

## DCM LIMITED

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

CIN: L74899DL1889PLC000004

e-mail: investors@dcm.in, website: www.dcm.in

Ph: 011-25719967, Fax: 011-25765214

Notice is hereby given that the 124<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the August 4, 2014 at 3.30 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 Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider and declare payment of final dividend of Rs.1.50 per equity share and confirm the interim dividend of Rs. 1.50 per equity share, declared and paid during the financial year ended March 31, 2014.
3. To appoint a director in place of Prof. Joginder Singh Sodhi, (holding DIN 00273151), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s A.F. Ferguson & Co., Chartered Accountants, New Delhi (Registration no: 112066W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Audit Committee of the Board of Directors of the Company."

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Mr. Bipin Maira (holding DIN 05127804), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.  
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Prof. Sudhir Kumar Jain (holding DIN 06419514), whose period of office is liable to determination by retirement of directors by rotation and in respect

of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Mr. Ravi Vira Gupta (holding DIN 00017410), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Dr. Meenakshi Nayar (holding DIN 06866256), who was appointed as an Additional Director pursuant to provisions of section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), appointed as Cost Auditors, by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2015, be paid remuneration amounting to Rs.50,000/- (Rupees fifty thousand only) excluding service tax and out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the following Articles of the existing Articles of Association of the Company be and are hereby altered in the following manner:

- i. By adding new Article 76A immediately after the existing Article 76 as under:

New Article Number	Details of New Article
76A	The Board of Directors may, from time to time, appoint / re-appoint an individual as Chairman of the Company as well as Managing Director or Chief Executive Officer of the Company.

- ii. By substituting the existing Article 65(b) of the Articles of Association of the Company with the new Article 65(b) as under:

New Article Number	Details of New Article
65(b)	One or more Directors, whose period of office is liable to determination by retirement of directors by rotation, nominated by the Board of Directors for the purpose of appointing him/them as Managing Director or Managing Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 and Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Jitendra Tuli (holding DIN 00272930), as Managing Director of the Company, with effect from December 20, 2013 without payment of salary and perquisites but with sitting fees as paid to 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 expenses incurred in the course of business of the Company on actual basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

Registered Office  
Vikrant Tower,  
4, Rajendra Place,  
New Delhi - 110008

By the order of the Board  
For DCM Limited

Place : New Delhi  
Date : May 28, 2014

Sd/-  
Mukesh Sharma  
Company Secretary

Notes:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution/ authority, as applicable.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, July 25, 2014 to Monday, August 4, 2014 (both days inclusive).
- 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.
- Members are requested to bring their copy of Annual Report.
- The Board of directors in its meeting held on November 13, 2013 had declared an interim dividend of Rs. 1.50 per equity share (@ 15% on the paid-up equity share capital of the Company) which was paid on December 6, 2013. Members who have not received or not encashed their dividend warrant may approach M/s MCS Limited, Registrar and Transfer Agent of the Company or to the Company, for revalidating the warrant or for obtaining duplicate warrant. Subject to the provisions of Section 126 of the Companies Act, 2013, final dividend @ Rs. 1.50 per equity share (@ 15% on the paid-up equity share capital of the Company) as recommended by the Board of Directors, for financial year ended March 31, 2014, if declared, at this Annual General Meeting, will be paid to the members whose names appear in the Register of Members of the Company as on the book closure dates.
- Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
- 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.
- For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
- In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchanges, hence members are requested to convert their physical share certificates into electronic form.
- The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, M/s. MCS Limited.
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the

Company can now register the same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s. MCS Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.

13. The Notice of AGM and Attendance Slip is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM and Attendance Slip is being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
14. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means. The Company has fixed June 20, 2014, as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 124th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently the same cut-off date i.e. June 20, 2014 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 124th AGM on August 4, 2014.
15. The e-voting period will commence at 9.00 a.m. on Tuesday, July 29, 2014 and will end at 6:00 p.m on Thursday, July 31, 2014. The Company has appointed Mr. D.P. Gupta, Practising Company Secretary to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

**PROCEDURE FOR E-VOTING**

I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

(a) In case of Members receiving an e-mail from NSDL:

- (i) Open the PDF file 'DCM e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN' of DCM Limited.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter along with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [sgsdel@gmail.com](mailto:sgsdel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

(i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
.....	.....	.....

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- V. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are shareholder.
- VI. The voting rights shall be as per the number of equity share held by the member(s) as on Friday, June 20, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- VII. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Tuesday, July 29, 2014 and will end at 6.00 p.m. on Thursday, July 31, 2014. The e-voting module shall be disabled by NSDL at 6.00 p.m. on the same day.
- VIII. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
16. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form enclosed herewith or can be downloaded from our website [www.dcm.in](http://www.dcm.in) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the Assent/ Dissent form in the enclosed self addressed pre-paid postage envelope so as to reach Mr. D. P. Gupta, Scrutinizer appointed by the Company at the registered office of the Company on or before 6.00 p.m. on July 31, 2014.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
18. Electronic Clearing Service (ECS) Facility  
With respect to the payment of dividend, the Company provides the facility of ECS to all of its shareholders, holding shares in electronic form and to also shareholders, holding shares in physical forms and opted for ECS.  
Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.  
Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, which can be obtained from the Registrar and Share Transfer Agents, M/s. MCS Limited or downloaded from the Company's website [www.dcm.in](http://www.dcm.in). Requests for payment of dividend through ECS should be lodged with M/s. MCS Limited.

Further, members holding shares in physical form are requested to intimate any change of address and / or bank mandate to the Company / Registrar and Share Transfer Agents, M/s. MCS Limited immediately.

19. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act 1956, all unclaimed/unencashed dividend, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unencashed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim as per provisions of the Companies Act, 1956

Pursuant to circular issued by Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded the Form SINV containing the details of amount lying unclaimed / un-encashed, as on the date of last Annual General Meeting, on account of matured Fixed Deposits/Debentures and Dividend on the website of MCA as well as on its website www.dcm.in.

#### (ANNEXURE TO NOTICE)

#### **EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item Nos. 5 to 7**

Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta are Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement. They have joined the Board of Directors of your Company on November 24, 2011, November 9, 2012 and May 27, 2013 respectively. Thereafter, members of the Company had appointed them as directors, whose period of office was liable to determination by retirement of directors by rotation, as per the applicable provisions of the Companies Act, 1956.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from 1st April, 2014. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta as Independent Directors of the Company for a term up to 5 (five) consecutive years commencing from August 4, 2014.

All the aforesaid Independent Directors have given declarations to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

The Company has received notices in writing from member(s) alongwith deposit(s) of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta for the office of the director of the Company.

Brief resume of proposed Independent Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, their shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Draft Letters of Appointment for Independent Directors, setting out terms and conditions of their appointment, are available for inspection at the Registered Office of the Company during business hours on any working day and are also available on the website of the Company www.dcm.in.

Other than Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta, their relatives, for their respective appointments, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolutions as set out in Item Nos. 5 to 7 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board considers that their continued association would be of immense benefit to the Company and it is necessary to continue to avail services of Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta as Independent Directors. Accordingly, the Board recommends the Ordinary Resolutions as set out at item nos. 5 to 7 of this Notice for approval of the members of the Company.

##### **Item No. 8**

The Board of Directors of the Company have appointed Dr. Meenakshi Nayar as an Additional Director of the Company with effect from May 28, 2014, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. Further, in terms of the aforesaid provisions, she would hold office as such up to the date of this Annual General Meeting of the Company.

In terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Dr. Meenakshi Nayar as Independent Director of the Company for a term up to 5 (five) consecutive years commencing from August 4, 2014.

Dr. Meenakshi Nayar has given a declaration to the Board of Directors to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Meenakshi Nayar fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and Dr. Meenakshi Nayar is independent of the management.

The Company has received notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Meenakshi Nayar for the office of director of the Company.

Brief resume of Dr. Meenakshi Nayar, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, her shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

A copy of the draft Letter of Appointment of Dr. Meenakshi Nayar as Independent Director, setting out terms and conditions of her appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.dcm.in.

Other than Dr. Meenakshi Nayar and her relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out in Item No. 8 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Dr. Meenakshi Nayar is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 8 of this Notice for approval of the members of the Company.

##### **Item No. 9**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), as cost Auditors to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2015.



In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 9 of this Notice for approval of the members of the Company.

**Item No. 10**

**i. Addition of new Article 76A**

Under the first proviso to Section 203(1) of the Companies Act, 2013, it is stated that "an individual shall not be appointed or reappointed as the Chairperson of the Company, in pursuance of the articles of the Company, as well as the Managing Director or Chief Executive Officer of the Company at the same time after the date of commencement of this Act unless,-

- (a) the articles of such a company provide otherwise; or
- (b) the company does not carry multiple businesses."

Accordingly a provision is sought to be introduced in the Articles of Association of the Company to permit the Company to appoint the same individual as Chairperson as well as Managing Director or Chief Executive Officer of the Company.

New Article No. 76A as contained under Resolution No. 10 contains the proposed amendment which gives necessary right to the Board to appoint the same person as Chairman as well as Managing Director or Chief Executive Officer of the Company.

**ii. Substitution of existing Article 65(b)**

Section 152(6) of the Companies Act, 2013 provides that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company be persons whose period of office is liable to determination by retirement of directors by rotation. Explanation to section 152(6) provides that "total number of directors" shall not include independent directors.

Further, existing Article 65(b) of the Articles of Association of the Company provides that the Managing Director(s) of Company is not liable to retire by rotation.

In order to make the composition of the Board in line with requirements of Section 152 and other relevant provisions of the Companies Act, 2013, it was felt necessary by the Board that the existing Article 65(b) of the Articles of Association of the Company be suitably amended to provide that Managing Director of the Company be made liable to retire by rotation.

Accordingly, substitution of existing Article 65(b) is sought with new proposed Article 65(b) for necessary amendment in this respect as contained under Resolution No.10.

Pursuant to provisions of Section 14 of the Companies Act, 2013, any amendment(s) to the provisions of Articles of Association of the Company requires the approval of the members by way of Special Resolution.

Other than Mr. Jitendra Tuli, Chairman and Managing Director of the Company and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 10 of this Notice.

The Board recommends the special resolution as set out in Item No. 10 of this Notice for approval of members of the Company.

**Item No. 11**

The Board of Directors of the Company (the 'Board'), at its meeting held on November 13, 2013 have, subject to the approval of members, re-appointed Mr. Jitendra Tuli, as Managing Director of the Company, w.e.f. December 20, 2013, without payment of salary and perquisites but with sitting fees as paid to other directors, for a period of one year which is extendable for further period not exceeding five years.

Since Mr. Jitendra Tuli is 74 years old, it is proposed to seek the members' approval for the re-appointment of Mr. Jitendra Tuli, as Managing Director of the Company, by way of Special Resolution, as required under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

Accordingly, the said re-appointment of Mr. Jitendra Tuli is in compliance of all the conditions set out in Part-1 of Schedule XIII of the Companies Act, 1956 and Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment as Managing Director of the Company.

Mr. Jitendra Tuli has been on Board of the Company since December 20, 2005. He was appointed as Chairman and Managing Director w.e.f. December 20, 2012. He continued to be member of various Committee(s) of the Board from time to time. Keeping in view of his long association as member of the Board/Committee(s) and his vast expertise and knowledge, it will be in the interest of the Company to re-appoint Mr. Jitendra Tuli as Managing Director of the Company.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Jitendra Tuli under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Jitendra Tuli, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Other than Mr. Jitendra Tuli and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution set out at Item No. 11 of the Notice which pertains to his re-appointment as Managing Director of the Company.

Accordingly, the Board recommends the Special Resolution set out at Item No. 11 of this Notice for approval by the members of the Company.

**Registered Office**  
Vikrant Tower,  
4, Rajendra Place,  
New Delhi - 110008

Place : New Delhi  
Date : May 28, 2014

By the order of the Board  
For DCM Limited

Sd/-  
Mukesh Sharma  
Company Secretary



**DCM LIMITED**

**Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008  
**CIN:** L74899DL1889PLC000004,  
**e-mail:** investors@dcm.in, website: www.dcm.in,  
**Ph:** 011-25719967, **Fax:** 011-25765214

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**124<sup>TH</sup> ANNUAL GENERAL MEETING - AUGUST 04, 2014**

Name of the Member(s):


Registered address:


Email:

--

Folio No. / Client ID: 

--	--	--	--	--	--	--	--	--	--

DP ID: 

--	--	--	--	--	--	--	--	--	--

I/ We, being the member(s) of ..... shares of the DCM Limited, hereby appoint;

Name : ..... Email : .....

Address : .....

..... Signature : .....

or failing him/ her;

Name : ..... Email : .....

Address : .....

..... Signature : .....

or failing him/ her;

Name : ..... Email : .....

Address : .....

..... Signature : .....

as my / our proxy to attend and vote (on a poll ) for me/ us and on my / our behalf at the 124th Annual General Meeting of the Company, to be held on Monday, August 04, 2014, at 3:30 p.m. at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054, and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution Number	Resolutions	Vote (Optional see Note 4)	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Financial Statements for the financial year ended March 31, 2014 and Reports of Board of Directors and Auditors thereon		
2	Declaration of final dividend for the financial year ended March 31, 2014 and confirmation of the payment of interim dividend made during the financial year ended March 31, 2014		
3	Appointment of a director in place of Prof. Joginder Singh Sodhi, who retires by rotation and being eligible, offers himself for re- appointment		
4	Appointment of M/s A. F. Ferguson & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.		
<b>Special Business</b>			
5	Appointment of Mr. Bipin Maira as an Independent Director of the Company		
6	Appointment of Prof. Sudhir Kumar Jain as an Independent Director of the Company		
7	Appointment of Mr. Ravi Vira Gupta as an Independent Director of the Company		
8	Appointment of Dr. Meenakshi Nayar as an Independent Director of the Company		
9	Approval of the Remuneration of the Cost Auditors		
10	Amendment of Articles of Association of the Company		
11	Re-appointment of Mr. Jitendra Tuli as Managing Director of the Company		

Signed this ..... day of ..... 2014

.....  
Signature of the member

Affix revenue stamp of not Less than Rs. 0.15
---

.....  
Signature of the first proxy holder      Signature of the second proxy holder      Signature of the third proxy holder

**Notes:**

1. This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference. please put a '√' in the appropriate coloum against the resolutions indicated in the box. If you leave the 'For' or 'Against' coloum blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.



**DCM LIMITED**

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

**CIN:** L74899DL1889PLC000004,

**e-mail:** investors@dcm.in, website: www.dcm.in,

**Ph:** 011-25719967, **Fax:** 011-25765214

**ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS**

1. Name(s) & Registered Address :  
of the sole / first named  
Member
2. Name(s) of the :  
Joint-Holder(s),  
if any
3. i) Registered Folio No. :  
ii) \*DP ID No. & Client ID No.  
[\*Applicable to Members  
holding shares in  
dematerialised form]
4. Number of Share(s) held :
5. I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated August 4, 2014, by conveying my / our assent or dissent to the resolutions by placing tick (√) mark in the appropriate box below:

RESOLUTIONS		No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>				
1	Adoption of Financial Statements for the financial year ended March 31, 2014 and Reports of Board of Directors and Auditors thereon			
2	Declaration of final dividend for the financial year ended March 31, 2014 and confirmation of the payment of interim dividend made during the financial year ended March 31, 2014			
3	Appointment of a director in place of Prof. Joginder Singh Sodhi, who retires by rotation and being eligible, offers himself for re- appointment			
4	Appointment of M/s A. F. Ferguson & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.			
<b>Special Business</b>				
5	Appointment of Mr. Bipin Maira as an Independent Director of the Company			
6	Appointment of Prof. Sudhir Kumar Jain as an Independent Director of the Company			
7	Appointment of Mr. Ravi Vira Gupta as an Independent Director of the Company			
8	Appointment of Dr. Meenakshi Nayar as an Independent Director of the Company			
9	Approval of the Remuneration of the Cost Auditors			
10	Amendment of Articles of Association of the Company			
11	Re-appointment of Mr. Jitendra Tuli as Managing Director of the Company			

Place :

Date :

\_\_\_\_\_  
Signature of the Member  
or  
Authorised Representative

- Notes :
- (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
  - (ii) Last date for receipt of Assent/Dissent Form by the Scrutinizer: July 31, 2014 (6.00 pm).
  - (iii) Please read the instructions printed overleaf carefully before exercising your vote.



