29**	4,258.92	**2.97**	2.56	**10,450.38**	10,940.62			**10,450.38**	10,940.62
Share capital and reserves													**19,324.46**	19,052.80	**19,324.46**	19,052.80
Minority Interest													**2,497.22**	2,443.68	**2,497.22**	2,443.68
Loan funds													**20,856.15**	31,176.07	**20,856.15**	31,176.07
Other unallocated liabilities													**3,515.46**	3,776.97	**3,515.46**	3,776.97
Total liabilities															**56,643.67**	67,390.14
(c) Capital expenditure	**198.53**	1,362.45	**6.93**	9.83	**–**	–	**1,785.06**	681.77	**–**	–	**1,990.52**	2,054.05	**1.60**	26.06	**1,992.12**	2,080.11
(d) Depreciation	**952.21**	913.33	**21.94**	24.88	**–**	–	**915.33**	1,072.06	**–**	0.01	**1,889.48**	2,010.28	**15.89**	19.08	**1,905.37**	2,029.36
(e) Non-cash expenditure other than depreciation	**20.21**	2.60	**9.47**	14.69	**–**	–	**19.95**	71.31	**0.20**	–	**49.83**	88.60	**4.41**	32.12	**54.23**	120.72

(ii) Secondary segment information (Geographical segments)

Particulars	**Current Year Rs. Lacs**	Previous Year Rs. Lacs
Segment revenue (Including excise duty)		
– Revenue within India	**63,488.07***	50,453.14
– Revenue outside India	**15,402.50**	18,123.69
Total segment revenue	**78,890.57**	68,576.83
Segment assets		
– Within India	**44,937.47**	54,020.60
– Outside India	**3,428.17**	5,704.19
Total segment assets	**48,365.64**	59,724.79
Capital expenditure		
– Within India	**1,990.88**	2,080.11
– Outside India	**1.24**	–
Total segment capital expenditure	**1,992.12**	2,080.11

*Includes exceptional income of Rs. 1,800 lacs (refer note 29). It also includes Rs.1,836.81 lacs on account of liabilities / provisions no longer required written back in relation to real estate project.

43. Related party disclosures under Accounting Standard (AS) 18

A. Names of related party and nature of related party relationship

I. Joint venture :

Purearth Infrastructure Limited (PIL)

II. Key management personnel and/or Individuals having direct or indirect control or significant influence, and their relatives :

a. Mr. Naresh Kumar Jain – Managing Director
b. Dr. Vinay Bharat Ram – Chief Executive Officer
c. Mr. Hemant Bharat Ram – President – Textiles
d. Mr. Sumant Bharat Ram – Chief Operating and Financial Officer

III. Enterprises where key management personnel have significant influence

a. Aggresar Leasing and Finance Private Limited (ALFPL)
b. Betterways Finance and leasing Private Limited (BFLPL)
c. Xonix Enterprises Private Limited (XEPL)
d. Lotus Finance & Investments Private Limited (LFIPL)
e. Midopa Holdings Private Limited (MHPL)
f. Lotte Trading and Allied Services Private Limited. (LTASPL)

B. Transactions with related parties referred to in A above.

i) Transactions with joint venture company and enterprises where key management personnel have significant influence

(Rs./Lacs)

Particulars		Joint venture		Others*		Total	
		Current year	Previous year	**Current year**	Previous year	**Current year**	Previous year
Expenses recovered	PIL	**69.85**	49.08	**-**	-	**69.85**	49.08
Compensation Received	PIL	**1,800.00**	–	**-**	-	**1,800.00**	-
Liabilities no longer required written back	PIL	**1356.00**	–	**-**	-	**1356.00**	-
Advance/ Consideration given for purchase of rights in flats	PIL	**102.58**	–	**-**	-	**102.58**	-
Investment in equity shares	PIL	**-**	259.87	**-**	-	**-**	259.87
Dividend paid	ALFPL	**-**	–	**242.91**	-	**242.91**	-
	BFLPL	**-**	–	**38.76**	-	**38.76**	-
	XEPL	**-**	–	**19.44**	-	**19.44**	-
	Others	**-**	–	**40.36**	-	**40.36**	-
Balance outstanding at the year end :							
a) Trade Receivable	– PIL	**6,417.50**	8,672.39	**–**	–	**6,417.50**	8,672.39
b) Other Receivable							
– Non-current	– PIL	**990.00**	–	**–**	–	**990.00**	–
– Current	– PIL	**630.00**	–	**–**	–	**630.00**	–
c) Advance / consideration for purchase of rights in flats	– PIL	**775.36**	672.79	**–**	–	**775.36**	672.79
d) Deposit payable	– PIL	**–**	300.00	**–**	–	**–**	300.00
e) Advances recoverable/(payable)	– PIL	**(5.92)**	(59.96)	**–**	–	**(5.92)**	(59.96)

