

DCM LIMITED: NEW DELHI

MINUTES OF THE 123RD ANNUAL GENERAL MEETING OF THE COMPANY
HELD ON JULY 19, 2013

The 123rd Annual General Meeting of the Company was held on Friday, the 19th day of July, 2013 at 11.30 A.M at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi-110 054.

Following directors were present at the meeting:

1. Mr. Jitendra Tuli
2. Mr. Bipin Maira
3. Mr. Narendra Pal Chawla
4. Prof. Sudhir Kumar Jain

178 Members were present in person/by proxy as per attendance recorded.

Mr. Jitendra Tuli, Chairman declared that the quorum being present, the meeting may proceed with the agenda. With the permission of the members present, the Notice of the meeting was taken as read.

The Chairman informed the members that the Register of Directors' shareholding maintained by the Company pursuant to Section 307 of the Companies Act, 1956 is open and accessible to the members for inspection.

The Chairman made his speech, the text of which is annexed (Annexure - I).

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1. The Secretary read the Auditors' Report.

Mr. Ankit Agrawal, member of the Company, proposed and Mr. Anuj Wadhwa, member of the Company, seconded that the following Resolution be adopted as an Ordinary Resolution:

"RESOLVED THAT the audited Balance Sheet for the year ended March 31, 2013, Statement of Profit & Loss for the year ended on that date, Cash Flow Statement and notes and Consolidated Financial Statements including Consolidated Balance Sheet for the year ended March 31, 2013, Consolidated statement of Profit & Loss for the period ended on that date and Consolidated Cash Flow and Schedules and notes to the Consolidated Statements and other relevant accounts for the year ended March 31, 2013

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along with the Reports of the Directors' and Auditors' thereon be and are hereby approved and adopted."

The Resolution was put to vote by show of hands and adopted with overwhelming majority.

2. Mr. Naresh Gupta, member proposed and Mr. Yash Pal Chopra, member seconded that the following Resolution be adopted as an Ordinary Resolution:

"RESOLVED THAT as recommended by the Board of directors final dividend at the rate of Rs 1.50 (One Rupee Fifty paisa) and interim dividend of Rs. 1.50 (One Rupee Fifty paisa) per equity share, declared and paid during the financial year ended March 31, 2013 per equity share of Rs.10 each fully paid up of the company be and is hereby approved and declared for the financial year ended March 31, 2013."

The Resolution was put to vote by show of hands and adopted with overwhelming majority

3. Mr. Prem Chachra, member proposed and Ms. Usha Gupta, member seconded that the following Resolution be adopted as an Ordinary Resolution:

"RESOLVED THAT Mr. Naresh Kumar Jain, retiring Director, be and is hereby, appointed as a Director of the Company."

The Resolution was put to vote by show of hands and adopted with overwhelming majority.

4. Mr. Deepak Joshi, member of the company, proposed and Mr. Chander Mohan, member of the Company seconded that the following Resolution be adopted 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 having registration no: 112066W, 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

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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."

The Resolution was put to vote by show of hands and adopted with overwhelming majority.

5. Mr. Ajay Khurana, member proposed and Ms. Indu Joshi, member seconded that the following Resolution be adopted as an Ordinary Resolution:

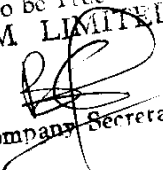
"RESOLVED THAT Prof. Sudhir Kumar Jain, who was appointed as Additional Director of the Company by the Board at its meeting held on November 9, 2012 under section 260 of the Companies Act, 1956, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from 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."

The Resolution was put to vote by show of hands and adopted with overwhelming majority.

6. Mr. Tony Bhatia, member proposed and Mr. Jai Kumar Sharma, member seconded that the following Resolution be adopted as an Ordinary Resolution:

"RESOLVED THAT Mr. Ravi Vira Gupta, who was appointed as Additional Director of the Company by the Board at its meeting held on May 27, 2013 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."

The Resolution was put to vote by show of hands and adopted with overwhelming majority.

