


**A. F. FERGUSON & CO.**  
CHARTERED ACCOUNTANTS  
9, SCINDIA HOUSE,  
KASTURBA GANDHI MARG,  
NEW DELHI - 110001.

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

1. We have reviewed the accompanying statement of Unaudited Financial Results of **DCM LIMITED** ("the Company") for the quarter ended June 30, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Company's "Scheme of Restructuring and Arrangement", sanctioned by the High Court of Delhi and further modified vide its order dated April 28, 2011 (hereinafter referred to as SORA), provides that it is required to be implemented as a whole and in totality. The effect of the financial and business restructuring, as envisaged in the above scheme, has already been considered in preparing the accounts by the Company during the previous years except for the sale of rights in the Company's land development project, which, as per SORA, is subject to certain definitive agreements. Although the Company has entered into the definitive agreements during the previous years, one of such agreements, viz., "leasehold definitive agreement", has not become effective pending compliance with certain conditions contained therein and, therefore, the corresponding transaction has not been effected in the accounts. The management has confirmed to us that the conditions contained in the leasehold definitive agreement would be complied with and would not result into any adverse impact on the financials of the Company or on the successful implementation of the SORA. Our conclusion is not modified in respect of this matter.

Certified to be True Copy  
For DCM LIMITED

  
Company Secretary

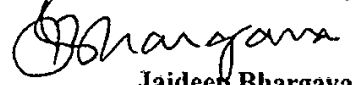
TELEPHONES : 91-11-2331 5884, 2371 3899 • FAX : 91-11-2331 4561 • E-MAIL : [affdelhi@bol.net.in](mailto:affdelhi@bol.net.in)

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4. Various matters arisen/arising out of reorganisation will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 2. The effect of these on the financial results for the quarter ended June 30, 2012 is not ascertainable at this stage.
5. Based on our review and read with our comment in paragraph 3 above and subject to our comment in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholdings and the number as well as the percentage of pledged/encumbered shares and non-encumbered shares of promoter and promoter group shareholder's in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrar.

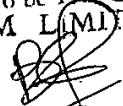
For A. F. Ferguson & Co.  
Chartered Accountants  
(Firm Registration No.: 112066W)

  
Jaideep Bhargava  
Partner  
(Membership No.:090295)

New Delhi, August 13, 2012

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Certified to be True Copy  
For DCM LIMITED

  
Company Secretary

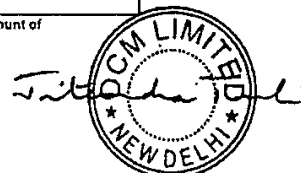
Part I					(Rs. in Lacs)
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012					
Particulars	Three months ended 30.06.2012 Unaudited	Preceding Three months ended 31.03.2012 Unaudited	Corresponding Three months ended 30.06.2011 Unaudited	figures for year ended 31.03.2012 Audited	
	1	2	3	4	
<b>1 Income from operations</b>					
a) Net sales /services (net of excise duty)	9,065	7,342	9,008	30,504	
b) Other operating income *	551	1,038	428	4,347	
<b>Total income from operations (net)</b>	<b>9,616</b>	<b>8,380</b>	<b>9,436</b>	<b>34,851</b>	
<b>2 Expenses</b>					
a) Cost of materials consumed	4,999	5,352	7,166	22,047	
b) Purchases of stock-in-trade	-	-	-	-	
c) Changes in inventories of finished goods, work-in-progress and land for development	468	(916)	2,323	1,873	
d) Employee benefits expense	1,419	1,322	1,235	5,124	
e) Depreciation and amortisation expense	241	251	234	990	
f) Other expenses :					
- Power and fuel etc.	691	563	506	2,233	
- Others	808	642	746	2,833	
<b>Total expenses</b>	<b>8,626</b>	<b>7,214</b>	<b>12,210</b>	<b>35,100</b>	
<b>3 Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>990</b>	<b>1,166</b>	<b>(2,774)</b>	<b>(249)</b>	
4 Other income	592	26	551	878	
<b>5 Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,582</b>	<b>1,192</b>	<b>(2,223)</b>	<b>629</b>	
6 Finance cost	465	379	643	1,976	
<b>7 Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,117</b>	<b>813</b>	<b>(2,866)</b>	<b>(1,347)</b>	
8 Exceptional items (refer note 1)	-	1,800	-	1,800	
<b>9 Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	<b>1,117</b>	<b>2,613</b>	<b>(2,866)</b>	<b>453</b>	
10 Tax expense	276	766	(1,043)	(91)	
<b>11 Net profit/(loss) from ordinary activities after tax (9-10)</b>	<b>841</b>	<b>1,847</b>	<b>(1,823)</b>	<b>544</b>	
12 Extraordinary items	-	-	-	-	
<b>13 Net profit/(loss) for the period (11-12)</b>	<b>841</b>	<b>1,847</b>	<b>(1,823)</b>	<b>544</b>	
14 Paid-up equity share capital of Rs.10 each	1,738	1,738	1,738	1,738	
15 Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	14,220	
<b>16 Earnings per share (before extraordinary items) (of Rs. 10 each) (Rs. Per share):</b>					
a) Basic	4.84	10.63	(10.49)	3.13	
b) Diluted	4.84	10.63	(10.49)	3.13	
<b>PART II</b>					
<b>A PARTICULARS OF SHAREHOLDING</b>					
1 Public shareholding					
- Number of shares	9,611,155	9,611,155	9,705,438	9,611,155	
- Percentage of shareholding	55.30%	55.30%	55.85%	55.30%	
2 Promoters and promoter group shareholding					
a) Pledged/Encumbered					
- Number of shares	-	-	-	-	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	
b) Non-encumbered					
- Number of shares	7,767,882	7,767,882	7,673,599	7,767,882	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	
- Percentage of shares (as a % of the total share capital of the Company)	44.70%	44.70%	44.15%	44.70%	
<b>Particulars</b>		<b>Three months ended on</b>			
<b>B INVESTOR COMPLAINTS</b>		<b>30.06.2012</b>			
Pending at the beginning of the quarter		Nil			
Received during the quarter		4			
Disposed of during the quarter		4			
Remaining unresolved at the end of the quarter		Nil			

