RCM LIMITED ANNUAL REPORT

2011-2012

BOARD OF DIRECTORS

Dr. Surendra Nath Pandey	*Chairman*
Mr. Naresh Kumar Jain	*Managing Director*

Mr. Jitendra Tuli

Prof. J.S. Sodhi

Mr. Sudhin Roy Chowdhury
(Nominee - LIC)

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 : 91-11-41539177-80
Fax : 91-11-25765214

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

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

NOTICE

Notice is hereby given that the 121st Annual General Meeting of the Company will be held on Friday the 15th day of July 2011 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 Accounts as at March 31, 2011 and the reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Prof. Joginder Singh Sodhi, 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** 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, 2010 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/-
B Pradhan
Company Secretary

Place : New Delhi
Date : May 25, 2011

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 TO 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, July 9, 2011 to Friday, July 15, 2011 (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, 2011, if declared, at this Annual General Meeting, will be paid to the members whose name(s) appear on **July 8, 2011**:-
   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 July 8, 2011;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 Accounts 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 transaction. 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.

    Members holding shares in physical mode are requested to **send the duly filled and signed mandate form** given in the annual report for payment of dividend through ECS and to register their e-mail id.

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 14, 2010

(ANNEXURE TO NOTICE)

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NUMBER 4

The Board of Directors in their meeting held on October 29, 2010 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/-
B Pradhan
Company Secretary

Place : New Delhi
Date : May 25, 2011

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 121st Annual Report alongwith Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL DATA **Rs./Crores**

	Financial Year ended March 31, 2011	Financial Year ended March 31, 2010
Profit/(Loss) before Interest and Depreciation and Tax (PBDIT)	**61.94**	27.75
Less: – Interest	**13.73**	7.72
– Depreciation	**9.57**	7.84
Exceptional Item	-	46.66
Profit/(Loss) before tax	**38.64**	58.85
Less -Provision for tax	**12.88**	(6.85)
Profit/(Loss) after tax	**25.76**	65.70
Add –Profit/(Loss) brought forward	**75.41**	(14.57)
Add –Debenture Redemption Reserve Written Back	**5.76**	24.28
Profit/(Loss) available for appropriation	**106.93**	75.41
Appropriations		
Proposed Dividend on equity shares	**4.34**	-
Corporate Dividend Tax	**0.71**	-
General Reserves	**2.60**	-
Balance Profit carried forward	**99.28**	75.41

OPERATIONS OVERVIEW

Textile Division

The Textile Division of the company is located at Hisar in Haryana. It is an ISO9001 certified unit with a cotton yarn capacity of 74436 spindles. During the year under review, the turnover of the division has increased to Rs. 271.83 Crores from Rs. 202.25 Crores last year recording a growth of 34.4% (approx). The division has performed well because of strong cotton yarn prices, operational efficiency and control of operational cost during the financial year. The restrictions imposed by the Government of India on export of cotton yarn in the last quarter of the financial year, has hampered the volume growth of the division.

Besides expanding its export market by introducing value added products the Division is also focusing to broaden the domestic customer base by developing direct customers. During the year, the division has initiated modernization projects of its plant to enhance efficiency and add further value to its products.

IT Division

The domestic operations have shown a healthy growth due to maturity of business associations and flow of recurring orders from large domestic IT players. The division is an established player in data center management business with specialization in managing different systems, storage devices and databases. This 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.

However, the Operating Profit of the division was adversely affected because the US onsite business of the division has underperformed during the year on account of extraordinary employee payouts, payment against past settlements, exceptional attritions and lower fresh order booking since order of major customers is put on hold.

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 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).

REDEMPTION OF DEBENTURES

During the year, pursuant to the discharge of liability of 16% Partly Convertible Debentures (PCDs), IFCI Ltd., acting as Trustee for the said PCDs has released securities created in their favour. Any investor whose investment in said PCDs 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 as per provisions of the Scheme of Restructuring and Arrangements approved by Hon'ble Delhi High Court 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 the Company on October 29, 2010 had reappointed Mr. Naresh Kumar Jain as Managing Director for a period of one year i.e. with effect from December 20, 2010 to December 19, 2011. His appointment shall be placed for the approval and ratification of shareholders at the Annual General Meeting to be held on July 15, 2011.

Prof. Joginder Singh Sodhi, 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 Annual General Meeting for the financial year 2010-11.

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 4(iv) of the Auditors' Report

Due to non availability of financial statements of the joint venture company, for the year ended March 31, 2011 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, 2010. 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, 2011. (Note 17 of Notes to Accounts in Schedule 13 of Accounts 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 1 of Notes to Accounts in Schedule 13 of Consolidated Accounts annexed).

Reference para 4(vi) 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 12 of Notes to Accounts in Schedule 13 of Accounts 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 2010-11, 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 July 8, 2011.