P.T.O



## INSTRUCTIONS

### **General Instructions**

1. As per the Companies Act, 2013, Company has to provide e-voting facility to its shareholders, however the shareholders, who do not have access to e-voting facility may convey their Assent / Dissent in Physical Assent / Dissent Form. If a shareholder has opted for e-voting, then he/she should not vote by Physical Assent / Dissent Form. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through e-voting shall be considered, and vote casted through physical assent/dissent shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on June 20, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.

### **Instructions for voting physically on Assent / Dissent Form**

1. A Member desiring to exercise vote by Assent / Dissent should complete this Assent / Dissent Form and send it in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer, Mr. D.P. Gupta, Practicing Company Secretary, at the registered office of the Company on or before 6.00 p.m. on July 31, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (√) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature.
8. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
9. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

**BUSINESS REPLY ARTICLE**

Postage  
will be paid  
by the  
addressee

No  
Postage  
necessary  
if posted  
in India

B.R. Permit No. BR-D(C) 843/14-15  
Patel Nagar Post Office  
New Delhi - 110 008

To,

**D.P. GUPTA**  
**The Scrutinizer**  
**DCM Limited**  
6<sup>th</sup> Floor, Vikrant Tower,  
4, Rajendra Place,  
New Delhi-110008

**DCM LIMITED****Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008**CIN:** L74899DL1889PLC000004,**e-mail:** investors@dcm.in, website: www.dcm.in,**Ph:** 011-25719967, **Fax:** 011-25765214**ATTENDANCE SLIP****124<sup>TH</sup> ANNUAL GENERAL MEETING - AUGUST 04, 2014**

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 124th Annual General Meeting of the Company at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054, on Monday, August 04, 2014, at 3:30 P.M.

.....  
**Member's Folio/DP. ID - Client ID No.**.....  
**Name of the member / proxy**  
**(in BLOCK letters)**.....  
**Signature of the member / proxy**

- Note :** 1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.
2. No bags, briefcases, drinks and eatables will be allowed to be carried inside the auditorium.

**DCM LIMITED****Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008**CIN:** L74899DL1889PLC000004,**e-mail:** investors@dcm.in, website: www.dcm.in,**Ph:** 011-25719967, **Fax:** 011-25765214**E - VOTING PARTICULARS**

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

**Note:** Please read instructions given at Note Nos. 15 & 16 of the Notice of the 124th Annual General Meeting carefully before voting electronically.

DCM  
LIMITED  
ANNUAL  
REPORT

2013 -2014

**BOARD OF DIRECTORS**

Mr. Jitendra Tuli  
*Chairman and Managing Director*

Dr. Surendra Nath Pandey

Prof. Joginder Singh Sodhi

Mr. Bipin Maira

Mr. Narendra Pal Chawla  
*(Nominee of LIC)*

Prof. Sudhir Kumar Jain

Mr. Ravi Vira Gupta

Dr. Meenakshi Nayar

**COMPANY SECRETARY**

Mr. Mukesh Sharma

**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



## DCM LIMITED

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

CIN: L74899DL1889PLC000004

e-mail: investors@dcm.in, website: www.dcm.in

Ph: 011-25719967, Fax: 011-25765214

Notice is hereby given that the 124<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the August 4, 2014 at 3.30 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 Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider and declare payment of final dividend of Rs.1.50 per equity share and confirm the interim dividend of Rs. 1.50 per equity share, declared and paid during the financial year ended March 31, 2014.
3. To appoint a director in place of Prof. Joginder Singh Sodhi, (holding DIN 00273151), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s A.F. Ferguson & Co., Chartered Accountants, New Delhi (Registration no: 112066W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Audit Committee of the Board of Directors of the Company."

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Mr. Bipin Maira (holding DIN 05127804), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Prof. Sudhir Kumar Jain (holding DIN 06419514), whose period of office is liable to determination by retirement of directors by rotation and in respect

of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Mr. Ravi Vira Gupta (holding DIN 00017410), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Dr. Meenakshi Nayar (holding DIN 06866256), who was appointed as an Additional Director pursuant to provisions of section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), appointed as Cost Auditors, by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2015, be paid remuneration amounting to Rs.50,000/- (Rupees fifty thousand only) excluding service tax and out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the following Articles of the existing Articles of Association of the Company be and are hereby altered in the following manner:

- i. By adding new Article 76A immediately after the existing Article 76 as under:

New Article Number	Details of New Article
76A	The Board of Directors may, from time to time, appoint / re-appoint an individual as Chairman of the Company as well as Managing Director or Chief Executive Officer of the Company.

- ii. By substituting the existing Article 65(b) of the Articles of Association of the Company with the new Article 65(b) as under:

New Article Number	Details of New Article
65(b)	One or more Directors, whose period of office is liable to determination by retirement of directors by rotation, nominated by the Board of Directors for the purpose of appointing him/them as Managing Director or Managing Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 and Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Jitendra Tuli (holding DIN 00272930), as Managing Director of the Company, with effect from December 20, 2013 without payment of salary and perquisites but with sitting fees as paid to 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 expenses incurred in the course of business of the Company on actual basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

Registered Office  
Vikrant Tower,  
4, Rajendra Place,  
New Delhi - 110008

By the order of the Board  
For DCM Limited

Place : New Delhi  
Date : May 28, 2014

Sd/-  
Mukesh Sharma  
Company Secretary

Notes:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution/ authority, as applicable.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, July 25, 2014 to Monday, August 4, 2014 (both days inclusive).
- 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.
- Members are requested to bring their copy of Annual Report.
- The Board of directors in its meeting held on November 13, 2013 had declared an interim dividend of Rs.1.50 per equity share (@ 15% on the paid-up equity share capital of the Company) which was paid on December 6, 2013. Members who have not received or not encashed their dividend warrant may approach M/s MCS Limited, Registrar and Transfer Agent of the Company or to the Company, for revalidating the warrant or for obtaining duplicate warrant. Subject to the provisions of Section 126 of the Companies Act, 2013, final dividend @ Rs. 1.50 per equity share (@ 15% on the paid-up equity share capital of the Company) as recommended by the Board of Directors, for financial year ended March 31, 2014, if declared, at this Annual General Meeting, will be paid to the members whose names appear in the Register of Members of the Company as on the book closure dates.
- Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
- 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.
- For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
- In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchanges, hence members are requested to convert their physical share certificates into electronic form.
- The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, M/s. MCS Limited.
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the

Company can now register the same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s. MCS Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.

13. The Notice of AGM and Attendance Slip is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM and Attendance Slip is being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
14. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means. The Company has fixed June 20, 2014, as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 124th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently the same cut-off date i.e. June 20, 2014 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 124th AGM on August 4, 2014.
15. The e-voting period will commence at 9.00 a.m. on Tuesday, July 29, 2014 and will end at 6:00 p.m on Thursday, July 31, 2014. The Company has appointed Mr. D.P. Gupta, Practising Company Secretary to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

**PROCEDURE FOR E-VOTING**

I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

(a) In case of Members receiving an e-mail from NSDL:

- (i) Open the PDF file 'DCM e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN' of DCM Limited.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter along with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [sgsdel@gmail.com](mailto:sgsdel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

(i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
.....	.....	.....

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- V. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are shareholder.
- VI. The voting rights shall be as per the number of equity share held by the member(s) as on Friday, June 20, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- VII. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Tuesday, July 29, 2014 and will end at 6.00 p.m. on Thursday, July 31, 2014. The e-voting module shall be disabled by NSDL at 6.00 p.m. on the same day.
- VIII. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
16. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form enclosed herewith or can be downloaded from our website [www.dcm.in](http://www.dcm.in) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the Assent/ Dissent form in the enclosed self addressed pre-paid postage envelope so as to reach Mr. D. P. Gupta, Scrutinizer appointed by the Company at the registered office of the Company on or before 6.00 p.m. on July 31, 2014.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
18. Electronic Clearing Service (ECS) Facility  
With respect to the payment of dividend, the Company provides the facility of ECS to all of its shareholders, holding shares in electronic form and to also shareholders, holding shares in physical forms and opted for ECS.  
Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.  
Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, which can be obtained from the Registrar and Share Transfer Agents, M/s. MCS Limited or downloaded from the Company's website [www.dcm.in](http://www.dcm.in). Requests for payment of dividend through ECS should be lodged with M/s. MCS Limited.

Further, members holding shares in physical form are requested to intimate any change of address and / or bank mandate to the Company / Registrar and Share Transfer Agents, M/s. MCS Limited immediately.

19. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act 1956, all unclaimed/unencashed dividend, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unencashed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim as per provisions of the Companies Act, 1956

Pursuant to circular issued by Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded the Form 5INV containing the details of amount lying unclaimed / un-encashed, as on the date of last Annual General Meeting, on account of matured Fixed Deposits/Debentures and Dividend on the website of MCA as well as on its website www.dcm.in.

#### (ANNEXURE TO NOTICE)

#### **EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item Nos. 5 to 7**

Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta are Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement. They have joined the Board of Directors of your Company on November 24, 2011, November 9, 2012 and May 27, 2013 respectively. Thereafter, members of the Company had appointed them as directors, whose period of office was liable to determination by retirement of directors by rotation, as per the applicable provisions of the Companies Act, 1956.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from 1st April, 2014. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta as Independent Directors of the Company for a term up to 5 (five) consecutive years commencing from August 4, 2014.

All the aforesaid Independent Directors have given declarations to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

The Company has received notices in writing from member(s) alongwith deposit(s) of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta for the office of the director of the Company.

Brief resume of proposed Independent Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, their shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Draft Letters of Appointment for Independent Directors, setting out terms and conditions of their appointment, are available for inspection at the Registered Office of the Company during business hours on any working day and are also available on the website of the Company www.dcm.in.

Other than Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta, their relatives, for their respective appointments, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolutions as set out in Item Nos. 5 to 7 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board considers that their continued association would be of immense benefit to the Company and it is necessary to continue to avail services of Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta as Independent Directors. Accordingly, the Board recommends the Ordinary Resolutions as set out at item nos. 5 to 7 of this Notice for approval of the members of the Company.

##### **Item No. 8**

The Board of Directors of the Company have appointed Dr. Meenakshi Nayar as an Additional Director of the Company with effect from May 28, 2014, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. Further, in terms of the aforesaid provisions, she would hold office as such up to the date of this Annual General Meeting of the Company.

In terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Dr. Meenakshi Nayar as Independent Director of the Company for a term up to 5 (five) consecutive years commencing from August 4, 2014.

Dr. Meenakshi Nayar has given a declaration to the Board of Directors to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Meenakshi Nayar fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and Dr. Meenakshi Nayar is independent of the management.

The Company has received notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Meenakshi Nayar for the office of director of the Company.

Brief resume of Dr. Meenakshi Nayar, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, her shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

A copy of the draft Letter of Appointment of Dr. Meenakshi Nayar as Independent Director, setting out terms and conditions of her appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.dcm.in.

Other than Dr. Meenakshi Nayar and her relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out in Item No. 8 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Dr. Meenakshi Nayar is appointed as an Independent Director. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 8 of this Notice for approval of the members of the Company.

##### **Item No. 9**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), as cost Auditors to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 9 of this Notice for approval of the members of the Company.

**Item No. 10**

**i. Addition of new Article 76A**

Under the first proviso to Section 203(1) of the Companies Act, 2013, it is stated that "an individual shall not be appointed or reappointed as the Chairperson of the Company, in pursuance of the articles of the Company, as well as the Managing Director or Chief Executive Officer of the Company at the same time after the date of commencement of this Act unless,-

- (a) the articles of such a company provide otherwise; or
- (b) the company does not carry multiple businesses."

Accordingly a provision is sought to be introduced in the Articles of Association of the Company to permit the Company to appoint the same individual as Chairperson as well as Managing Director or Chief Executive Officer of the Company.

New Article No. 76A as contained under Resolution No. 10 contains the proposed amendment which gives necessary right to the Board to appoint the same person as Chairman as well as Managing Director or Chief Executive Officer of the Company.

**ii. Substitution of existing Article 65(b)**

Section 152(6) of the Companies Act, 2013 provides that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company be persons whose period of office is liable to determination by retirement of directors by rotation. Explanation to section 152(6) provides that "total number of directors" shall not include independent directors.

Further, existing Article 65(b) of the Articles of Association of the Company provides that the Managing Director(s) of Company is not liable to retire by rotation.

In order to make the composition of the Board in line with requirements of Section 152 and other relevant provisions of the Companies Act, 2013, it was felt necessary by the Board that the existing Article 65(b) of the Articles of Association of the Company be suitably amended to provide that Managing Director of the Company be made liable to retire by rotation.

Accordingly, substitution of existing Article 65(b) is sought with new proposed Article 65(b) for necessary amendment in this respect as contained under Resolution No.10.

Pursuant to provisions of Section 14 of the Companies Act, 2013, any amendment(s) to the provisions of Articles of Association of the Company requires the approval of the members by way of Special Resolution.

Other than Mr. Jitendra Tuli, Chairman and Managing Director of the Company and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 10 of this Notice.

The Board recommends the special resolution as set out in Item No. 10 of this Notice for approval of members of the Company.

**Item No. 11**

The Board of Directors of the Company (the 'Board'), at its meeting held on November 13, 2013 have, subject to the approval of members, re-appointed Mr. Jitendra Tuli, as Managing Director of the Company, w.e.f. December 20, 2013, without payment of salary and perquisites but with sitting fees as paid to other directors, for a period of one year which is extendable for further period not exceeding five years.

Since Mr. Jitendra Tuli is 74 years old, it is proposed to seek the members' approval for the re-appointment of Mr. Jitendra Tuli, as Managing Director of the Company, by way of Special Resolution, as required under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

Accordingly, the said re-appointment of Mr. Jitendra Tuli is in compliance of all the conditions set out in Part-1 of Schedule XIII of the Companies Act, 1956 and Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment as Managing Director of the Company.

Mr. Jitendra Tuli has been on Board of the Company since December 20, 2005. He was appointed as Chairman and Managing Director w.e.f. December 20, 2012. He continued to be member of various Committee(s) of the Board from time to time. Keeping in view of his long association as member of the Board/Committee(s) and his vast expertise and knowledge, it will be in the interest of the Company to re-appoint Mr. Jitendra Tuli as Managing Director of the Company.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Jitendra Tuli under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Jitendra Tuli, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Other than Mr. Jitendra Tuli and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution set out at Item No. 11 of the Notice which pertains to his re-appointment as Managing Director of the Company.

Accordingly, the Board recommends the Special Resolution set out at Item No. 11 of this Notice for approval by the members of the Company.

**Registered Office**  
Vikrant Tower,  
4, Rajendra Place,  
New Delhi - 110008

Place : New Delhi  
Date : May 28, 2014

By the order of the Board  
For DCM Limited

Sd/-  
Mukesh Sharma  
Company Secretary



**DIRECTORS' REPORT**

Your directors have pleasure in presenting this 124<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2014.

**ECONOMIC AND INDUSTRY SCENARIO**

The Indian economy, with vast potential, faces many challenges. The economic landscape in 2013 continued to be under pressure with year-on-year growth in gross domestic product declining to below 5 percent, primarily accounted from agriculture and services. On the contrary, industry growth through the year remained flat. High interest rates, low policy visibility, delayed environmental clearances, issues around land acquisitions and fuel linkages, along with increasing inflation continued to impact global investor confidence in India.

During the year, the rupee depreciated to an all-time low. Towards the end of the year, certain focused measures by the government and central bank, helped to bring in some positive trends as the rupee stabilized, exports increased, current account deficit declined and project clearances were fast-tracked.

The slow GDP growth appears to have bottomed out and with the formation of new government, economic growth is expected to accelerate in the next fiscal 2014-15.

Rating agency, CRISIL has forecasted a 6% GDP growth for financial year 2014-15 compared with an expected 4.8% for financial year 2013-14. This forecast is premised on normal monsoons, continuation of the recent reform process and widely anticipated global recovery. On the downside, growth could weigh in below 5% yet again if the above assumptions do not play out.

In view of the above, the Company remains cautiously optimistic in its outlook.

**FINANCIAL DATA**

Rs./Crores

	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013
Profit before Interest, Depreciation, Tax and Exceptional Item	63.85	66.05
Less: – Finance Cost	12.43	14.98
– Depreciation	11.53	10.20
Profit before Tax & Exceptional Item	39.89	40.87
Exceptional Item #	15.50	–
Profit before tax	55.39	40.87
Less -Provision for tax	19.19	11.86
Profit after tax	36.20	29.01
Add -Profit brought forward	120.41	99.78
Add- Reversal of Corporate Dividend Tax	–	0.71
Profit available for appropriation	156.61	129.50
<b>Appropriations:</b>		
Interim Dividend on equity shares	2.61	2.61
Proposed Final Dividend on equity shares	2.61	2.61
Corporate Dividend Tax	0.88	0.87
General Reserves	3.75	3.00
Balance Profit carried forward	146.76	120.41

# Compensation receivable from developer of real estate project pursuant to settlement reached in relation to residential complex of the said project.