\* Other operational income during the quarter and year ended March 31, 2012 includes Rs. 481 Lacs and 1837 Lacs respectively on account of liabilities/provisions no longer required written back in relation to real estate project.



Certified to be correct  
For DCM LIMITED

Company Secretary



**UNAUDITED SEGMENTWISE REVENUE AND CAPITAL EMPLOYED  
FOR THE QUARTER ENDED JUNE 30, 2012**

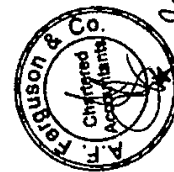
		(Rs. in Lacs)			
1	Particulars	Three months ended 30.06.2012 Unaudited	Preceding Three months ended 31.03.2012 Unaudited	Corresponding three months ended 30.06.2011 Unaudited	figures for year ended 31.03.2012 Audited
		1	2	3	4
1	<b>Segment revenue</b>				
	a) Textile	8,524	6,903	8,468	29,073
	b) IT Services	1,092	994	968	3,939
	c) Real Estate	-	2,283 @	-	3,639 @
	<b>Total</b>	<b>9,616</b>	<b>10,180</b>	<b>9,436</b>	<b>36,651</b>
	Less: Inter segment revenues	-	-	-	-
	<b>Net sales / income from operations</b>	<b>9,616</b>	<b>10,180</b>	<b>9,436</b>	<b>36,651</b>
2	<b>Segment results</b>				
	a) Textile	1,097	831	(2,632) #	(1,480)
	b) IT Services	51	35	(6)	25
	c) Real Estate	-	2,283	-	3,639
	<b>Total</b>	<b>1,148</b>	<b>3,149</b>	<b>(2,638)</b>	<b>2,184</b>
	Less: I) Interest : II) Un-allocable (expenditure)/income net of un-allocable income/expenditure	(465)	(379)	(642)	(1,976)
	<b>Profit/(loss) before tax</b>	<b>434</b>	<b>(157)</b>	<b>414</b>	<b>245</b>
		<b>1,117</b>	<b>2,613</b>	<b>(2,866)</b>	<b>453</b>
3	<b>Capital employed</b> (Segment assets - Segment liabilities)				
	a) Textile	19,090	17,194	19,905	17,194
	b) IT Services	817	772	764	772
	c) Real Estate	5,006	5,916	4,733	5,916
	<b>Segment capital employed</b>	<b>24,913</b>	<b>23,882</b>	<b>25,402</b>	<b>23,882</b>
	Others un-allocated	8,356	7,994	8,689	7,994
	<b>Total capital employed</b>	<b>33,269</b>	<b>31,876</b>	<b>34,091</b>	<b>31,876</b>

@ includes exceptional item (Refer note 1). It also includes Rs. 481 Lacs and Rs. 1837 Lacs during the quarter and year ended respectively on account of liabilities/provisions no longer required written back in relation to real estate project.

# after write down of inventory to net realisable value, by Rs. 22 crores.

Certified to be correct  
For DCML Limited

Company Secretary



Notes:

1. Exceptional items of Rs. 1800 lacs represent compensation receivable from the developer of real estate project pursuant to settlement reached in relation to flatted factory complex of the said project.
2. Various issues relating to reorganization of 1990 will be settled as per the Scheme of Arrangement of 1990 and Memorandums of Understanding between the concerned companies, as and when finally determined. The final liability of the Company, if any, would be restricted to 1/3rd of the total liability (Reference; para 5(v) of audit report and note 40 to the audited accounts for the year ended March 31, 2012).
3. The figures of the corresponding quarter have been regrouped/ recast wherever necessary.
4. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2012.

**Limited Review**

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

Date: August 13, 2012  
Place: New Delhi

Certified to be True Copy  
For DCM LIMITED

Company Secretary

For and on behalf of the Board



Jitendra Tuli  
Chairman