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7. *Mr. Jitendra Tuli, Chairman, being interested in the resolution, vacated the seat and Mr. Bipin Maira, was elected to the Chair.*

Mr. Sudhir Kumar Gupta, member of the company, proposed and Mr. Atul Seth, member of the company, seconded that the following Resolution be adopted as a Special Resolution:

“RESOLVED THAT pursuant to section 198, 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 and/or any amendment/modification(s) thereof and subject to such approvals, as may be necessary, Mr. Jitendra Tuli, be and is hereby appointed, as Chairman and Managing Director of the Company w.e.f. 20th December, 2012 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 Chairman and Managing Director shall be entitled to, reimbursement of all expenses incurred in the course of business of the Company, on actual basis.

RESOLVED FURTHER THAT Mr. Ashwani Singhal, Executive Vice President (F&A) and Mr. Bhabagrahi Pradhan, Company Secretary of the Company be and is hereby authorized severally to take necessary steps, acts, actions to the above resolution.”

The Resolution was put to vote by show of hands and adopted with overwhelming majority

Mr. Bipin Maira vacated the seat and Mr. Jitendra Tuli took the Chair again.

With a vote of thanks to the Chair, the meeting came to an end.

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For DCM LIMITED


Company Secretary

Chairman's Statement -2013

Ladies and Gentlemen,

On behalf of the Board of Directors and on my personal behalf, I have great pleasure in extending a warm and cordial welcome to each one of you to the 123rd Annual General Meeting of your Company. The Directors' Report and Audited Financial Statements of the Company for the year ended March 31, 2013 along with the Auditors' Report thereon, have been with you for quite some time and with your permission, I take them as read.

The Macro Scene

The global economic scenario during FY 2012-13, was challenging and subdued, with signs of diverging growth paths, across major economies. Eurozone continued to be uncertain and countries like Greece and Cyprus had to be bailed out from the economic slump by other Eurozone members.

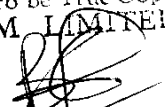
Many European countries like Spain, Italy and Portugal scaled down Government spending as a result of austerity measures, thereby affecting the global economy negatively. The US economy also did not fare well. The overall economic slowdown and increase in the unemployment rate forced the US Government to impose strict curbs in the form of strict visa policy, cut in Government spending on health care etc. However, recently, US economy has shown some improvement in employment rate, real estate mortgage rate etc. Among BRICS countries, growth accelerated in Brazil and South Africa, while a moderate to downward trend was seen in China, Russia and India.

On the domestic front, the Indian economy was estimated to register a growth rate of 5.0% during FY 2012-13, the lowest in the decade, as against the original estimated growth rate of 7.6%. This was mainly due to the protracted weakness in industrial activity and slowdown in the services sector as a result of weak export demand.

The Consumer Price Inflation remained in the double-digit range for most part of FY 2012-13. This led to a tight monetary policy by the Reserve Bank of India, despite frequent requests from Industry for relaxation in monetary policy. The rupee felt this pressure and recently crossed Rs. 60/\$, making imports costlier.

With the growth rate coming down sharply, the most visible impact has been on the government finances. Fiscal deficit and Current Account deficit have gone beyond the budgetary targets. Several steps have been announced recently by the Govt. to control government spending and bring the deficits under control.

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Company Secretary

However, with signs of revival of the US economy and the initiatives being taken by the Government of India, the domestic economy is expected to revive in the second half of the current financial year.

COMPANY AFFAIRS

Your Company has recorded a Net Profit after Tax of Rs. 29.01 Crores against Net Profit after Tax of Rs. 5.44 Crores earned last year. However, the performance of DCM Engineering Ltd, one of the subsidiaries of the Company was severely affected due to production loss as a result of the extended shutdown of the plant for up-gradation as well as highly competitive/ weak market scenario in the automobile sector.

The Board of directors of your Company has recommended a final dividend of 15% @ Rs. 1.50 per equity share of Rs. 10 each for your approval for the financial year 2012-13 in addition to the interim dividend of 15% @ Rs 1.50 per equity share of Rs.10 each which was paid on 5th December, 2012.