**OPERATIONS OVERVIEW****Textile Division**

The Textile Division of the Company is located at Hisar in Haryana with a capacity of 75880 Spindles. During the year under review, the production of yarn increased by 9% (approx.) to 19095 MT from 17483 MT last year. The Division earned Profit Before Tax (PBT) of Rs. 45.12 Crores as against Rs. 43.02 Crores in the previous year. Good global demand and rupee depreciation during the year contributed to higher profits.

We are pleased to inform that the expansion project of the Division through an addition of 39168 spindles at Hisar entailing capital cost of about Rs. 105

Crores is now in its final phase of completion. The Division has successfully executed the expansion project without any cost or time overrun, raising the total capacity of the Division to 115048 spindles. The expansion is with higher level of automation with latest machineries.

Besides, the TQM drive is going on apace with very good participation of employees at all levels.

**IT Division**

The IT Division of the Company is an established service provider for Managed IT Services operating through various offices located in India and in USA.

During the year under review the sales and other income of the Division increased to Rs 64.79 Crores from Rs 45.00 Crores in the last year. The Division earned Profit before Tax (PBT) of Rs 4.39 Crores compared to Rs 1.51 Crores in the previous year.

This was possible on account of increase in volumes both in India & overseas business, better margins on export business, and favourable exchange rate. 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. Exports of Infrastructure services showed good growth during the year. Investments have been made in building sales bandwidth and acquiring tools for further expanding the export services business. This should help to provide the desired impetus to the offshore business in future.

**DEBT REPAYMENT**

The Company has complied with its debt repayment obligation under the Scheme of Restructuring and 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. Where such amount has not been claimed by the creditors, the same has been deposited in separate designated Bank Account(s) in scheduled bank(s).

In case an invested amount remains unclaimed and un-encashed for a period of seven years from the date it becomes due for payment, the same has been / will be transferred to the Investor Education and Protection Fund established by the Central Govt. (the relevant details of the same are uploaded on the Company's website www.dcm.in)

The investor whose investment has remained unclaimed /un-encashed and which became due for payment in July 2007 and onwards is required to lodge their claim with the Company by surrender of Debenture Certificates/Letter of Allotment/ 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 SORA. 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. In case a deposit amount has remained unclaimed and un-encashed for a period of seven years from the date it became due for payment, the same has been/will be transferred to the Investor Education and Protection Fund established by the Central Govt.

**DIRECTORS**

The Board of directors of the Company on November 13, 2013 had appointed Mr. Jitendra Tuli as Managing Director for a period of one year i.e. with effect from December 20, 2013 to December 19, 2014. His appointment is placed for the approval and ratification of shareholders at the Annual General Meeting scheduled to be held on August 4, 2014.

Sh. Naresh Kumar Jain, director of the Company passed away on December 8, 2013. He was 78 years old and had worked as Managing Director of the Company for more than one decade. Your Board placed on record its deep condolences on his sad demise.

Prof. Joginder Singh Sodhi retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as a director of the Company. His re-appointment is placed before the shareholders of the Company at the ensuing Annual General Meeting.

Further, in terms of Sections 149 & 161 of the Companies Act, 2013, Dr. Meenakshi Nayar has been appointed as an additional director of the Company by the Board in its meeting held on May 28, 2014, and holds office up to date of ensuing Annual General Meeting. A resolution is proposed for her appointment as director of the Company at the ensuing Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, your directors are seeking appointments of Mr. Bipin Maira, Mr. Ravi Vira Gupta, Prof. Sudhir Kumar Jain & Dr. Meenakshi Nayar as Independent Directors of the Company for a term of 5 years.

#### CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report.

#### 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 Emphasis of Matter in Auditors' Report on Standalone Annual Financial Statement

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) 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 "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 the Auditors that the conditions contained in the "leasehold definitive agreement" 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. The Auditors' opinion is not qualified in respect of this matter (refer note 30 of notes to Standalone Financial Statements annexed).

#### Refer 'Basis for Qualified Opinion' in Auditors' Report on Consolidated Financial Statements

Purearth Infrastructure Limited, a joint venture company, has received advances Rs. 3,730.08 lacs (Group's share in advances of joint venture are Rs. 612.26 lacs) for sale bookings of units in its Plaza 4 of Central Square Project (referred as 'said Project'). The said advances have been shown as 'advances from customers' under other current liabilities. The management of the joint venture company is yet to draw up construction plans for said Project. Further, the revenue including price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived with the booking holders of the said Project cannot be determined at this stage. Thus, the likely losses for such bookings under the 'Plaza 4 of Central Square Project' could not be estimated and hence have not been provided in the financial Statement of the joint venture company. (Refer note 40 to the consolidated 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 a 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

During the financial year ended March 31, 2014, your Company has declared an interim dividend of Rs. 1.50 (Rupee one and fifty paise only) per equity share of Rs. 10 each in the month of November 2013 and it was paid in the month of December 2013. In addition, your directors recommend a final dividend of Rs.1.50 (Rupee one and fifty paise only) per equity share of Rs 10 each for the financial year 2013-14. If approved, the total dividend (interim and final dividend) for the financial year 2013-14 will be Rs.3.00 (Rupees three only) per equity share aggregating to Rs. 6.10 crores (including Dividend Distribution Tax). Dividend paid for the previous Financial Year 2012-13 was Rs. 3.00 (Rupees Three only) per equity share of Rs. 10 each.

#### TRANSFER TO RESERVES

Your Company proposes to transfer Rs.3.75 crores to the General Reserve out of the amount available for appropriation. An amount of Rs 146.76 crores is proposed to be retained in the Profit and Loss account.

#### 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 February 8, 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 12, 2014, the Audited Statements of Accounts and the Auditors' Reports thereon for the year ended March 31, 2014 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](http://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 include the financial information of its subsidiaries.

#### AUDIT COMMITTEE

The Audit Committee of the Company consists of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Mr. Jitendra Tuli and Prof. Sudhir Kumar Jain. The Board of Directors of your Company has revised its terms of reference to make it in line with the requirements of Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, the Board of Directors of your Company has constituted a CSR Committee comprising of Mr. Ravi Vira Gupta, Chairman, Prof. Joginder Singh Sodhi and Dr. Meenakshi Nayar, as members of the committee. This Committee is responsible for formulating and monitoring the CSR Policy of the Company.

#### NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company has renamed and reconstituted its existing 'Compensation Committee' as 'Nomination and Remuneration Committee' and have also revised its terms of reference to make it in line with the requirements of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement. At present, the 'Nomination and Remuneration Committee' comprised of Mr. Bipin Maira, Chairman, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta, as members of the Committee.

This Committee is entrusted with the power and responsibility by the Board of identifying and recommending to the Board appointment & removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company and to formulate and monitor their Remuneration Policy.

Company Secretary of the Company acts as Secretary to all these Committees.

#### AUDITORS

The Auditors of the Company, M/s A.F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the ensuing 124<sup>th</sup> Annual General Meeting and have confirmed their eligibility & willingness to accept office, if re-appointed. Your Board recommends their re-appointment as statutory Auditors of the Company from the conclusion of 124<sup>th</sup> Annual General Meeting to the conclusion of the 125<sup>th</sup> Annual General Meeting of the Company.

**COST AUDIT**

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed cost audit for cotton textile manufactured by the Company. Now, as required under Section 148 of the Companies Act, 2013, the Board of Directors have re-appointed M/s K C Kohli & Co., Cost Accountants, as the Cost Auditors for cotton textile manufactured by the Company for the Financial Year 2014-15 at a remuneration of Rs. 50,000/- (Rupees fifty thousand only). In terms of said Section 148 and rules issued there under, remuneration of Cost Auditors is to be ratified by members of the Company. Accordingly, a resolution is included in the Notice of ensuing Annual General Meeting for ratification of their remuneration by members of the Company. The Cost Audit report for the financial year 2013-14 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 Textile Division of the Company is running a School upto 10th standard in its campus at Hisar, Haryana. There are approx 450 students on the rolls 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/-

Jitendra Tuli

Chairman and Managing Director

Place: New Delhi

Date : May 28, 2014

**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 the most energy efficient processes and to upgrade to latest energy efficient devices. Recently, the Division installed a cyclic timer in the Blow room and cards & Invertors. Conventional tubes/bulbs are being replaced with CFLs throughout the Division.

**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

Particulars	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013
Foreign Exchange Earned	29094.61	23131.40
Foreign Exchange Outgo	7368.99	3822.29

**FORM -A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

Particulars	2013-2014 (12 Months)	2012-2013 (12 Months)
<b>A. POWER AND FUEL CONSUMPTION</b>	55131689	51393266
1. Electricity (KWH)		
a) Purchased:-		
– Unit (KWH)	55043910	50647485
– Total Amount (Lac/Rs.)	2749.71	2793.73
– Rate per unit (Rs.)	5.00	5.52
b) Own Generation:		
i) Through Generator		
– Unit (KWH)	87779	745781
– Unit per Lt. of F.O./L.D.O./HSD	2.96	3.21
– Cost /unit (Rs./KWH)	14.86	12.30
ii) Through Steam Turbine/Generator	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil (LDO&HSD)		
– Quantity (K.Ltr.)	29620	232006
– Total Amount (Lac/Rs)	13.04	91.77
– Average Rate (Rs./K.Ltr.)	44.02	39.55
4. Others (LPG)		
– Quantity (K.Lt.)	NIL	NIL
– Total /Cost (Rs/Lac)		
– Rate/Unit (Rs/Mt)		
<b>B. CONSUMPTION PER UNIT OF PROD.</b>		
Particulars Standard (if any)		
– Electricity (KWH)	2.89	2.94
– Furnace Oil/HSD(Ltrs)	–	–
– Coal	–	–
– Others (LPG)	–	–

**FORM -B'**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

**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 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)	Qualifications	Experience (Year)	Age (Year)	Date of Commencement of Employment	Particulars of last employment
1	Mr. Hemant Bharat Ram	President- Textiles	Corporate Office	280.76	B.S.(Math & Comp. Sc), MS(IA)	23	48	August 1, 1991	DCM Technologies Ltd.
2	Mr. Sumant Bharat Ram	Chief Operating & Financial Officer	Corporate Office	98.49	B.A.(Hons) Economics, MBA	22	47	March 1, 2013	DCM Engineering Ltd.
3	Mr. Ashwani Kumar Singhal	Executive Vice President (Finance & Accounts)	Corporate Office	68.24	B.Com.(H), FCA PhD	34	57	February 5, 1993	Modi Rubbers Ltd.
4	Mr. Rakesh Goel	Chief Executive Officer	DCM Textiles, Hisar	83.52	M.B.A.	34	57	November 23, 1990	Hafed Spinning Mills

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 and Managing Director

Place: New Delhi  
Date : May 28, 2014

## 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.

Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were practiced by the DCM Group as a whole. Our Corporate governance policy has been based on professionalism, honesty, integrity and ethical behaviour.

Through the Governance mechanism in the Company, the Board alongwith its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Corporate Governance philosophy is further strengthened with the adherence to Total Quality Management as a mean to drive excellence and articulating the Company's values and ethics with a Code of Conduct policy. Given below is a brief report for the year April 01, 2013 to March 31, 2014 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, 2014, the Board comprised of Seven (7) directors, namely, Mr. Jitendra Tuli, Chairman and Managing Director, Dr. Surendra Nath Pandey, Prof. Joginder Singh Sodhi, Mr. Bipin Maira, Prof. Sudhir Kumar Jain, Mr. Narendra Pal Chawla and Mr. Ravi Vira Gupta.

As on March 31, 2014, all the directors are non-executive and independent directors except Mr. Jitendra Tuli who is the Chairman and Managing Director of the Company. Mr. Narendra Pal Chawla was nominated by Life Insurance Corporation of India (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 sitting fee for attending meetings of the Board and the Committees thereof.

The composition of the Board and category of directors is as follows:

Sl. No.	Name	Category of Director#	DIN	Appointed as director on	Ceased to be director on
1.	Mr. Jitendra Tuli*	Executive Director	00272930	20.12.2005	-
2.	Mr. Naresh Kumar Jain	NI-NED	00272154	17.02.2001	08.12.2013
3.	Dr. Surendra Nath Pandey	I-NED	00272396	10.12.2001	-
4.	Prof. Joginder Singh Sodhi	I-NED	00273151	10.12.2001	-
5.	Mr. Narendra Pal Chawla (Nominee LIC)	I-NED	06412645	09.11.2012	-
6.	Mr. Bipin Maira	I-NED	05127804	24.11.2011	-
7.	Prof. Sudhir Kumar Jain	I-NED	06419514	09.11.2012	-
8.	Mr. Ravi Vira Gupta	I-NED	00017410	27.05.2013	-

NI-NED: Non Independent and Non Executive Director

I-NED- Independent -Non Executive Director

# Category of Directors is as on March 31, 2014.

\* Appointed as Chairman and Managing Director of the Company with effect from December 20, 2013.

No director of the Company is inter-se related to any other director on the Board.

#### (B) Tenure:

In accordance with provisions of Section 152 of the Companies Act, 2013, Prof. Joginder Singh Sodhi, who has been longest in office, is liable to retire by rotation at the 124th Annual General Meeting scheduled to be held on August 4, 2014 and being eligible, offers himself for re-appointment.

Mr. Jitendra Tuli was appointed as Chairman and Managing Director of the Company by the Board of Directors on November 13, 2013 for a period of one year i.e. with effect from December 20, 2013 to December 19, 2014. His appointment is placed for the approval and ratification of shareholders at the ensuing Annual General Meeting.

Further in terms of Section 161 of the Companies Act, 2013, Dr. Meenakshi Nayar has been appointed as an additional director of the Company by the Board in its meeting held on May 28, 2014, and as such she holds office up to date of ensuing Annual General Meeting. A resolution is proposed for her appointment as an Independent Director of the Company at the ensuing Annual General Meeting.

**(C) Board Meetings**

During the year April 01, 2013 to March 31, 2014, four (4) meetings of the Board of Directors were held on May 27, 2013, August 13, 2013, November 13, 2013 and February 12, 2014. The attendance of each director at these meetings and at the last Annual General Meeting was as under:

Sl. No.	Name	No. of meetings held during 2013-14	No. of Meetings attended	Last AGM (on 19.07.2013) attended
1.	Mr. Jitendra Tuli	4	4	Yes
2.	Mr. Naresh Kumar Jain*	3	2	No
3.	Dr. Surendra Nath Pandey	4	1	No
4.	Prof. Joginder Singh Sodhi	4	3	No
5.	Mr. Narendra Pal Chawla (Nominee LIC)	4	3	Yes
6.	Mr. Bipin Maira	4	4	Yes
7.	Prof. Sudhir Kumar Jain	4	3	Yes
8.	Mr. Ravi Vira Gupta*	3	2	No

\*3 meetings of the Board of Directors were held during their respective tenures.

**(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 provided, to all concerned executives. 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. Jitendra Tuli, Chairman and Managing Director of the Company is governed by the resolution 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 and Committees thereof.

The details of remuneration paid to directors during the year April 01, 2013 to March 31, 2014 along with number of equity shares of the company held by each of them are as under:

Sl. No.	Name	Sitting fees (Rs./lacs)	Salary & Perquisites (Rs. /lacs)	Number of equity shares of the Company held
1.	Mr. Jitendra Tuli	1.30	Nil	Nil
2.	Mr. Naresh Kumar Jain*	0.20	Nil	Nil
3.	Dr. Surendra Nath Pandey	0.15	Nil	Nil
4.	Prof. Joginder Singh Sodhi	0.65	Nil	Nil
5.	Mr. Narendra Pal Chawla (Nominee-LIC)	0.30	Nil	Nil
6.	Mr. Bipin Maira	1.35	Nil	Nil
7.	Prof. Sudhir Kumar Jain	0.70	Nil	Nil
8.	Mr. Ravi Vira Gupta**	0.25	Nil	Nil
	<b>TOTAL</b>	<b>4.90</b>	<b>Nil</b>	

\* Ceased to be director of the Company w.e.f. December 08, 2013

\*\* Appointed as an additional director on the Board of Company w.e.f. May 27, 2013

**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 senior executives.

The Compensation Committee of the Board was reconstituted on February 12, 2014 by inducting Mr. Ravi Vira Gupta as a member of the Committee and designating Mr. Bipin Maira as its Chairman in place of Dr. Surendra Nath Pandey who ceased to be member of the Committee. As on March 31, 2014, the Compensation Committee of the Board comprised of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta and Prof. Joginder Singh Sodhi.