After transfer of Rs 260 Lacs to Reserves the balance in Profit & Loss Account of Rs 9928 lacs is carried to the Balance Sheet

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 January 31, 2011, the Audited Statements of Accounts and the Auditors' Reports thereon for the year ended March 31, 2011 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 will also be made available in 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 and Dr. Surendra Nath Pandey.

AUDITORS

The Auditors of the Company, M/s A.F. Ferguson & Co., Chartered Accountants, retire at the conclusion of 121st 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 Mr. Vipin Maini, Cost Accountant as Cost Auditors of the Company for the financial year 2010-11. The Central Government *vide* its letter dated July 5, 2010 had approved the appointment of Mr. Vipin Maini as the Cost Auditor of the Company. The cost audit report will 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 917 students on the roll in both the schools in different classes. 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 600 students on the roll in different classes.

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 — **Surendra Nath Pandey**

Date : May 25, 2011 — 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 AC drive, cyclic timer, motion sensor and automation of Blow Room & TFO pump. 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	17602.86
Foreign Exchange Outgo	3979.68

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

Particulars	2010-2011 (12 Months)	2009-2010 (12 Months)
A. POWER AND FUEL CONSUMPTION	**47104073**	44628260
1. Electricity (KWH)(a)		
a) Purchased:-		
– Unit (KWH)	**44703960**	40424670
– Total Amount (Lac/Rs.)	**1966.33**	1777.62
– Rate per unit (Rs.)	**4.40**	4.40
b) Own Generation:		
i) Through Generator		
– Unit (KWH)	**2400113**	4203590
– Unit per Lt. of F.O./ L.D.O./HSD	**3.44**	3.44
– Cost /unit (Rs./KWH)	**8.84**	8.06
ii) Through Steam Turbine/ Generator	**NIL**	NIL
2. Coal	**NIL**	NIL
3. Furnace Oil (LDO&HSD)		
– Quantity (K.Ltr.)	**696363**	1220405
– Total Amount (Lac/Rs)	**212.05**	338.38
– Average Rate (Rs./K.Ltr.)	**30.45**	27.73
4. Others (LPG)	**NIL**	NIL
– Quantity (K.Lt.)		
– Total /Cost (Rs/Lac)		
– Rate/Unit (Rs/Mt)		

Particulars	2010-2011 (12 Months)	2009-2010 (12 Months)
B. CONSUMPTION PER UNIT OF PROD.		
Particulars Standard (if any)		
– Electricity (KWH)	**3.05**	2.82
– Furnace Oil/HSD(Ltrs)	**–**	–
– Coal	**–**	–
– Others (LPG)	**–**	–

FORM-'B'
FORM FOR DISCLOSURE OF PARTICULATRS WITH RESPECT TO TECHNOLOGY ABSORPTION-2010-11
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.

S. No.	Name	Designation and Nature of Duties	Unit/Division	Remuneration received (Rs./Lacs)	Qualifications	Experience (Year)	Age	Date of Commencement of Employment	Particulars of last employment
1	Mr. Hemant Bharat Ram	President- Textiles	Corporate Office	89.86	B.S.(Math & Comp. Sc), MS(IA)	20	45	1-Aug-91	DCM Technologies Ltd.

(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.

S. No.	Name	Designation and Nature of Duties	Unit/Division	Remuneration received (Rs./Lacs)	Qualifications	Experience (Year)	Age	Date of Commencement of Employment	Particulars of last employment
1	Mr. Sumant Bharat Ram	Chief Operating & Finance Officer	Corporate Office	25.57	B.A(H)-Eco., MBA	19	44	4-Oct-95	DCM Reality Investment & Consulting Limited

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/-
Surendra Nath Pandey
Chairman

Place : New Delhi
Date : May 25, 2011

CORPORATE GOVERNANCE REPORT

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, 2010 to March 31, 2011 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, 2011 the Board comprised of five (5) Directors, namely, Dr. Surendra Nath Pandey, Chairman; Mr. Naresh Kumar Jain, Managing Director; Mr. Sudhin Roy Chowdhary; Prof. Joginder Singh Sodhi and Mr. Jitendra Tuli. All the Directors are non-executive and independent directors except Mr. Naresh Kumar Jain, Managing Director of the Company. Mr. Sudhin Roy Chowdhary is a Nominee Director of 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. Joginder Singh Sodhi, who has been longest in office, is liable to retire by rotation under section 255 of the Companies Act, 1956 at the 121st Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Naresh Kumar Jain was re-appointed as Managing Director of the Company by the Board of Directors on October 29, 2010 for a period of one year i.e. with effect from December 20, 2010 to December 19, 2011. 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, 2010 to March 31, 2011, four (4) meetings of the Board of Directors were held on May 28, 2010, August 11, 2010, October 29, 2010 and January 31, 2011. 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 meeting held during 2010-11	No. of meeting attended	Last AGM (on 30.07.10) 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	4	Yes	10.12.01	—
4.	Mr. Sudhin Roy Chowdhary (Nominee LIC)	I-NED	4	2	N.A	28.10.09	—
5.	Mr. Jitendra Tuli	I-NED	4	4	Yes	20.12.05	—