Your Company has already complied with its debt repayment obligation and where such amounts have not been claimed by the creditors, the same have been deposited in separate designated Bank Account (s) in scheduled bank(s), as per 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 order dated April 28, 2011. These amounts have been/will be transferred to the Investor Education and Protection Fund set up by the Govt., if they remain unclaimed/un-encashed on completion of 7 years from the date they became due for payment.

TEXTILE DIVISION

The Textile Division has performed well during the FY 2012-13, by registering a profit before tax of Rs. 43.02 Crores as compared to loss of Rs. 28.41 Crores during the FY 2011-12, primarily because of strong cotton yarn prices in export market, operational efficiency and control of operational costs. Last year the loss was due to margins turning negative on account of a steep fall in cotton yarn prices and high cost of cotton inventory procured during the cotton season in 2010-11

Your Company has decided to expand the production capacity of the division by an addition of 39168 spindles at Hisar, with capital cost of about Rs. 105 Crs. Total capacity of the division after the said expansion will be 115416 spindles. It is proposed to commence production from February 2014 and achieve full production by September 2014. The said expansion will be with the latest machinery which would help to increase efficiency / productivity and quality.

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For DCM ENGINEERING LTD

Company Secretary

A Special Leave Petition (SLP) was filed by the Haryana Urban Development Authority (HUDA) against the order of Division Bench of Hon'ble Punjab and Haryana High Court, passed in favour of the company, on the resumption of 250 acres of the Company's land by the State of Haryana. The said SLP was dismissed by the Hon'ble Supreme Court on March 22, 2013.

IT DIVISION

During the year under review the IT Division has earned Profits before Tax of Rs. 1.51 Crores as compared to Profits before Tax of Rs. 0.38 Crores in the previous year. This was possible mainly on account of an increase in the export volume and better margins.

Exports of Infrastructure services showed good growth during the year. Investments have been made in building sales bandwidth and acquiring tools for further expand the export services business. This should help to provide the desired impetus to the offshore business in future. On the domestic front, efforts were made to build capabilities as a result of which some new customers were added including Government department(s) and PSUs, etc.

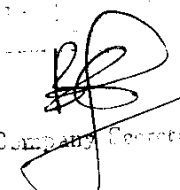
CORPORATE GOVERNANCE

Corporate Governance for your company is a combination of adopting all best practices and compliance of Laws and Regulations leading to a) effective control and management of the organization, b) long-term shareholder value creation c) enhanced interest of other stakeholders and d) gaining investors' confidence on a perennial basis. Your company is committed to increase long-term shareholders' value and believes in an open governance process based on transparency, accountability, credibility, trust and fairness.

Your company has a simple and transparent corporate structure and strives towards managing the business effectively in compliance with legal requirements by adhering to the best practices in governance.

SOCIAL RESPONSIBILITY STATEMENT

Your company has always endeavoured to uphold the concept of corporate social responsibility. As an effort in this direction the Textiles Division of your Company is running a school upto 10th standard in its campus at Hisar. There are around 435 students on the rolls in different classes. DCM Engineering Ltd, a subsidiary of the company, is also running a school upto 10th standard in its campus at Shaheed Bhagat Singh Nagar, Punjab, where there are around 500 students studying in different classes.

CHIEF EXECUTIVE OFFICER
For DCM

Company Secretary

ACKNOWLEDGEMENTS


I wish to place on record my deep appreciation to all of you for your unstinted support towards our journey. Also, I express my sincere gratitude to my colleagues in DCM for the support and valuable guidance and to our employees at all levels for their dedication and commitment. I also thank the Financial Institutions and Banks for the support extended to the company. I also take this opportunity to thank the Government of India and the State Governments for their support and co-operation.

Ladies and Gentlemen, although the future is going to be more challenging, it will also provide several opportunities. I assure you that we will strive to seize those opportunities by remaining focused on value-added growth and operational excellence. I look forward to your continued support and assure you of our total commitment to the objective of enhancing investor value.

Thank you

Speech by Mr. Jitendra Tuli, Chairman, at the 123rd Annual General Meeting of DCM Limited held on Friday the 19th day of July, 2013, at New Delhi.

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