During the financial year 2013-14, one (1) meeting of the Compensation Committee was held on May 27, 2013. All the members of the Committee have attended the said meeting except Dr. Surendra Nath Pandey.

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 all other applicable provisions of the Companies Act, 1956, during the financial year 2013-14. During the year 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 / Chairmanships held in other Companies as on March 31, 2014:**

Sl. No	Director	No. of Other Directorships		No. of Other Committee memberships#	
		Director	Chairman	Member	Chairman
1.	Mr. Jitendra Tuli	Nil	Nil	Nil	Nil
2.	Mr. Naresh Kumar Jain	Nil	Nil	Nil	Nil
3.	Dr. Surendra Nath Pandey	Nil	Nil	Nil	Nil
4.	Prof. Joginder Singh Sodhi	Nil	Nil	Nil	Nil
5.	Mr. Narendra Pal Chawla (Nominee-LIC)	Nil	Nil	Nil	Nil
6.	Mr. Bipin Maira	Nil	Nil	Nil	Nil
7.	Prof. Sudhir Kumar Jain	1	Nil	Nil	Nil
8.	Mr. Ravi Vira Gupta	8	Nil	3	3

# 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 12, 2014 by inducting Mr. Ravi Vira Gupta as a member of the Committee in place of Dr. Surendra Nath Pandey, who ceased to be member of the Committee.

As on March 31, 2014, the Audit Committee of the Board comprised of Mr. Bipin Maira, Chairman, Mr. Jitendra Tuli, Prof. Sudhir Kumar Jain and Mr. Ravi Vira Gupta, as members of committee. All the members of Audit Committee are independent directors except Mr. Jitendra Tuli who is Chairman and Managing Director of the Company.

The terms of reference of Audit Committee, as on March 31, 2014, 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 their audit fees. Mr. Bipin Maira, Mr. Jitendra Tuli and Mr. Ravi Vira Gupta have knowledge of finance and accounts. Prof. Sudhir Kumar Jain has expertise in managerial economics and has knowledge of finance.

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 and Internal Auditors also attend the Audit Committee Meetings on invitation.

During the year April 01, 2013 to March 31, 2014, four (4) Audit Committee meetings have taken place on May 27, 2013, August 13, 2013, November 13, 2013 and February 12, 2014. The attendance of each director at these meetings was as under:

Sl. No.	Name	Designation	No. of meetings held during 2013-14	Number of meetings attended
1.	Mr. Bipin Maira	Chairman	4	4
2.	Dr. Surendra Nath Pandey*	Member	4	1
3.	Mr. Jitendra Tuli	Member	4	4
4.	Prof. Sudhir Kumar Jain	Member	4	3
5.	Mr. Ravi Vira Gupta**	Member	Nil	Nil

\* ceased to be member of the Committee on February 12, 2014.

\*\*inducted as member of the Committee on February 12, 2014 and no meeting of this committee was held after his induction as member as such.

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". The Committee was reconstituted on February 12, 2014 by inducting Mr. Ravi Vira Gupta as a member of the Committee in place of Dr. Surendra Nath Pandey, who ceased to be member of the Committee.

As on March 31, 2014, this Committee is comprised of Mr. Bipin Maira, Chairman, Mr. Jitendra Tuli, Mr. Ravi Vira Gupta and Prof. Sudhir Kumar Jain, members of committee. The attendance of directors in the said committee meetings was as follows:

Sl. No.	Name	Designation	No. of meetings held during 2013-14	Number of Committee meetings attended
1.	Mr. Bipin Maira	Chairman	6	6
2.	Dr. Surendra Nath Pandey*	Member	6	Nil
3.	Mr. Jitendra Tuli	Member	6	6
4.	Prof. Sudhir Kumar Jain	Member	6	Nil
5.	Mr. Ravi Vira Gupta**	Member	2	1

\* ceased to be the member of the Committee on February 12, 2014.

\*\*inducted as member of the Committee on February 12, 2014 and two (2) meetings of this Committee were held after his induction as member as such.

Information relating to Shareholders/ Investors Complaints is regularly placed before the Committee. The status of complaints received, disposed off & pending during the year ended March 31, 2014 is as under:

No. of Complaints Received	No. of Complaints not solved to the satisfaction of shareholders'/Investors'	No. of pending Complaints
16	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.

Prof. Sudhir Kumar Jain, independent director of the Company has been appointed as director on the Board of DCM Engineering Limited w.e.f. February 12, 2013, a Material Unlisted subsidiary of the Company. All minutes of the Board meetings of DCM Engineering Limited 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 shareholder 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 41 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**  
Pursuant to the requirements of the listing agreements with the stock exchanges, on Corporate Governance, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is given in Annexure to this report.
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 in its meeting.

**(O) Means of Communication**

The quarterly / half yearly / annual financial results are announced within the stipulated period and are generally 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. 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 ended March 31, 2014.

**GENERAL SHAREHOLDER INFORMATION**

**a. Annual General Meeting:**

Date : Monday, August 4, 2014  
Time : 3.30 PM  
Place : MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi

**b. Book Closure Date : 25.07.2014 to 04.08.2014 (both days inclusive)**

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

**d. Financial Calendar**

Financial reporting for the Quarter ending June, 14 End of July/before mid Aug, 14  
Financial reporting for the Quarter ending September, 14 End of Oct /before mid Nov, 14  
Financial reporting for the Quarter ending December, 14 End of Jan/ before mid Feb, 15  
Financial reporting for the financial year ending March, 15 End of May, 15

**e. Dividend Payment:** The company has paid interim dividend @ Rs. 1.50 per share to the shareholders on December 6, 2013. The record date for the said interim dividend was November 26, 2013. Final 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

**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 Limited 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, 2014 to March 31, 2015 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 agreements with NSDL & CDSL for dematerialization of shares. ISIN of the Company for dematerialization of equity shares is INE 498A01018. As on March 31, 2014, 94.19% of paid-up share capital of the Company has been dematerialised.

**l. Location of Works**

Textile Division: Hisar (Haryana)  
IT Division: Gurgaon (Haryana)

**m. Details of last three AGMs**

Year	Location	Date	Time	Details of Special Resolutions passed
2013	123 <sup>rd</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	19.07.13	11:30 A.M	Appointment of Mr. Jitendra Tuli as Chairman and Managing Director of the Company for a period of one (1) year w.e.f. December 20, 2012.
2012	122 <sup>nd</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	14.07.12	12:30 P.M	Nil
2011	121 <sup>st</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi	15.07.11	12:30 P.M	Nil

**n. Postal Ballot**

During the year, the Company has passed following four (4) Special Resolutions by way of Postal ballots u/s 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, and other applicable provisions, if any, of Companies Act, 2013:

- Special Resolution u/s 180(1)(c) of the Companies Act, 2013 to authorise the Board of Directors to borrow money in excess of the aggregate of the paid up capital of the company and its free reserves, provided that the maximum amount of moneys so borrowed by the Board of Directors shall not, at any time, exceed Rs. 600 (Six Hundred) Crores.
- Special Resolution u/s 180(1)(a) of the Companies Act, 2013 to authorise the Board of Directors to create security by way of mortgage and/ or charge on assets of the Company to secure any loan, upto Rs. 600 (Six Hundred) Crores, taken by the Company.
- Special Resolution u/s 31 of the Companies Act, 1956 and section 14 of the Companies Act, 2013 for alteration of Articles of the Company to insert the new Article number 12A and 12B for buy back of the shares or other specified securities of the Company.
- Special Resolution u/s 180(1)(a) of the Companies Act, 2013 and section 372 A of the Companies Act, 1956, to authorise the Board of Directors to create mortgage / pledge / hypothecate and / or create charge on land of the Company at Bara Hindu Rao / Kishan Ganj, Delhi to secure the loan upto Rs. 300 (Three Hundred) Crores borrowed / to be borrowed by Purearth Infrastructure Ltd.

The Company had appointed Sh. T R Ramamurthy, Practising Company Secretary as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. Postal ballot Forms received upto the close of working hours on 11<sup>th</sup> April, 2014 had been considered and the result of Postal Ballot was announced on 14<sup>th</sup> April, 2014 at the Registered Office of the Company.

The details of Postal Ballot Results are as under

Sl. No	Particulars	Special Resolution No. 1	Special Resolution No. 2	Special Resolution No. 3	Special Resolution No. 4
1.	Total Votes* casted in favour of the resolution	93,74,954	93,72,577	93,94,557	93,93,132
2.	Total Votes* casted against the resolution	36,809	37,164	15,081	16,482
3.	Votes* casted neither in favour nor against the resolution	1,02,525	1,04,547	1,04,650	1,04,674
4.	Votes* casted in favour as percentage of total votes polled	99.60%	99.60%	99.83%	99.82%
5.	Votes* casted in favour as percentage of total share capital	53.94%	53.93%	54.06%	54.05%

\*One equity share of the Company has one vote. Members' voting right shall be in proportion to his share in the paid-up capital of the Company.

**o. Distribution of shareholding as on March 31, 2014**

Category	No. of Shares	% of Shareholding
Promoters, Directors & Relatives	77,67,882	44.70
Mutual fund/FIs/FII's/Banks/Central Govt./State Govt./Insurance Companies	16,44,375	9.46
Bodies Corporate	17,35,795	9.99
NRI/Trust	7,08,670	4.08
Individuals	55,22,315	31.77
<b>TOTAL</b>	<b>1,73,79,037</b>	<b>100</b>

Shareholdings	No. of folios	No. of shares	% of Shareholding
Up to 5000	45,251	32,42,862	18.66
5001-10000	74	5,37,517	3.09
10001 - 50000	99	20,50,481	11.80
50001-100000	11	8,82,336	5.08
Above 100000	15	1,06,65,841	61.37
<b>Total</b>	<b>45,450</b>	<b>1,73,79,037</b>	<b>100</b>

**p. Deposits**

The Company has not raised any deposits from the public during the financial year 2013-14.

**q. Outstanding ADRs/ GDRs**

The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2013-14.

**r. Investors Correspondence**

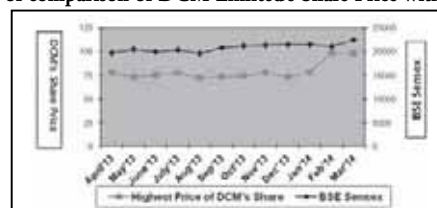
The shareholders may address their communication to the Registrar and Share Transfer Agents at their address mentioned above or to the Company Secretary, 6<sup>th</sup> Floor, Vikrant Tower, 4 Rajendra Place, New Delhi - 110008 or at exclusively designated e-mail ID for any grievance at investors@dcm.in

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

**a) DCM LIMITED vs BSE SENSEX**

	DCM LIMITED		BSE SENSEX	
	High	Low	High	Low
April-2013	77.90	61.65	19622.68	18144.22
May-2013	73.90	66.50	20443.62	19451.26
June-2013	75.80	65.50	19860.19	18467.16
July-2013	78.25	68.70	20351.06	19126.82
August-2013	72.65	66.00	19569.20	17448.71
September-2013	73.75	66.50	20739.69	18166.17
October-2013	75.00	67.00	21205.44	19264.72
November-2013	77.80	67.60	21321.53	20137.67
December-2013	73.75	66.00	21483.74	20568.70
January-2014	78.60	66.80	21409.66	20343.78
February-2014	98.40	69.50	21140.51	19963.12
March-2014	97.70	82.40	22467.21	20920.98

Chart of comparison of DCM Limited's Share Price with BSE Sensex

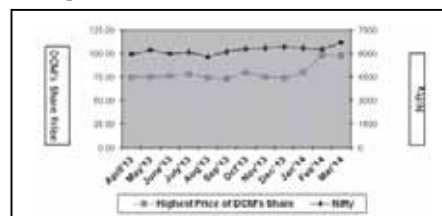


**b) DCM LIMITED vs. NIFTY**

	DCM LIMITED		NIFTY	
	High	Low	High	Low
April-2013	74.85	60.15	5962.30	5477.20
May-2013	74.70	66.15	6229.45	5910.95
June-2013	76.00	58.00	6011.00	5566.25
July-2013	78.30	66.65	6093.35	5675.75
August-2013	74.55	65.35	5808.50	5118.85
September-2013	73.20	66.25	6142.50	5318.90
October-2013	79.70	66.20	6309.05	5700.95
November-2013	74.80	67.50	6342.95	5972.45
December-2013	74.00	65.50	6415.25	6129.95
January-2014	79.70	67.65	6358.30	6027.25
February-2014	98.35	68.10	6282.70	5933.30
March-2014	97.70	83.45	6730.05	6212.25

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, 2014

**Jitendra Tuli**  
(Chairman and Managing Director)

PURSUANT TO THE REQUIREMENTS OF THE CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, ON CORPORATE GOVERNANCE, THE INFORMATION REQUIRED TO BE GIVEN, IN CASE OF THE APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR, IS GIVEN AS FOLLOWS:

Name of the Director	Prof. Joginder Singh Sodhi	Mr. Bipin Maitra	Prof. Sudhir Kumar Jain	Mr. Ravi Vira Gupta	Dr. Meenakshi Nayar	Mr. Jitendra Tuli	
Date of Birth	28.12.1944	7.11.1939	21.09.1951	19.11.1937	09.04.1953	20.09.1939	
Date of Appointment	10.12.2001	24.11.2011	09.11.2012	27.05.2013	28.05.2014	20.12.2005	
Qualification	M.A. (Economics)	Senior Cambridge from the Premier Public School, Sherwood College, Naini Tal. B. Sc. - University of Agra Business Management - DCM Senior Management Trainee Scheme	Ph.D. from IIT Kanpur in Managerial Economics, Entrepreneurship Management and Intellectual Property Rights (IPR)	IAS (Retd.)	MA (Psychology) from M S University, Vadodra FPM (Ph.D.) from IIM Ahmedabad in Organizational Behaviour	B Com (Hon.) Post Graduate Diploma from London School of Journalism Attended the School of Public Relations and communications at Boston University, USA	
Nature of Expertise in Specific functional area	HR & IR for Organizational Excellence	Textile Operations, Management Consultancy & HR	Economics, Intellectual Property Rights (IPR) and Entrepreneurship	Finance, Economics and Operations Management	Management of Social Enterprises and Human Resources	General Management, Corporate Communication and Social activities	
Profile of the Director	Prof. Joginder Singh Sodhi is the director of the Shri Ram Centre for Industrial Relations & Human Resources (SRC). Prior to this, he was a Professor at the International Management Institute (IMI), New Delhi. Prof. Sodhi has a wealth of teaching, consultancy and research in the areas of Industrial Relations and Human Resources Management. He has worked in many premier organisations in India. He has been a keen researcher and has a number of publications to his credit.	Mr. Bipin Maitra has around fifty years of industry experience. He started his career with Delhi Cloth & General Mills Co. Ltd. and worked for twenty years. He 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. He was associated for thirteen years as director & Partner with Resource Management Associates overseeing the international assignments in management consultation & HR. Currently since 2007, he is Group HR Advisor, to the Singapore based Kewalram Chanrai Group.	Prof. Sudhir Kumar Jain is Professor and Ex-Head of the Department of Management Studies, I.I.T. Delhi. Earlier he served as Assistant Director, Indian Council of Social Science Research ICSSR (Govt), New Delhi and has also served as Executive Director, National Institute for Entrepreneurship & Small Business. Currently he is acting as Vice Chancellor of Shri Mata Vaishno Devi University, Katra.	Mr. Ravi Vira Gupta joined the Indian Administrative Services in 1962. He had worked in various states and held challenging assignment at the field. He was associated with various aspects of cooperatives as well as agriculture. He was Registrar of Cooperatives as well as Managing Director of National Cooperative Development Corporation. In Madhya Pradesh, he was the Managing Director of the MP Federation of Dairy Cooperatives for over three years. Between 1991 and 1998, he was closely associated with the economic reforms at the level of Additional Secretary/Secretary in the Government of India in the ministries of Fertilizer, Food as well as Finance. He was also the Deputy Governor of the Reserve Bank of India for about three years. He was associated with many committees over the years including at Reserve Bank Committee on agricultural credit.	Dr. Meenakshi Nayar has worked for more than two decades in Human Resource Management and Development in the corporate sector, involving training and development of 'grown ups'. She is Founder of EduServe Consultants working with Adolescents in schools in the areas of Sexuality Education, Career Guidance and Life Skills Development. She is Founder Chairperson of ETASHA Society, a not-for-profit organization that provides market-oriented employability and vocational skills to disadvantaged Indian youth.	Mr. Jitendra Tuli was an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for Nineteen years. He has written for leading Newspapers and Magazines. He is deeply involved in the work for the less privileged ones, as trustee of Anarjyoti Charitable Trust and as founder member of Cancer Sahyog	
Name of the other Companies in which he holds Directorship	NIL	NIL	DCM Engineering Ltd.	DCM Engineering Ltd.	DCM Engineering Ltd.	NIL	
Name of the Committees* of other Companies of which he holds Memberships / Chairmanships	NIL	NIL	NIL	1. Delhi Safe Deposit Company Ltd. 2. Mawana Sugars Ltd. 3. Goodyear India Ltd. 4. Honda-Siel Power Products Ltd. 5. Seshasayee Paper and Boards Ltd. 6. DCM Engineering Ltd. 7. IVF Advisors Pvt. Ltd. 8. India Value Fund Advisors Pvt. Ltd. Goodyear India Ltd. Audit Committee- Chairman Investor Grievance Committee- Member Seshasayee Paper & Boards Ltd. Audit Committee- Chairman Honda-Siel Power Products Ltd. Audit Committee- Member Mawana Sugars Ltd. Audit Committee- Member DCM Engineering Ltd. Committee for Audit, Compensation & Finance facilities- Chairman	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL	NIL	
Relationship between directors inter-se	NIL	NIL	NIL	NIL	NIL	NIL	

\* For this purpose, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder Investor Grievance Committee of all Public Limited Companies have been considered.