* Enterprises where key management personnel have significant influence.

ii) Transactions with key managerial personnel

	Current Year Rs. Lacs	Previous Year Rs. Lacs
Remuneration *		
– Dr. Vinay Bharat Ram	**137.00**	130.01
– Mr. Hemant Bharat Ram	**117.13**	89.86
– Mr. Sumant Bharat Ram	**80.10**	90.04
– Mr. Jai Kumar Menon	**74.17**	72.06
Sitting fees		
– Mr. Naresh Kumar Jain	**0.65**	0.47
Dividend paid		
– Dr. Vinay Bharat Ram	**0.16**	–
Balance outstanding at the year end :		
Payables :		
– Dr. Vinay Bharat Ram	**0.92**	0.92
– Mr. Hemant Bharat Ram	**3.43**	3.35
– Mr. Sumant Bharat Ram	**–**	38.91
– Mr. Jai Kumar Menon	**–**	17.09
Guarantees given on behalf of the Company by :		
– Mr. Sumant Bharat Ram	**–**	1,000.00

* Does not include provision for leave salary and contribution / provision towards gratuity, since the provision / contribution is made for the Company as a whole on actuarial basis.

44. Disclosures related to joint venture :

Name	Country of incorporation	Nature of Interest	Percentage of ownership as at	
			March 31, 2012	March 31, 2011
Purearth Infrastructure Limited	India	Equity share Holding	**15.87%**	15.99%

The Company's investment in the above joint venture is shown as non-current investment – trade (un-quoted), under note 14. Due to non availability of financial statements of the aforesaid joint venture for year ended March 31, 2012 or within 6 months thereof, the disclosures required to be made in terms of Accounting Standard (AS) –27 "Financial Reporting of interest in Joint Venture" for the current year have been made on the basis of Joint Venture's latest available 'standalone' financial statements for the year ended March 31, 2011. However, the Company's share of Assets, Liabilities, Income and Expenses, etc. (without elimination of the effect of transactions between the Company and the joint venture) has been determined on the basis of Company's shareholding in Joint Venture as of March 31, 2012.

(Rs./Lacs)

	As at March 31, 2011 (Based on ownership interest of 15.87%)	As at March 31, 2010 (Based on ownership interest of 15.99%)
ASSETS		
Fixed assets	**17.33**	20.35
Investments	**46.28**	216.30
Current assets, loans and advances		
a) Inventories	**6,963.37**	6,910.60
b) Sundry debtors	**74.58**	44.84
c) Cash and bank balances :	**229.46**	628.78
d) Loans and advances	**474.80**	299.58
LIABILITIES		
Loans		
Secured loans	**874.10**	899.97
Current Liabilities and provisions :		
a) Liabilities	**4,133.19**	4,647.00
b) Provisions	**34.39**	75.23
Employees stock options outstanding	**55.78**	56.12
	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME		
Real Estate Operations	**628.55**	850.22
Other income	**51.30**	57.23
EXPENSES		
Cost of sales	**435.07**	625.15
Personnel expenses	**30.52**	27.71
Operating & other expenses	**148.94**	141.43
Depreciation/amortization	**4.29**	4.41
Financial expenses	**6.17**	6.59
Provision for taxation	**27.27**	53.04
OTHER MATTERS		
Contingent liabilities	**73.48**	72.89