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 Dr. Surendra Nath Pandey, 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, 2010 to March 31, 2011 are as under: (Rs./Lacs)

S. No.	Name	Sitting Fees	Salary & Perquisites
1.	Dr. Surendra Nath Pandey	0.83	Nil
2.	Mr. Naresh Kumar Jain	0.47	Nil
3.	Prof. Joginder Singh Sodhi	0.68	Nil
4.	Mr. Jitendra Tuli	0.80	Nil
5.	Mr. Sudhin Roy Chowdhary (Nominee-LIC)	0.10	Nil
TOTAL		**2.88**	**Nil**

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, 2011 the Compensation Committee comprised of Dr. Surendra Nath Pandey, Mr. Naresh Kumar Jain and Mr. Jitendra Tuli. During the year two (2) meetings of the compensation Committee were held on May 28, 2010 and July 26, 2010. All the members of the Committee have attended both the meetings.

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, 2011:

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
5.	Mr. Jitendra Tuli	1	Nil	Nil	1
6.	Mr. Sudhin Roy Chowdhary (Nominee-LIC)	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.

As on March 31, 2011, the Audit Committee of the Board comprised of Mr. Jitendra Tuli, Prof. Joginder Singh Sodhi and Dr. Surendra Nath Pandey. 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 2010-11, four (4) Audit Committee meetings have taken place on May 28, 2010, August 11, 2010, October 29, 2010 and January 31, 2011. All the members of the Committee have attended all the four Committee meetings.

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, 2011, the Committee comprised of Dr. Surendra Nath Pandey, Mr. Jitendra Tuli, Mr. Naresh Kumar Jain and Prof. Joginder Singh Sodhi. The attendance of directors in the said committee meetings are as follows:

S. No.	Name	Designation	No. of meetings held during 2010-2011	Number of Committee meeting attended
1.	Dr. Surendra Nath Pandey	Chairman	7	7
2.	Mr. Jitendra Tuli	Member	7	7
3.	Prof. Joginder Singh Sodhi	Member	7	5
4.	Mr. Naresh Kumar Jain	Member	7	7

Information relating to Shareholders/ Investors Complaints are regularly placed before the Committee. The status of complaints received; disposed & pending as on March 31, 2011 is as under:

No. of Complaints Received	No. of Complaints not solved to the satisfaction of shareholders/Investors	No. of pending Complaints
60	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 16 of the schedule 13 (Notes to the Accounts). 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: Prof Joginder Singh Sodhi retires by rotation at the ensuing Annual General Meeting. Prof. Joginder Singh Sodhi holds a Masters Degree in Economics having 20 years of academic experience. He has been a Professor at the International Management Institute and also a visiting faculty, University of Western Australia, Hitot Subhashi University, Japan & Victoria University of Wellington, New Zealand. He is also an editor of the Indian Journal of Industrial Relations.
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 : July 15, 2011
Time : 12.30 PM
Place : MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi

b. Book Closure Date : Saturday, July 9, 2011 to Friday, July 15, 2011 (both days inclusive)

c. Period : April 01 to March 31

d. Financial Calendar

Financial reporting for the Quarter ending June'11	End of July/ before mid Aug. '11
Financial reporting for the Quarter ending September'11	End of Oct /before mid Nov '11
Financial reporting for the Quarter ending December' 11	End of Jan/ before mid Feb' 12
Financial reporting for the financial year ending March'12	End of May' 12

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,
Vikrant Tower, 4 Rajendra Place,
New Delhi-110008.
Ph. : 011-25719967-70

g. Registrar & Share Transfer Agent

MCS Limited,
F-65 Okhla Industrial Area,
Phase I, New Delhi 110 020
Telephone No: 011- 41406149

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, 2011 to March 31, 2012 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, 2011, 92.02% 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
2010	120th AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	30.07.10	12:30 P.M	Nil
2009	119th AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	13.08.09	2:30 P.M	Nil
2008	118th AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	23.07.08	12:30 P.M.	Nil

n. Distribution of shareholding as on March 31, 2011

Category	No. of Shares	% of Shareholding
Promoters, Directors & Relatives	7673599	44.15
Mutual fund/UTI/FIs/Banks/Central Govt./State Govt./Insurance Companies	1826649	10.51
Bodies Corporate	2224195	12.80
NRI/Trust	108523	0.62
Individuals	5546071	31.92
TOTAL	**17379037**	**100**

Shareholdings	No. of folios	No. of Shares	% of Shareholding
Up to 5000	49336	3980085	22.90
5001-10000	96	727306	4.19
10001 - 50000	63	1308148	7.53
50001-100000	12	863880	4.97
Above 100000	18	10499618	60.41
TOTAL	**49525**	**17379037**	**100**

o. Deposits:

The Company has not raised any deposits from the public during the financial year 2010-11.

p. Outstanding ADRs/ GDRs:

The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2010-11.

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.