**CHIEF EXECUTIVE OFFICER DECLARATION**

I, Dr. Vinay Bharat Ram, Chief Executive officer of DCM Limited, certify based on annual disclosures received, that all Board members and senior management personnel have abided by the code of conduct laid down by the Company.

Place : New Delhi  
Dated : May 28, 2014

Sd/-  
Dr. Vinay Bharat Ram  
Chief Executive Officer

**AUDITORS' CERTIFICATE**

**TO THE MEMBERS OF DCM LIMITED**

We have examined the compliance of conditions of Corporate Governance by DCM Limited ("the Company") for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of 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 Agreements.

We 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)

Place : New Delhi  
Dated : May 28, 2014

Sd/-  
Manjula Banerji  
Partner  
(Membership No. : 086423)

**MANAGEMENT DISCUSSION AND ANALYSIS**

**TEXTILE DIVISION**

**Industry Structure and Developments**

The textile industry is one of the oldest industries and has a very strong presence in Indian economy. Cotton is one of the principal crops of the country and a major raw material for the textile industry. The growth pattern of the Indian textile industry in the last decade has been considerably higher than previous decades, primarily on account of liberalization of trade and economic policies initiated by the Govt. in the 1990s. The Fiscal duty structure of the textile industry has also influenced, to a great extent, the growth and structure of the industry. The Indian textile industry is predominantly cotton based. India is the third largest producer of cotton globally, following China and USA.

The growth in the production of textile fibres has facilitated the growth of the spinning sector. Industrial delicensing and liberalization policies coupled with freedom from unfair competition from the unorganized sector accelerated the process of setting up spinning units in the organized sector in recent years.

The textile sector is the second largest provider of employment after agriculture. Thus, the growth and all-round development of this industry has a bearing on the improvement of the economy of the nation.

**Outlook**

The outlook for the textile industry in India is very optimistic and is expected to continue to grow at an impressive rate. It is being modernized by an exclusive scheme, Revised Restructured-Technology Upgradation Fund Scheme (RR-TUFS), extended by the Govt. The spinning industry is also the largest beneficiary under RR-TUFS. The spinning industry is very labor intensive and India has a competitive advantage on this front vis-à-vis developed countries. Hence, the spinning industry is slowly getting weaker in developed countries. India, along with other third world countries in Asia is becoming the main production center of yarn.

**Financial and Operational Performance**

The performance of the Textile Division for the year ended March 31, 2014 is as follows:

S. No.	Particulars	(12 months) 2013-14	(12 months) 2012-13
1	Sales in Quantity (MT)	19123	17948
2	Production (MT)	19095	17483
3	Sales & other Income (Rs in lacs)	40930	34597
4	Total Expenditure (Rs in lacs)	(34136)	(28113)

S. No.	Particulars	(12 months) 2013-14	(12 months) 2012-13
5	Profit before finance cost, Depreciation, Amortisation & Tax	6794	6484
6	Finance Cost (Rs in lacs)	(1175)	(1194)
7	Depreciation (Rs in lacs)	(1107)	(988)
8	Profit before Tax (Rs in lacs)	4512	4302

**Manpower Development**

The Division has always maintained cordial and healthy industrial relations. The training of employees is a continuous and integrated process. Prior to training, the competency of each employee is assessed to identify their potential. Training and mentoring programs are designed accordingly. The belief in investing in training today is to create tomorrow's leaders. Continuous efforts to improve the quality and productivity of the processes are being pursued under the TQM umbrella, in order to promote the culture of excellence.

**Risk & Concerns**

Rupee appreciation, workforce shortage and inadequate grid power supply are the major concerns. However, the Division has taken several initiatives like improving productivity by autonomous maintenance, rationalization of workforce, TQM, employee training and development etc.

**Safety**

The Division accords highest priority in maintaining the best safety practices and standards. The Division's commitment towards safety, health and environment has been clearly stated in the Safety, Health and Environment Policy ('SHE Policy'). The Division has constituted a SHE Committee that meets periodically to assess the safety of the plant and health of 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) at work.

**Environment**

The Division is very conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment. It adheres to all regulatory requirements and guidelines at all the times. The plant is located in a 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 450 students on the rolls in different classes. The school is recognized and affiliated to the Haryana Board of School Education. The management of the school is continuously striving to provide quality education to its students with a view to develop good citizens to the society as a whole.

**Internal Controls**

The Division follow a proper and adequate system of Internal Controls to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The focus on creating a paperless work environment has increased productivity, de-risked operations and reduced errors as data is captured at the point of transaction. The internal control systems are supplemented by Internal Audits and review of the same by an Audit committee at the corporate level.

**IT DIVISION**

**Industry Overview**

The total IT-BPM (Information Technology - Business Process Management) revenues in 2013-14, as per NASSCOM were USD 118 billion out of which export contributed USD 86 billion and domestic market was USD 32 billion. The break-up of these figures was - USD 64 billion for IT services, US 22 billion for BPM and the remaining was for hardware, engineering design and software products. Compared to the previous year the overall growth was about 8% - 9% which was driven by more than 12% growth in exports but there was a decrease of 1% in domestic IT.

The IT-BPM sector has a relative share of 8.1% of the country's GDP, and is the largest private sector employer with 3.1 million people in direct employment out of which more than 1 million are women. This sector has also attracted the largest PE/VC investments at more than USD 2.4 billion. To promote a balanced growth, 99 IT SEZs are being opened in tier-II & tier-III cities.

Remote Infrastructure Management forms the fastest growing segment within the exports of IT-BPM services, amounting to approximately USD 12 billion. The IT Division provides Remote Infrastructure Management Services to its clients in the US from India and this is the high growth area that we are specifically focusing on for the future.

In the domestic market, as stated earlier, there was a decrease of 1% from last year. With a decisive majority, it is expected that the new government will take steps to improve the domestic economy and revive industrial activity.

The macro-economic indicators remain positive and India will continue to support various global economies with both knowledge and process expertise.

**Opportunities & Outlook**

Technologies like Social Media, Mobility, Analytics and Cloud, also called SMAC in industry parlance, are on the verge of exploding. Due to these technologies customer business models will change and could create new verticals with a host of new opportunities. On the other hand mature technologies like the internet will continue to create more value propositions.

India retains its number one position as the world's leading sourcing location for IT-BPO services, despite the rise of several alternate sourcing locations. As per a recent study by NASSCOM, India will continue to sustain its cost advantage for around 15-18 years in the outsourcing market.

The US economy is back on track with massive new job creations and all-time low unemployment figures. Certain sectors of industry have been showing growth rates of over 5%. This is creating a positive impact on the minds of buyers, who are now once again looking at increasing their IT spending through tech refresh projects with new opportunities in the areas of virtualization, monitoring, security etc. Our business has a large dependence on the US businesses and revival of the US economy augurs well for the future prospects of the IT Division.

Based on market conditions and the growth prospects which exist both in India and the US, the IT Division is consistently investing resources to build new capabilities which complement the core area of IT infrastructure management. These investments are being made to target newer areas like the Cloud and Analytics and should help the Division to grow faster.

**Financial & Operations Overview:**

The financial performance of the IT Division for the year ended March 31, 2014 is as follows:

		Rs in Lacs	
S. No.	Particulars	(12 months) 2013-2014	(12 months) 2012-2013
1.	Sales & Other Income	6479	4500
2.	Total Expenditure	(5981)	(4273)
3.	Profit before finance cost, Depreciation, Amortisation & Tax	498	227
4.	Finance Cost	(37)	(55)
5.	Depreciation & Amortizations	(22)	(21)
6.	Profit before Tax	439	151

The India centric operations grew by 34% over the previous year, in spite of the decrease of 1% in the domestic industry. The Overseas operations recorded around 32% growth in dollar terms. Overall improvement in volumes, better margins on exports, coupled with favourable exchange rate has helped in the improvement of financial performance during the year.

During the year the Division added new customers as well as increased the amount of business from existing customers. Exports of Infrastructure services showed good growth during the year. Over the last year the Division has also been involved in sourcing, training, deploying and managing on turnkey basis requirements of one of the largest IT companies in the world. This will ensure a consistent revenue stream for the Division for the next couple of years. Today some of the largest companies in the NCR region use the Division's services for managing their IT environment.

**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 IT Infrastructure Services. Availability of skilled & employable resources continues to be a major challenge, both in the US & in India. Hence it is necessary to train and upgrade the skills of our manpower resources to meet the business requirements. The Division has an in-house Competency Center to impart hands-on training to employees in various IT Infrastructure skills. This in-house capability is the backbone of operations.

**Risks and Concerns**

- The Division's objective is to have high customer engagement and get an ever-increasing share of the customer's business. However, this means that few customers are responsible for a large percentage of the revenues. 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.
- Any restrictions/ dis-incentives on offshoring if imposed by the US government might have a major impact on the business of the Division.
- Since a major part of the transactions are in foreign exchange, the exchange rate fluctuation has a direct and significant impact on profitability. Any appreciation in the Indian Rupee will have a direct adverse impact on both the revenues and profits of the Division.
- Availability of manpower with necessary skills is a big risk in both US and India.

**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.*

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF DCM LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of DCM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2014;
- (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 of the Company for the year ended on that date.

**Emphasis of Matter**

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) 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.
  - (b) 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.
  - (c) 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.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Manjula Banerji  
Partner

Place : New Delhi  
Dated : May 28, 2014

(Membership No. : 086423)

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / result, clauses (x),(xii), (xiii) and (xiv) of the Order 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) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (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 inventories:
  - (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) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements during the year that need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956 and accordingly paragraph 4(v)(b) of the Order is not applicable.
- (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 generally been regular in depositing undisputed dues, including income -tax, investor education and protection fund, employees' state insurance, sales tax, wealth tax, provident fund, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it 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 and income-tax matters which have not been deposited as on March 31, 2014 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
Income-tax Act, 1961	Income tax	Commissioner of income tax (Appeals)	76.35	–	Assessment Year 2011-12
Customs Act, 1962	Customs Duty	Commissioner of Custom (Appeals)	12.55	–	1988-89

\* 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
		Delhi High Court	17.83	Assessment Years 2002-03
		Income Tax Appellate Tribunal	27.93	Assessment Years 2009-10

We have been further informed that there are no dues in respect of service tax, 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) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xii) 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.
- (xiii) 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.
- (xiv) The Company has not made any preferential allotment of shares during the year.
- (xv) The Company has not issued any debentures during the year.
- (xvi) The Company has not raised money by way of public issue during the year.
- (xvii) 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 material fraud on the Company has been noticed or reported during the year.

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

Manjula Banerji  
Partner  
(Membership No. : 086423)

Place : New Delhi  
Dated : May 28, 2014

Balance Sheet as at March 31, 2014

	Note	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,737.59	1,737.59
Reserves and surplus	3	19,593.71	16,583.48
		<u>21,331.30</u>	<u>18,321.07</u>
<b>Non-current liabilities</b>			
Long-term borrowings	4	8,515.94	2,931.16
Deferred tax liabilities (net)	5	309.52	300.68
Other long-term liabilities	6	2,798.48	2,828.59
Long-term provisions	7	457.38	498.19
		<u>12,081.32</u>	<u>6,558.62</u>
<b>Current liabilities</b>			
Short-term borrowings	8	12,622.82	10,989.64
Trade payables	9	1,584.17	1,152.75
Other current liabilities	10	1,903.83	3,948.52
Short-term provisions	11	572.93	514.96
		<u>16,683.75</u>	<u>16,605.87</u>
		<u><u>50,096.37</u></u>	<u><u>41,485.56</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	8,008.21	7,114.65
Intangible assets	12	-	-
Capital work-in-progress		6,254.99	59.00
		<u>14,263.20</u>	<u>7,173.65</u>
Non-current investments	13	7,567.88	7,025.34
Long-term loans and advances	14	2,987.89	2,834.83
Other non-current assets	15	2,000.44	2,001.23
		<u>26,819.41</u>	<u>19,035.05</u>
<b>Current assets</b>			
Inventories	16	10,154.33	9,233.77
Trade receivables	17	7,319.95	7,489.92
Cash and bank balances	18	1,091.97	1,087.03
Short-term loans and advances	19	3,607.02	2,647.31
Other current assets	20	1,103.69	1,992.48
		<u>23,276.96</u>	<u>22,450.51</u>
		<u><u>50,096.37</u></u>	<u><u>41,485.56</u></u>

Significant accounting policies & Notes to the financial statements 1 to 46

In terms of our report attached  
For A.F. FERGUSON & CO.  
Chartered Accountants

MANJULA BANERJI  
Partner

JITENDRA TULI  
Chairman and Managing Director

MUKESH SHARMA  
Company Secretary

BIPIN MAIRA  
Director

ASHWANI SINGHAL  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi

Date : May 28, 2014

**Statement of Profit and Loss for the year ended March 31, 2014**

	Note	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>Revenue</b>			
Revenue from operations (gross)	21	46,962.47	38,645.86
Less: Excise duty		58.79	28.26
Revenue from operations (net)		46,903.68	38,617.60
Other Income	22	659.13	1,028.78
Total revenue		47,562.81	39,646.38
<b>Expenses</b>			
Cost of materials consumed	23.a	26,620.33	20,692.11
Changes in inventories of finished goods, work in progress and land (for development)	23.b	(64.83)	383.91
Employee benefits expense	24	6,874.96	5,955.09
Finance costs	25	1,242.79	1,497.76
Depreciation and amortisation expense	26	1,153.22	1,019.73
Other expenses	27	7,746.83	6,011.07
Total expenses		43,573.30	35,559.67
Profit before exceptional items and tax		3,989.51	4,086.71
Exceptional Items of operational income	28	1,550.00	–
Profit before tax		5,539.51	4,086.71
<b>Tax expense :</b>			
Current tax {includes foreign tax Rs. 30.34 lacs ( Previous year Rs. 10.84 lacs)}		1,915.51	1,203.24
Deferred tax charge/(benefit)		8.84	(19.60)
Tax relating to prior years (foreign tax)		(5.06)	2.06
Net tax expense		1,919.29	1,185.70
Profit for the year		3,620.22	2,901.01
Earning per share (of Rs. 10 each)			
Basic and diluted		20.83	16.69

Significant accounting policies & Notes to the financial statements 1 to 46

In terms of our report attached  
For A.F. FERGUSON & CO.  
Chartered Accountants

JITENDRA TULI  
Chairman and Managing Director

BIPIN MAIRA  
Director

MANJULA BANERJI  
Partner

MUKESH SHARMA  
Company Secretary

ASHWANI SINGHAL  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi

Date : May 28, 2014

Cash flow statement for the year ended March 31, 2014

	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2014 Rs./Lacs
<b>A. Cash flow from operating activities:</b>		
Profit before tax	5,539.51	4,086.71
Adjustments for :		
Depreciation and amortisation expense	1,153.22	1,019.73
Loss/ (profit) on sale / write off of fixed assets	(52.49)	(24.69)
Finance costs	1,242.79	1,497.76
Interest income	(250.20)	(163.09)
Dividend income	(0.50)	(452.00)
Operating profit before working capital changes	7,632.33	5,964.42
Adjustments for changes in working capital:		
Inventories	(920.56)	(1,369.25)
Trade receivables	169.97	898.57
Short-term loans and advances	(862.08)	(361.60)
Long-term loans and advances	(165.97)	(8.10)
Other current assets	889.57	(986.25)
Other non-current assets	-	990.00
Trade payables	431.42	(726.18)
Other current liabilities	(1,784.74)	(172.60)
Other long-term liabilities	(30.11)	(24.39)
Short-term provisions	65.09	21.42
Long-term provisions	(40.81)	31.66
Net income tax (paid)	5,384.11	4,257.70
Net cash generated operating activities	(1,207.78)	(651.44)
<b>B. Cash flow from investing activities :</b>		
Purchase of Non current Investment	(542.54)	(5.00)
Invested in fixed deposits maturity greater than one year (net)	0.79	4.01
Purchase of fixed assets	(8,860.46)	(1,771.39)
Sale of fixed assets	88.15	41.73
Dividend received	0.50	452.00
Interest received	249.42	174.53
Net cash from investing activities	(9,064.14)	(1,104.12)
<b>C. Cash flow from financing activities:</b>		
Proceeds from long term borrowings	6,740.11	786.78
Repayment of long-term borrowings	(1,644.54)	(3,263.10)
Proceeds from short-term borrowings	1,000.00	-
Repayment of short-term borrowings	-	(250.00)
Changes in working capital borrowings	633.18	2,417.90
Dividend paid (including tax on dividend)	(593.21)	(716.41)
Finance costs paid	(1,242.79)	(1,485.26)
Net cash from financing activities	4,892.75	(2,510.09)
Net increase/(decrease) in cash and bank balances (A+B+C)	4.94	(7.95)
Cash and bank balances at the beginning of the year*	1,087.03	1,094.98
Cash and bank balance at the end of the year*	1,091.97	1,087.03
	4.94	(7.95)

Significant accounting policies and Notes to financial statements 1 to 46

\*Includes Rs. 130.98 lacs (Previous year : Rs. 284.14 lacs) deposited with debenture trustee and Rs. 256.00 lacs (Previous year : Rs. 404.25 lacs) earmarked for specific use.