45. There are no undisputed dues of wealth tax, sales tax and cess, which have not been deposited by the Group. The details of disputed dues as of March 31, 2012 in respect of excise duty, customs duty, income tax and service tax that have not been deposited by the Group, are as follows : -

(Rs./Lacs)

Name of the statute	Nature of the dues	Forum where pending	Total amount involved * (Rs. Lacs)	Amount paid under protest (Rs. Lacs)	Period to which the amount relates
Central Excise Law	Excise Duty	Customs Excise and Service Tax Appellate Tribunal Supreme Court	595.81 3.07	– –	1996-1999 2004-2011 2002-2004
Customs Act,1962	Custom Duty	Commissioner of Customs (Appeals)	12.55	–	1988-89
Income-tax Act, 1961	Income-tax	Income Tax Appellate Tribunal Commissioner of Income Tax (Appeals)	12.72 27.93	12.72 19.88	Assessment year 2007-08 2009-10
Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal	4.38	–	2005-2011

* Amount as per demand order including interest and penalty wherever indicated in the demand.

For the above purposes, statutory dues payable in India have been considered. Further, the demands raised and already set off by the Income-tax Authorities against the carried forward losses of the Group or the refunds due to the Group, being no longer due for payment, have not been considered.

The following matters which have been excluded from the above table, have been decided in favour of the Group, although the concerned regulatory authority has preferred appeal at a higher level :

Name of the statute	Nature of the dues	Forum where pending	Amount (Rs. lacs)	Period to which the amount relates
Income-tax Act, 1961	Income-tax	Delhi High Court	442.48	Assessment Years 1983-84 to 1990-91

46. Quantitative data about Derivative Instrument

Nature of derivative	Number of deals		Purpose		Amount in foreign currency (in US $)		Amount in Rs. Lacs	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Forward Contract	**20**	3	**Hedge**	Hedge	**21,29,443**	3,55,546	**1063.22**	166.66

Foreign currency exposure of the Group that is not hedged by derivative instruments or otherwise is as follows :-

Particulars	Current Year			Previous Year		
	Amount in Foreign currency		Amount in Rs. Lacs	Amount in Foreign currency		Amount in Rs. Lacs
Trade receivables	**US$**	**11,54,669**	**584.39**	US$	32,53,681	1447.38
	GBP	**4,470**	**3.64**	GBP	4,469	3.02
Cash and Bank	**US$**	**75,005**	**37.95**	US$	72,174	32.10
Loans and Advances	**US$**	**49,883**	**25.24**	US$	2,88,844	127.90
	Euro	**5,84,481**	**396.39**	Euro	1,41,380	88.13
	GBP	**3,964**	**3.23**	GBP	4,561	3.24
Trade Payable	**US$**	**4,14,120**	**210.17**	US$	6,39,193	285.55
	Euro	**1,04,984**	**71.25**	Euro	1,22,395	78.47
Provisions	**US$**	–	–	US$	5,000	2.22
Unsecured Long Term Borrowings	**Euro**	**3,25,833**	**221.13**	Euro	–	–

47. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to notes 1 to 47

NARESH KUMAR JAIN
Managing Director

JITENDRA TULI
Chairman

BHABAGRAHI PRADHAN
Company Secretary

ASHWANI SINGHAL
Executive Vice President
(Finance & Taxation)

Place : New Delhi
Date : May 28, 2012

DCM Limited

Regd. Office : 6th Floor, Vikrant Tower, 4, Rajendra place,
New Delhi - 110 008.