In terms of our report attached  
For A.F. FERGUSON & CO.  
Chartered Accountants

MANJULA BANERJI  
Partner

JITENDRA TULI  
Chairman and Managing Director

MUKESH SHARMA  
Company Secretary

BIPIN MAIRA  
Director

ASHWANI SINGHAL  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi

Date : May 28, 2014

## SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO THE FINANCIAL STATEMENTS

## 1. Significant accounting policies

## a) Accounting convention:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except revaluation of certain plots of land. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## b) Operating cycle:

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalent, the company has determined its current operating cycle as 12 months for the purpose of classification of its assets and liabilities as current & non-current.

## c) 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.

## d) 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.

## e) 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.

## f) 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.

## g) Investments:

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

## h) 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 relating 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.



- i) 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.
- j) Excise duty:  
Excise duty on sales is being deducted from gross sales and any increase/ decrease in excise duty on finished goods are being shown separately in the statement of profit and loss.
- k) 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.
- l) 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.
- m) Provisions, contingent liabilities and contingent assets:  
A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company does not recognize assets which are of contingent nature. However, if it has become virtually certain that an inflow of economic benefits will arise; the asset and related income are recognized in the financial statements of the period in which the change occurs.
- n) Earnings/(loss) per share:  
Basic earnings/(loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.  
For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
- o) 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.
- p) 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.

Notes forming part of the financial statements continued

2. Share capital	No. of shares	As at	
		March 31, 2014	March 31, 2013
		Rs./Lacs	Rs./Lacs
<b>Authorised</b>			
Equity shares of Rs. 10 each with voting rights	60,000,000	6,000.00	6,000.00
9.5% – 6th Cumulative redeemable preference shares of Rs. 25 each	320,000	80.00	80.00
Preference shares of Rs. 25 each	3,680,000	920.00	920.00
Cumulative convertible preference shares of Rs. 100 each	1,000,000	1,000.00	1,000.00
		<u>8,000.00</u>	<u>8,000.00</u>
<b>Issued, subscribed and fully paid up</b>			
Equity shares of Rs. 10 each with voting rights fully paid up	17,379,037	1,737.90	1,737.90
Less: Calls in arrears by others		0.31	0.31
		<u>1,737.59</u>	<u>1,737.59</u>

- (i) The Company has issued one class of equity shares having at par value of Rs. 10 each 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. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.
- (ii) 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% shares of the Company are as under:

	As at		As at	
	March 31, 2014		March 31, 2013	
	Number of shares	% holding in the shares	Number of shares	% 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	1,623,135	9.34%	1,623,135	9.34%
Life Insurance Corporation of India	1,567,444	9.02%	1,567,444	9.02%

3. Reserves and surplus	As at		As at	
	March 31, 2014		March 31, 2013	
		Rs./Lacs	Rs./Lacs	
<b>Capital reserve *</b>				
At the beginning and end of the year		24.90	24.90	
<b>Capital redemption reserve</b>				
At the beginning and end of the year		130.00	130.00	
<b>Securities premium account</b>				
At the beginning and end of the year		3,767.00	3,767.00	
<b>General reserve</b>				
Opening balance		620.00	320.00	
Add: Transferred from surplus in Statement of Profit and Loss		375.00	300.00	
Closing balance		<u>995.00</u>	<u>620.00</u>	
<b>Surplus in Statement of Profit and Loss</b>				
Opening balance		12,041.58	9,978.06	
Add: Profit for the year		3,620.22	2,901.01	
		<u>15,661.80</u>	<u>12,879.07</u>	
<b>Less: Interim dividend on equity shares</b>				
Proposed dividend on equity shares		260.69	260.69	
Corporate dividend tax		88.61	86.59	
Corporate dividend tax no longer payable written back		-	(70.48)	
Transferred to general reserve		375.00	300.00	
Closing balance		<u>14,676.81</u>	<u>12,041.58</u>	
		<u>19,593.71</u>	<u>16,583.48</u>	

\* Represents Central/State Government subsidy

Notes forming part of the financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>4. Long-term borrowings</b>		
Secured		
Term loans		
From banks*	9,536.50	4,438.07
From others**	60.59	63.45
	<u>9,597.09</u>	<u>4,501.52</u>
Unsecured		
Term loans		
From others	71.35	71.35
	<u>71.35</u>	<u>71.35</u>
	9,668.44	4,572.87
Less: Current maturities on long term borrowings #	1,152.50	1,641.71
	<u>8,515.94</u>	<u>2,931.16</u>

\* Term loans from banks include:

- Term loans aggregating Rs. 9,513.64 lacs (Previous year: Rs. 3,804.84 lacs) are secured by first charge 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. Rs. 925.00 lacs repayable in 5 quarterly installments, Rs. 248.98 lacs repayable in 12 quarterly installments, Rs. 987.50 lacs repayable in 19 quarterly installments, Rs. 682.00 lacs repayable in 20 quarterly installments and Rs. 6,670.16 lacs repayable in 32 quarterly installments.
- Corporate loan of Rs. Nil (Previous year: Rs. 616.82 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.
- Rs. 22.86 lacs (Previous year: Rs. 16.41 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.

\*\* Rs. 60.59 lacs (Previous year: Rs. 63.45 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.

# Refer note 10.

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>5. Deferred tax liabilities (net)</b>		
Deferred tax liability on:		
Accelerated depreciation	580.93	561.02
Less :		
Deferred tax asset on:		
Accrued expenses deductible on payment	239.39	229.47
Provision for doubtful debts and advances	32.02	30.87
	<u>271.41</u>	<u>260.34</u>
	<u>309.52</u>	<u>300.68</u>

Notes forming part of the financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>6. Other long-term liabilities</b>		
Trade payables	82.52	82.44
Security deposit	18.16	18.66
Other deposits	53.35	47.35
Liabilities for land development expenses	1,517.93	1,553.62
Others	1,126.52	1,126.52
	<u>2,798.48</u>	<u>2,828.59</u>
	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>7. Long-term provisions</b>		
Provision for employee benefits :		
Compensated absences	149.50	161.55
Gratuity	307.88	336.64
	<u>457.38</u>	<u>498.19</u>
	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>8. Short-term borrowings</b>		
Secured		
Loans repayable on demand from banks *	11622.82	10,989.64
Unsecured		
Other loans and advances **	1,000.00	-
	<u>12,622.82</u>	<u>10,989.64</u>

\* Loans repayable on demand from banks include

- Cash credit/overdraft and working capital demand loan facilities relating to Textile Division at Hissar aggregating Rs. 11,250.30 lacs (Previous year : Rs. 10,567.10 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 Division.
- Cash credit facilities relating to IT Division, aggregating Rs. 372.52 lacs (Previous year :Rs. 422.54 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.

\*\* Rs. 1,000.00 (Previous year: Rs. Nil) secured by way of pledge of equity shares in Teak farms Private Limited, Juhi Developers Private Limited (Investments in promotor group) and personal guarantee of Mr. Sumant Bharat Ram.

Notes forming part of the financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>9. Trade payables</b>		
Dues to micro and small enterprise #	–	0.08
Others	1,584.17	1,152.67
	<u>1,584.17</u>	<u>1,152.75</u>

# 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 Nil (Previous year : Rs. 0.08 lacs). Further, no interest has been paid or payable during the year under the terms of the MSMED Act, 2006.

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>10. Other current liabilities</b>		
Current maturities of long-term borrowings *		
Secured		
From banks	1,140.96	1,627.96
From others	11.54	13.75
	<u>1,152.50</u>	<u>1,641.71</u>
Unclaimed dividends	49.74	32.96
Unclaimed matured deposits and interest accrued thereon **	97.58	113.33
Unclaimed matured debentures and interest accrued thereon **	240.39	538.81
Statutory dues payable	92.30	66.21
Liabilities for capital goods	215.70	3.22
Security deposits received	0.49	0.48
Advances from customers	53.94	31.34
Interest accrued but not due on borrowings	0.20	0.20
Liabilities for land development expenses	–	1,512.50
Others payables	0.99	7.76
	<u>1,903.83</u>	<u>3,948.52</u>

\* 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, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>11. Short-term provisions</b>		
Provision for employee benefits :		
Compensated absences	26.93	14.48
Gratuity	113.12	60.48
	<u>140.05</u>	<u>74.96</u>
Others :		
Provision for tax	850.47	592.42
{net of advance tax Rs. 4,058.69 Lacs (Previous year: Rs. 2,882.72 lacs)}		
Less : MAT credit entitlement utilisation	722.58	457.41
	<u>127.89</u>	<u>135.01</u>
Proposed equity dividend	260.69	260.69
Corporate dividend tax	44.30	44.30
	<u>432.88</u>	<u>440.00</u>
	<u>572.93</u>	<u>514.96</u>

## 12. Fixed assets (Rs./lacs)

Description	Gross block			Depreciation and amortisation				Net block		
	As at March 31, 2013	Additions	Deductions/ Adjustments	As at March 31, 2014	Upto March 31, 2013	For the year	Deductions/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>										
Freehold land*	977.48	-	-	977.48	-	-	-	-	977.48	977.48
Buildings	1,866.58	404.94	-	2,271.52	598.97	66.70	-	665.67	1,605.85	1,267.61
Lease improvements	28.43	-	-	28.43	11.14	2.98	-	14.12	14.31	17.29
Plant and machinery	12,442.51	1,607.06	597.09	13,452.48	7,740.03	1,030.18	567.15	8,203.06	5,249.42	4,702.48
Furniture and fittings	238.61	25.78	0.37	264.02	207.30	7.66	0.13	214.83	49.19	31.31
Office equipments	101.00	11.49	2.15	110.34	72.07	9.07	1.29	79.85	30.49	28.93
Vehicles	254.30	32.73	23.30	263.73	164.75	36.19	18.68	182.26	81.47	89.55
Sub total	15,908.91	2,082.00	622.91	17,368.00	8,794.26	1,152.78	587.25	9,359.79	8,008.21	
Previous year	15,246.09	909.20	246.38	15,908.91	8,003.87	1,019.73	229.34	8,794.26		7,114.65
<b>Intangible Assets</b>										
Computer software	82.68	0.44	-	83.12	82.68	0.44	-	83.12	-	-
Sub total	82.68	0.44	-	83.12	82.68	0.44	-	83.12	-	-
Previous year	495.78	-	413.10	82.68	495.78	-	413.10	82.68	-	-
Grand total	15,991.59	2,082.44	622.91	17,451.12	8,876.94	1,153.22	587.25	9,442.91	8,008.21	
Previous year	15,741.87	909.20	659.48	15,991.59	8,499.65	1,019.73	642.44	8,876.94		7,114.65

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

## 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
50,000 (Previous year: 50,000) shares of Rs. 10 each fully paid up in DCM Data Systems Limited	5.00	5.00
(ii) Joint venture company		
17,853,605 (Previous year: 15,387,470) shares of Rs. 10 each fully paid up in Purearth Infrastructure Limited @	2,986.18	2,443.64
<b>Total - Trade (A)</b>	<b>2,996.18</b>	<b>2,453.64</b>

## 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: 49,996) 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
	<b>4,471.60</b>	<b>4,471.60</b>

Notes forming part of the financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>Non-current investments continued...</b>		
<b>In preference shares</b>		
<b>Unquoted</b>		
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
	<u>100.10</u>	<u>100.10</u>
<b>Total - Other investments (B)</b>	<u>4,571.70</u>	<u>4,571.70</u>
<b>Total (A+B)</b>	<u>7,567.88</u>	<u>7,025.34</u>
Aggregate cost of quoted investments (net of provision for diminution)	1.60	1.60
Aggregate market value of listed and quoted investments	17.98	8.47
Aggregate cost of unquoted investments	7,566.28	7,023.74
@ 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, Delhi.		
* Refer note 37		
	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>14. Long-term loans and advances</b>		
Unsecured, considered good		
Capital advances*	2,046.76	1,252.24
Security deposits	361.65	194.87
Loans and advances to employees	-	0.86
Balances with government authorities	49.63	49.63
MAT credit entitlement	-	807.43
Other loans and advances	529.85	529.80
Considered doubtful		
Other loans and advances \$	785.07	785.07
	<u>3,772.96</u>	<u>3,619.90</u>
Less: Provision for other doubtful loans and advances	785.07	785.07
	<u>2,987.89</u>	<u>2,834.83</u>
* Refer note 36		
\$ Include Rs. 150.22 lacs (Previous year: Rs. 150.22 lacs) as inter corporate deposits.		
	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>15. Other non-current assets</b>		
Unsecured, considered good		
Trade receivables	2,000.00	2,000.00
Other bank balances		
Deposits with maturity for more than 12 months **	0.44	1.23
	<u>2,000.44</u>	<u>2,001.23</u>
** Held in margin money Rs. 0.44 lacs (Previous year : Rs. 0.44 lacs) and earmarked for specific use Rs. Nil (Previous year : Rs. 0.79 Lacs)		



Notes forming part of the financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>16. Inventories</b>		
Raw materials #	6,837.85	6,000.10
Work-in-progress (cotton yarn) #	533.85	638.54
Finished goods #	1,673.33	1,503.81
(Includes goods in transit Rs. 365.23 lacs (Previous year : Rs. 690.58 lacs))		
Land for development ##	1,000.00	1,000.00
Stores and spares ###	109.30	91.32
	<u>10,154.33</u>	<u>9,233.77</u>

# 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, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>17. Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	8.45	8.47
Unsecured, considered good	10.34	16.72
Doubtful	58.03	82.14
	<u>76.82</u>	<u>107.33</u>
Less: Provision for doubtful trade receivables	58.03	82.14
	<u>18.79</u>	<u>25.19</u>
Other Trade receivables		
Secured, considered good	2.50	1.50
Unsecured, considered good	7,298.66	7,463.23
	<u>7,301.16</u>	<u>7,464.73</u>
	<u>7,319.95</u>	<u>7,489.92</u>

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>18. Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	12.68	11.59
Balances with banks		
In current accounts *	546.18	181.34
In deposit accounts **	251.01	483.85
Others bank balances		
In deposit accounts #	282.10	410.25
	<u>1,091.97</u>	<u>1,087.03</u>

\* Includes Rs. 17.13 lacs (Previous year : Rs. 5.14 lacs) deposited with Debenture trustees and Rs. 61.94 lacs (Previous year : Rs. 40.19 lacs) earmarked for specific use.

\*\* Includes Rs. 10.53 lacs (Previous year : Rs. 9.83 lacs) against bank guarantee/ security and Rs. 53.04 lacs (Previous year : Rs. 264.86 lacs) earmarked for specific uses.

# Includes Rs. 4.80 lacs (Previous year : Rs. 5.72 lacs) against bank guarantee/ security, Rs. 113.85 lacs (Previous year : Rs. 279.00 lacs) deposited with Debenture trustees and Rs. 141.01 lacs (Previous year : Rs. 99.20 lacs) earmarked for specific uses.

Notes forming part of the financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>19. Short term loans &amp; advances</b>		
Unsecured, considered good		
Advance to suppliers	237.03	73.20
Loans and advances to employees	17.81	24.66
Security deposits	-	1.05
Prepaid expenses	103.07	68.49
Balances with government authorities	1,863.99	1,216.98
Advance income tax {net of provisions Rs. 4,058.69 lacs (Previous year : Rs. 2,882.72 lacs)}	363.87	351.10
MAT credit entitlement	494.86	410.00
Other loans and advances @	526.39	501.83
	<u>3,607.02</u>	<u>2,647.31</u>
@ Represents advance for purchase of rights in flats Rs. 526.39 lacs (Previous year : Rs. 501.71 lacs).		
	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>20. Other current assets</b>		
Unsecured, considered good		
Interest accrued on deposits	12.11	11.33
Unbilled revenue	87.34	96.01
Insurance claim	-	192.06
Others receivables	1,004.24	1,693.08
	<u>1,103.69</u>	<u>1,992.48</u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>21. Revenue from operations</b>		
Sale of products		
Manufactured goods		
Cotton yarn	37,621.26	31,793.11
Sale of Service	6,402.76	4,442.46
	<u>44,024.02</u>	<u>36,235.57</u>
Other operating revenues		
Waste sales	2,128.64	1,753.69
Duty drawback and other export incentives	772.63	623.72
Liabilities/ provisions no longer required written back	11.23	20.33
Miscellaneous sales/ Income	25.95	12.55
	<u>2,938.45</u>	<u>2,410.29</u>
	<u>46,962.47</u>	<u>38,645.86</u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>22. Other income</b>		
Interest income	250.20	163.09
Dividend from long-term non trade investments		
Subsidiaries	-	451.50
Others	0.50	0.50
Net gain on foreign currency transactions and translation	266.54	349.28
Profit on sale of fixed assets	57.18	28.36
Liabilities/ provisions no longer required written back	-	0.56
Other non-operating income	84.71	35.49
	<u>659.13</u>	<u>1,028.78</u>

Notes forming part of the financial statements continued

	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>23. Cost of materials consumed</b>		
<b>23.a Cost of materials consumed - cotton</b>		
Opening stock	6,000.10	4,233.42
Add: Purchases	27,458.08	22,458.79
	<u>33,458.18</u>	<u>26,692.21</u>
Less: Closing stock	6,837.85	6,000.10
	<u><u>26,620.33</u></u>	<u><u>20,692.11</u></u>
<b>23.b Changes in inventories of finished goods, work-in-progress and land (for development)</b>		
<b>Inventories at the end of the year:</b>		
Finished goods	1,673.33	1,503.81
Work-in-progress (cotton yarn)	533.85	638.54
Land (for development)	1,000.00	1,000.00
	<u>3,207.18</u>	<u>3,142.35</u>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,503.81	2,035.50
Work-in-progress (cotton yarn)	638.54	490.76
Land (for development)	1,000.00	1,000.00
	<u>3,142.35</u>	<u>3,526.26</u>
Net (increase) / decrease	<u><u>(64.83)</u></u>	<u><u>383.91</u></u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>24. Employee benefits expense</b>		
Salaries, wages, bonus, etc.	6,216.46	5,355.57
Gratuity	82.72	81.25
Contributions to provident and other funds	393.47	357.81
Staff welfare expenses	182.31	160.46
	<u>6,874.96</u>	<u>5,955.09</u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>25. Finance costs</b>		
Interest expense:		
– On borrowings	719.54	1,093.73
– Others	6.61	20.42
Other borrowing costs	516.64	383.61
	<u>1,242.79</u>	<u>1,497.76</u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>26. Depreciation and amortization expense</b>		
Depreciation on tangible assets	1,152.78	1,019.73
Amortisation on intangible assets	0.44	–
	<u>1,153.22</u>	<u>1,019.73</u>

Notes forming part of the financial statements continued

	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>27. Other expenses</b>		
Consumption of stores and spare parts	915.18	828.20
Power, fuel, etc.	2,805.82	2,919.74
Rent	86.24	80.34
Repairs and maintenance to:		
– Buildings	75.04	40.24
– Machinery	36.38	28.47
– Others	30.07	29.10
Subcontracting charges	1,535.53	298.56
Freight and forwarding	528.88	507.75
Insurance	47.44	37.00
Rates and taxes	124.62	15.21
Brokerage, discount (other than trade discount), etc	158.81	124.11
Auditors' remuneration #	35.23	31.25
Directors' fees	5.51	5.96
Travelling and conveyance	227.93	186.98
Commission to selling agents (other than sole selling)	321.46	273.79
Sales Expenses	79.18	80.77
Donations	8.68	6.50
Legal and professional fees	357.19	229.02
Provision for doubtful trade receivables	–	16.46
Bad trade and other receivables, loans and advances written off	33.19	9.16
Less: Provision held for bad trade and other receivables, loans and advances	(27.92)	5.27
	–	16.34
Investments written off	–	(16.34)
Less: Adjusted against provision for diminution	–	–
	4.69	3.67
Loss on fixed assets sold/ written off	–	17.99
Land development expenses	35.69	(17.99)
Less: Adjusted against provision held	(35.69)	–
Miscellaneous expenses	357.68	258.79
	<u>7,746.83</u>	<u>6,011.07</u>
# Auditors remuneration includes		
As auditors		
– Audit fees	14.97	12.00
In other capacity		
– For tax audit	2.25	2.00
– Verification of statement and other reports	6.33	3.25
– Limited review of unaudited financial results	11.24	14.00
– For reimbursement of expenses	0.44	–
* Includes service tax	<u>*35.23</u>	<u>31.25</u>

28. Exceptional item of Rs. 1,550.00 lacs (Previous year : Rs. Nil) represent compensation receivable from the developer of real estate project, pursuant to a settlement reached in relation to the residential 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	151.25	132.01
Company's contribution to superannuation fund	40.31	32.44
Company's contribution to employees' state insurance scheme	64.09	56.04
Company's Contribution to Social security	189.04	221.48

**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		Compensated absences	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in present value of obligation</b>				
Present value of obligation as at the beginning of the year	397.12	366.68	176.03	153.39
Current service cost	39.14	34.65	24.17	19.99
Interest cost	31.77	29.33	14.08	12.26
Actuarial (gain) / loss	11.81	17.27	(16.25)	6.57
Benefits paid	(58.84)	(50.81)	(21.60)	(16.18)
Present value of obligation as at the end of the year	Total	421.00	397.12	176.43
	Non-current	307.88	336.64	149.50
	Current	113.12	60.48	26.93
<b>Change in plan assets</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>
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	–	–	–	–
<b>Liability recognised in the financial statement</b>				
<b>Cost for the year</b>				
Current service cost	39.14	34.65	24.17	19.99
Interest cost	31.77	29.33	14.08	12.26
Return on plan assets	–	–	–	–
Actuarial (gain) / loss	11.81	17.27	(16.25)	6.57
Net cost	82.72	81.25	22.00	38.82
<b>Constitution of plan assets</b> Other than equity, debt, property and bank a/c Funded with LIC	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>Main actuarial assumptions</b>				
Discount rate	8.00%	8.00%	8.00%	8.00%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Retirement Age (Years)	58/60	58/60	58/60	58/60
Mortality Table	*	*	*	*

\* IALM (1994 - 96)

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, 2014		For the year ended March 31, 2013		For the year ended March 31, 2012		For the year ended March 31, 2011		For the year ended March 31, 2010	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of obligation at the end	421.00	176.43	397.12	176.03	366.68	153.39	392.51	160.92	382.02	155.68
Fair value of plan assets at the end	–	–	–	–	–	–	–	–	–	–
Net liability recognized in balance sheet	421.00	176.43	397.12	176.03	366.68	153.39	392.51	160.92	382.02	155.68
Net actuarial (gain) /loss recognized.	11.81	(16.25)	17.27	6.57	10.80	(17.60)	(10.92)	0.77	39.18	13.49

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:
- 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.
  - 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. 3,400 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 years to cover the expenses to be incurred in relation to the above project has been utilized/ adjusted during the previous year.
  - Since, in terms of para 43 of the SORA, it cannot 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.
  - 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.
  - 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. 331.86 lacs (Previous year: Rs.655.42 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. 1,718.63 lacs (Previous year: Rs. 1,178.30 lacs).
32. Contingent liabilities not provided for:

Particulars	Current year Rs./Lacs	Previous year Rs./Lacs
Claims not acknowledged as debts: *		
– Income-tax matters	122.11	96.36
– Customs duty	12.55	12.55
– Employees' claims (to the extent ascertained)	39.32	39.32
– Property tax	283.67	391.56
– Others	262.78	262.78

\* 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.

	Current Year Rs./Lacs	Previous Year Rs./Lacs
33. Managerial remuneration		
– Directors' sitting fees	5.51	5.96
34. Earnings per share:	Current Year	Previous Year
(a) Profit after taxation as per statement of profit and loss (Rs./lacs)	3,620.22	2,901.01
(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)	20.83	16.69
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. Capital advances includes Rs. 870 lacs (Previous year: Rs. 295 lacs) 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.		
37. 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.		
38. The Company's significant operating lease arrangements 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. 86.24 lacs (Previous year: Rs. 80.34 lacs) under note 27.		
39. 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)}.		
40. <b>SEGMENT REPORTING</b>		
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.		



Notes forming part of the financial statements continued

e) (i) Primary Segment information (Business Segments) for the year ended March 31, 2014.

(Rs./lacs)

	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 (net of excise duty)												
– External sales/services	37,562.47	31,764.85	6,402.76	4,442.46	–	–	43,965.23	36,207.31	–	–	43,965.23	36,207.31
– Other Operating income	2,927.56	2,397.12	10.89	13.17	1,550.00*	–	4,488.45	2,410.29	–	–	4,488.45	2,410.29
<b>Total Revenue</b>	<b>40,490.03</b>	<b>34,161.97</b>	<b>6,413.65</b>	<b>4,455.63</b>	<b>1,550.00</b>	<b>–</b>	<b>48,453.68</b>	<b>38,617.60</b>	<b>–</b>	<b>–</b>	<b>48,453.68</b>	<b>38,617.60</b>
2. Segment results	5,246.64	5,061.28	410.91	161.88	1,550.00	–	7,207.55	5,223.16			7,207.55	5,223.16
Unallocated corporate expenses /income (net of unallocated income /expenses)									(675.45)	198.22	(675.45)	198.22
3. Interest income									250.20	163.09	250.20	163.09
4. Profit before finance costs and tax											6,782.30	5,584.47
5. Finance Costs									1,242.79	1,497.76	1,242.79	1,497.76
6. Profit before tax											5,539.51	4,086.71
7. Provision for taxation									1,919.29	1,185.70	1,919.29	1,185.70
8. Profit after taxation											3,620.22	2,901.01
9. Other information												
(a) Segment assets	33,086.98	22,074.98	1,890.94	1,333.35	3,887.71	7,085.68	38,865.63	30,494.01			38,865.63	30,494.01
Investments									7,567.88	7,025.34	7,567.88	7,025.34
Other unallocated assets									3,662.86	3,966.21	3,662.86	3,966.21
<b>Total Assets</b>											50,096.37	41,485.56
(b) Segment liabilities	1,156.00	888.79	711.04	441.82	1,566.55	3,115.02	3,433.59	4,445.63			3,433.59	4,445.63
Share capital and reserves									21,331.30	18,321.07	21,331.30	18,321.07
Loan funds									22,291.26	15,609.86	22,291.26	15,609.86
Other unallocated liabilities									3,040.22	3,109.00	3,040.22	3,109.00
<b>Total liabilities</b>											50,096.37	41,485.56
(c) Capital expenditure	7,946.04	867.77	18.91	17.52	–	–	7,964.95	885.29	313.48	81.04	8,278.43	966.33
(d) Depreciation	1,107.90	988.21	21.98	20.68	–	–	1,129.88	1,008.89	23.34	10.84	1,153.22	1,019.73
(e) Non-cash expenditure other than depreciation	3.99	1.39	5.98	27.49	–	–	9.97	28.88	–	0.41	9.97	29.29

e) (ii) Secondary segment information (Geographical segments)

Particulars	Current Year Rs./lacs	Previous Year Rs./lacs
Segment revenue (net of excise duty)		
– Revenue within India	*18,674.18	15,619.24
– Revenue outside India	29,779.50	22,998.36
<b>Total segment revenue</b>	<b>48,453.68</b>	<b>38,617.60</b>
Segment assets		
– Within India	31,838.85	25,514.48
– Outside India	7,026.78	4,979.53
<b>Total segment assets</b>	<b>38,865.63</b>	<b>30,494.01</b>
Capital expenditure		
– Within India	8,278.01	964.66
– Outside India	0.42	1.67
<b>Total segment capital expenditure</b>	<b>8,278.43</b>	<b>966.33</b>

\* Includes exceptional income of Rs. 1,550.00 lacs (Refer note 28).

41. 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)
- f. DCM Data Systems Limited (DDSL)

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. Jitendra Tuli - Chairman and Managing Director (w.e.f. December 20, 2012)
- 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
- e. Mr. Rahil Bharat Ram - Son of Mr. Sumant Bharat Ram
- f. Mr. Yuv Bharat Ram - Son of Mr. Sumant Bharat Ram
- g. Dr. Uma Tuli (Wife of Mr. Jitendra Tuli)
- h. Mr. Vivek Tuli (Son of Mr. Jitendra Tuli)

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)
- g. Juhi Developers Private Limited (JDPL)
- h. Teak Farms Private Limited (TFPL)

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		Subsidiary		Joint Venture		Others*	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Expenses recovered	DEL	0.15	14.80	-	-	-	-
	DRICL	0.03	0.03	-	-	-	-
	PIL	-	-	237.64	51.32	-	-
	DDSL	-	0.25	-	-	-	-
Compensation Received	PIL	-	-	1,550.00	-	-	-
Interest Income	PIL	-	-	65.64	-	-	-
Purchase of investment	DEL	542.55	-	-	-	-	-
Investment in equity shares	DDSL	-	5.00	-	-	-	-
Purchase of rights of acquisition in a property	DEL	575.00	-	-	-	-	-
Purchase of fixed assets	DEL	208.77	-	-	-	-	-
Dividend received	DEL	-	451.50	-	-	-	-
Dividend paid							
	ALFPL	-	-	-	-	111.50	148.66
	BFLPL	-	-	-	-	48.69	64.93
	XEPL	-	-	-	-	23.33	31.11
	Others	-	-	-	-	48.43	64.57

## i) Transactions with Joint Venture Company and enterprises where key management personnel have significant influence (Contd.) (Rs./Lacs)

Particulars		Subsidiary		Joint Venture		Others*	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Balance outstanding at the year end:							
a) Trade Receivable							
– Current	PIL	–	–	–	2,447.50	–	–
– Non current	PIL	–	–	2,000.00	2,000.00	–	–
b) Other receivables							
– Current	PIL	–	–	869.07	1,620.00	–	–
– Non current	PIL	–	–	–	–	–	–
c) Advance / consideration for purchase of rights in flats	PIL	–	–	526.39	501.72	–	–
d) Advances recoverable / (Payable)	PIL	–	–	1.77	(2.68)	–	–
(Payable) against capital goods	DEL	(208.77)	–	–	–	–	–

\* Enterprises in which key managerial persons have significant influence

ii) Transactions with key managerial personnel.	Current Year Rs./lacs	Previous Year Rs./lacs
<b>Remuneration *</b>		
– Mr. Hemant Bharat Ram	280.76	121.63
– Mr. Sumant Bharat Ram	98.49	8.14
<b>Sitting fees</b>		
– Mr. Jitendra Tuli	1.30	0.45
<b>Dividend Paid:</b>		
– Dr. Vinay Bharat Ram	0.20	0.26
– Mrs. Panna Bharat Ram (Since deceased)	0.24	0.32
– Mr. Sumant Bharat Ram	0.36	0.48
– Mr. Rahil Bharat Ram	0.15	0.19
– Mr. Yuv Bharat Ram	0.14	0.19
<b>Payables:</b>		
– Dr. Vinay Bharat Ram	0.92	0.92
– Mr. Hemant Bharat Ram	2.63	3.78
– Mr. Sumant Bharat Ram	3.85	3.17

\* 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.