Dear Sir,

Re : Dividend Electronic Clearing (ECS) Mandate Form & Registration of E Mail ID

I/We hereby give my/our mandate to credit my/our Dividend on the equity shares held by me/us under the Folio mentioned below, directly to my/our bank account through the Electronic Clearing Service (ECS). The details of the Bank Account and Email ID are given below :

ECS MANDATE FORM

1.	Name of the shareholder (In Block Letters)	
2.	Registered Address	
3.	Folio No.	
4.	No. of Shares	
5.	Bank Name	
6.	Branch Name	
7.	Account Number (as appearing on Cheque Book)	
8.	Ledger Folio No. of the Account (If appearing on Cheque Book)	
9	Account Type (please Tick ✓)	☐ Savings Bank ☐ Current ☐ Cash Credit
10.	9-Digit MICR Code of the Bank & Branch appearing on the Cheque issued by the Bank	

EMAIL REGISTRATION

11	My Email ID is	
12	I/We agree to receive all future communications from the Company in electronic mode at the above email ID or at any other ID as I may change/register with the company for the purpose (please Tick ✓ your choice)	☐ Yes ☐ No.

I/We enclose a blank cancelled Cheque/Xerox copy of Cheque/Front page of Bank Pass Book to enable you to verify the detail.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/the user institution/bank responsible. I/We undertake to inform any subsequent changes in the above particulars before the relevant Book Closure Date(s). I/We understand that the above details shall be maintained by you till I/We hold the shares in physical mode under the captioned Folio.

Date : _____________

Encl : _____________

____

Signature of the Sole/First Shareholder

IMPORTANT NOTES :

1) On registration of the email, all the communication will be sent to the e-mail ID registered in the folio/with the depository.
2) Shareholders are requested to keep company informed as and when there is any change in the e-mail address at investors@dcm.in . Unless the email Id given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.
3) If shares held in electronic mode, kindly register your ECS MANDATE & e-mail id with your DP.

DCM LIMITED

Registered Office : 6th Floor, Vikrant Tower, 4, Rajendra Place, New Delhi - 110 008

ADMISSION SLIP

Please Complete the Admission slip and hand it over at the entrance of the meeting hall.

L.F. No : .... Number of Shares Held : ....

DP. Id*		Client ID No*	

1	1	1 ....
2	2	3 ....
3	3	3 ....

I HEREBY RECORD MY/OUR PRESENCE AT THE 122nd ANNUAL GENERAL MEETING OF DCM LIMITED ON SATURDAY JULY 14, 2012 AT 12.30 P.M. AT MPCU SHAH AUDITORIUM, SHREE DELHI GUJRATI SAMAJ MARG, CIVIL LINES, NEW DELHI - 110054

*Applicable for investors holding shares in electronic form

....

SIGNATURE OF THE MEMBER/PROXY

1. SHAREHOLDERS HAVING ANY QUERIES ARE REQUESTED TO SEND THEM 10 DAYS IN ADVANCE TO THE COMPANY TO ENABLE IT TO COLLECT THE RELEVANT INFORMATION.
2. ONLY TEA & COLD DRINK WILL BE SERVED AT THE MEETING.
3. NO DUPLICATE ATTENDANCE SLIP WILL BE ISSUED AT THE ATTENDANCE COUNTER. IF REQUIRED, SAME MAY BE OBTAINED FROM THE REGISTERED OFFICE OF THE COMPANY BEFORE THE DATE OF THE MEETING.
4. NO BAGS, BRIEFCASES, DRINKS AND EATABLES WILL BE ALLOWED TO BE CARRIED INSIDE THE AUDITORIUM.

Cut Here

DCM LIMITED

Registered Office : Vikrant Tower, 4, Rajendra Place, New Delhi - 110 008

PROXY FORM

L.F. No : .... Number of Shares Held : ....

DP. Id*		Client ID No*	

I/We;

Name{s} in full	**Father's /Husband's Name**	**Address as Regd. With the Company**
1	1	1 ....
2	2	3 ....
3	3	3 ....

being a member/members of DCM Limited hereby appoint .... of .... in the district of .... or failing him .... of .... in the district of .... as my/our proxy to attend and vote for me/us on my/our behalf at the 122nd Annual General Meeting of the Company to be held on SATURDAY, JULY 14, 2012 AT 12.30 P.M. and at any adjournment thereof.

Signed this .... day of 2012

*Applicable for investors holding shares in electronic form.

Re. 1 Revenue Stamp

Signature : ....

Note: The Proxy Form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of meeting.