## 42. Disclosures related to joint venture:

Name	Country of incorporation	Nature of Interest	Percentage of ownership as at	
			March 31, 2014	March 31, 2013
Purearth Infrastructure Limited	India	Equity share Holding	16.41%	14.15%

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) are as under:

(Rs./Lacs)

	As at March 31, 2014 (Based on ownership interest of 16.41%)	As at March 31, 2013 (Based on ownership interest of 14.15%)
<b>Assets</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	11.13	10.64
Capital work in progress	10.89	–
Non-current investments	1.81	1.56
Deferred tax assets	205.83	–
Long-term loans and advances	137.74	72.71
<b>Current assets</b>		
Inventories	5,971.32	6,847.11
Trade receivables	161.14	161.38
Cash and bank balances	70.95	45.96
Short-term loans and advances	69.42	58.40
Other current assets	55.60	19.59
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	681.70	312.71
Other long-term liabilities	328.20	283.00
Long-term provisions	14.92	14.75
<b>Current Liabilities</b>		
Trade payables	232.96	751.89
Other current liabilities	2,216.32	3,618.93
Short-term provisions	169.00	25.31

	For the year ended March 31, 2014 (Based on ownership interest of 16.41%)	For the year ended March 31, 2013 (Based on ownership interest of 14.15%)
<b>Revenue</b>		
Revenue from operations	2,988.54	307.57
Other income	7.54	11.79
<b>Expenses</b>		
Cost of acquisition of rights, development and construction	1,455.66	311.75
Employee benefits expense	69.18	32.54
Finance costs	203.69	59.11
Depreciation and amortisation expense	3.36	3.43
Other expenses	117.67	77.94
Tax expense		
Current tax	238.71	–
MAT credit entitlement	(30.75)	–
Deferred tax credit	(205.83)	–
Tax relating to prior years	2.17	(3.57)
<b>Other Matters</b>		
Contingent Liabilities	93.61	42.98

43. 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, 2014 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
Income-tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	76.35	–	Assessment year 2011-12
Customs Act, 1962	Customs Duty	Commissioner of Customs (Appeals)	12.55	–	1988-89

\* 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 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
		Delhi High Court	17.83	Assessment years 2006-07
		Income Tax Appellate Tribunal	27.93	Assessment year 2009-10

44. Quantitative data about Derivative Instruments

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	12	19	Hedge	Hedge	12,12,035	29,24,240	758.69	1,635.02

Foreign currency exposure of the Company that are not hedged by derivative instruments or otherwise are 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\$	16,85,141	991.43	US\$	10,15,938	530.79
Cash and Bank	US\$	3,02,754	180.83	US\$	1,69,723	91.79
Loans and Advances	US\$	91,927	54.91	US\$	1,64,444	88.93
Trade Payable & Current Liabilities	US\$	9,29,004	555.89	US\$	3,01,661	163.14
Provisions	US\$	50,000	29.87	US\$	20,000	10.82

Notes forming part of the financial statements continued

45. Other Additional Information	Current Year		Previous Year	
Description	Rs./Lacs		Rs./Lacs	
(a) Value of imports on CIF basis				
Components and spare parts		27.29		32.84
Capital goods		2,420.44		359.78
(b) Expenditure in foreign currency				
Commission, travel etc.		285.17		240.97
Overseas offices expenses		4,636.09		3,188.70
(c) Earnings in foreign exchange				
– Direct export of goods on FOB basis/ as per contracts where FOB value not readily ascertainable		23,505.90		19,303.96
– Software / Services export		616.89		455.43
– Overseas offices income		4,971.82		3,372.01
(d) Value of imports/indigenous raw materials, components and stores and spares consumed				
(i) Raw materials				
Indigenous		26,620.33	100.00%	20,692.10
100.00%				
(ii) Stores, spares parts and packing material				
Imported		28.72	4.20%	34.80
4.20%				
Indigenous		886.46	95.80%	793.40
95.80%				
		915.18	100.00%	828.20
				100.00%

46. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to notes 1 to 46

**JITENDRA TULI**  
Chairman and Managing Director

**BIPIN MAIRA**  
Director

**MUKESH SHARMA**  
Company Secretary

**ASHWANI SINGHAL**  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi

Date : May 28, 2014

Statement Pursuant to Section 212 of the Companies Act, 1956

	Name of the Subsidiary		DCM Engineering Ltd.	DCM Tools & Dies Ltd.	DCM Textiles Ltd.	DCM Finance & Leasing Ltd.	DCM Realty Investment & Consulting Ltd.	DCM Data Systems Ltd.
1	Financial year of the Subsidiary		31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
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	500,000
	- % of total Equity Shares	%	75.06%	100%	100%	99.99%	99.99%	100%
	- Fully paid Pref. Shares	Nos.	Nil	Nil	Nil	100	Nil	Nil
	- % of total Pref. shares	%	Nil	Nil	Nil	100%	Nil	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	Nil
	- for the previous financial years since it became subsidiary of the Company	Rs./Lacs	Nil	Nil	Nil	Nil	Nil	Nil
	b not dealt with in the accounts of the Company							
	- for the financial year of the Subsidiary	Rs./Lacs	(408.21)	0.26	0.22	0.39	(4.08)	0.19
	- for the previous financial years since it became subsidiary of the Company	Rs./Lacs	1,939.67	1.14	0.59	(235.25)	30.91	(0.22)
4	Additional information u/s 212 (5)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Subsidiary Companies' Particulars - As at March 31, 2014

Pursuant to General Circular no. 2011 dt. 8/2/2011 issued by Ministry of Corporate Affairs.

(Amount in Rs./Lacs)

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit/(loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
DCM Engineering Limited	2,005.00	5,960.34	24,014.87	16,049.53	40,338.47	(542.54)	1.31	(543.85)	-
DCM Realty Investment & Consulting Limited	255.01	56.80	322.11	10.31	4.64	(4.50)	(0.42)	(4.08)	-
DCM Tools & Dies Limited	5.00	1.40	6.47	0.06	0.51	0.42	0.16	0.26	-
DCM Textiles Limited	5.00	0.82	5.88	0.07	0.45	0.36	0.14	0.22	-
DCM Finance & Leasing Limited	5.10	5.30	10.51	0.11	0.80	0.66	0.27	0.39	-
DCM Data Systems Limited	5.00	0.03	5.03	0.06	0.40	0.31	0.12	0.19	-

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

Rs./Lacs

Long Term

Non-trade - Quoted

SRF Limited

45,850 equity shares of Rs. 10/- each fully paid of

127.72

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 and also available on the website.

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

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of DCM LIMITED (the "Company"), its subsidiaries and joint venture (the Company, its subsidiaries and joint venture constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

*Attention is invited to note 40, wherein it has been explained that Purearth Infrastructure Limited (joint venture) has received advances during earlier years aggregating Rs. 3,730.08 lacs for certain bookings in Plaza 4 of Central Square project and has presented these as 'advances from customers' (share of the Group in these advance of joint venture are amounting Rs. 612.26 lacs). The joint venture has not provided for likely losses, if any, in respect of these bookings. As explained by the management of joint venture, it is not practicable to determine likely loss on these sale bookings as the management is yet to draw a construction plans for Plaza 4 of Central Square project as also the resultant price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived at with the booking holders of this project. Pending the determination of such amounts, we are unable to determine the impact, if any, of such accrual.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above*, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, joint venture referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, 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.

**Emphasis of Matter**

We draw attention to note 31 of the consolidated 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.

**Other Matter**

We did not audit the financial statements of DCM Engineering Limited, DCM Finance & Leasing Limited, DCM Textiles Limited, DCM Tools & Dies Limited, DCM Realty Investment & Consulting Limited, DCM Data Systems Limited and Purearth Infrastructure Limited, whose financial statements reflect total assets (net) of Rs.29,281.71 lacs as at March 31, 2014, total revenues of Rs.42,963.84 lacs and net cash flows amounting to Rs. 80.08 lacs 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 by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Manjula Banerji  
Partner  
(Membership No. : 086423)

Place : New Delhi  
Dated : May 28, 2014



Consolidated Balance Sheet as at March 31, 2014

	Note	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,737.59	1,737.59
Reserves and surplus	4	20,527.96	18,830.69
		<u>22,265.55</u>	<u>20,568.28</u>
<b>Minority interest</b>			
		1,988.62	2,124.23
<b>Non-current liabilities</b>			
Long-term borrowings	5	11,167.99	5,725.30
Deferred tax liabilities (net)	6 (b)	309.52	300.68
Other long-term liabilities	7	2,798.49	2,828.59
Long-term provisions	8	1,971.19	2,005.13
		<u>16,247.19</u>	<u>10,859.70</u>
<b>Current liabilities</b>			
Short-term borrowings	9	18,346.54	15,833.21
Trade payables	10	6,666.22	4,994.80
Other current liabilities	11	5,439.06	5,282.08
Short-term provisions	12	958.61	725.83
		<u>31,410.43</u>	<u>26,835.92</u>
		<u>71,911.79</u>	<u>60,388.13</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	13	17,642.31	13,990.46
Intangible assets	13	94.56	94.89
Capital work-in-progress		7,359.09	3,460.36
		<u>25,095.96</u>	<u>17,545.71</u>
Goodwill on consolidation	1(ii)	656.55	-
Non-current investments	14	231.13	3,295.58
Deferred tax assets (net)	6 (a)	205.89	-
Long-term loans and advances	15	4,399.57	4,211.77
Other non-current assets	16	1,680.78	2,002.23
		<u>32,269.88</u>	<u>27,055.29</u>
<b>Current assets</b>			
Inventories	17	18,818.06	12,443.82
Trade receivables	18	14,103.31	13,867.21
Cash and bank balances	19	1,262.45	1,284.31
Short-term loans and advances	20	4,233.73	3,615.65
Other current assets	21	1,224.36	2,121.85
		<u>39,641.91</u>	<u>33,332.84</u>
		<u>71,911.79</u>	<u>60,388.13</u>

Significant accounting policies and Notes to consolidated financial statements 1 to 46

In terms of our report attached  
For A.F. FERGUSON & CO.  
Chartered Accountants

MANJULA BANERJI  
Partner

JITENDRA TULI  
Chairman and Managing Director

MUKESH SHARMA  
Company Secretary

BIPIN MAIRA  
Director

ASHWANI SINGHAL  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi

Date : May 28, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

	Note	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>Revenue</b>			
Revenue from operations (gross)	22	94,750.40	81,957.53
Less: Excise duty		5,012.94	4,860.08
		<u>89,737.46</u>	<u>77,097.45</u>
Other Income	23	789.19	683.89
		<u>90,526.65</u>	<u>77,781.34</u>
<b>Expenses</b>			
Cost of materials consumed	24.a	44,358.02	36,889.29
Changes in inventories of finished goods, work in progress and land (for development)	24.b	(1,109.70)	292.35
Employee benefits expense	25	12,712.33	11,384.20
Finance costs	26	2,381.79	2,171.67
Depreciation and amortisation expense	27	2,260.34	1,862.29
Other expenses	28	25,658.42	22,042.09
		<u>86,261.20</u>	<u>74,641.89</u>
Profit/(loss) before exceptional items and tax		4,265.45	3,139.45
Exceptional Items of operational income	29	1,295.57	–
Profit before tax		5,561.02	3,139.45
<b>Tax expense :</b>			
Current tax {including foreign tax Rs. 30.34 lacs (Previous year Rs. 10.84 lacs)} [Share of joint venture Rs. 238.78 lacs (Previous year Rs. Nil)]		2,154.96	1,204.79
Minimum alternative tax (MAT) credit entitlement [Share of joint venture Rs. 30.76 lacs (Previous year Rs. Nil)]		(31.18)	–
Deferred tax charge/(benefit) [ Share of joint venture Rs. 205.89 lacs (Previous year Rs. Nil)]		(197.05)	377.90
Tax relating to prior years {Including foreign tax Rs. (5.06) lacs (Previous year Rs. 2.06 lacs)} [ Share of joint venture Rs. 2.17 lacs (Previous year Rs. Nil)]		(1.57)	(1.55)
		<u>1,925.16</u>	<u>1,581.14</u>
Profit after tax		3,635.86	1,558.31
Less: Minority's interest		(135.61)	(223.00)
Profit for the year		<u>3,771.47</u>	<u>1,781.31</u>
Earning per share (of Rs. 10 each) Basic and diluted		21.70	10.25

Significant accounting policies & Notes to the consolidated financial statements 1 to 46

In terms of our report attached  
For A.F. FERGUSON & CO.  
Chartered Accountants

MANJULA BANERJI  
Partner

JITENDRA TULI  
Chairman and Managing Director

MUKESH SHARMA  
Company Secretary

BIPIN MAIRA  
Director

ASHWANI SINGHAL  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi  
Date : May 28, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>A. Cash flow from operating activities:</b>		
Profit before tax	5,561.02	3,139.45
Adjustments for:		
Depreciation and amortisation expense	2,260.79	1,862.29
(Profit) on sale / write off of fixed assets	(25.56)	(7.48)
Loss on write off of capital work in progress	-	72.61
Finance costs	2,381.79	2,171.67
(Profit) on sale investments	(46.21)	-
Interest income	(327.65)	(253.64)
Dividend income	(18.59)	(18.59)
Operating profit before working capital changes	9,785.59	6,966.31
Adjustments for changes in working capital:		
Inventories	(428.20)	(877.08)
Trade receivables	(450.65)	1,496.88
Short-term loans and advances	(590.01)	(615.42)
Long-term loans and advances	(174.88)	(0.71)
Other current assets	733.55	(722.19)
Other non-current assets	-	990.00
Trade payables	1,200.94	(324.30)
Other current liabilities	(3,157.40)	(48.97)
Other long-term liabilities	(30.10)	(24.39)
Short-term provisions	210.31	125.26
Long-term provisions	(51.05)	35.46
Net income tax (paid)	7,048.10	7,000.85
Net cash generated operating activities	5,502.17	6,287.12
<b>B. Cash flow from investing activities:</b>		
Loans received back / (given) (net)	10.00	225.00
Purchase of Non current Investment	-	-
Sale of Non current Investment	352.93	-
Invested in fixed deposits maturity greater than 1 year (net)	(6.85)	21.01
Purchase of fixed assets	(10,367.22)	(6,985.48)
Sale of fixed assets	106.65	57.25
Dividend received	18.59	18.59
Interest received	317.75	211.66
Net cash from investing activities	(9,568.15)	(6,451.97)
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of equity shares	-	-
Proceeds from long term borrowings	7,113.10	4,298.27
Repayment of long-term borrowings	(2,593.65)	(3,778.06)
Proceeds from short-term borrowings	1,000.00	-
Repayment of short-term borrowings	-	(250.00)
Changes in working capital borrowings	1,513.33	3,061.26
Dividend paid (including tax on dividend)	(593.21)	(963.98)
Finance costs paid	(2,448.76)	(2,106.14)
Net cash from financing activities	3,990.81	261.35
Net increase / (decrease) in cash and bank balances (A+B+C)	(75.17)	96.50
Cash and bank balances at the beginning of the year*	1,284.31	1,187.81
Cash and bank balances on consolidation of joint venture (Refer note 1 (ii))	53.31	-
Cash and bank balance at the end of the year (Share of joint venture Rs. 70.97 lacs) *	1,337.62	1,187.81
Net increase / (decrease) in cash and bank balances (A+B+C)	(75.17)	96.50

Significant accounting policies and Notes to consolidated financial statements 1 to 46

\*Includes Rs. 130.98 lacs (Previous year: Rs. 284.14 lacs) deposited with debenture trustee and Rs. 256.00 lacs (Previous year: Rs. 404.25 lacs) earmarked for specific use.

In terms of our report attached

For A.F. FERGUSON & CO.

Chartered Accountants

MANJULA BANERJI

Partner

JITENDRA TULI

Chairman and Managing Director

MUKESH SHARMA

Company Secretary

BIPIN MAIRA

Director

ASHWANI SINGHAL

Executive Vice President  
(Finance & Taxation)

Place : New Delhi

Date : May 28, 2014

## 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" and Accounting Standard 27 (AS) - "Financial Reporting of Interests in Joint Ventures", notified in the Companies (Accounting Standard) Rules, 2006.

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

Subsidiaries	Percentage of Voting power as on	
	March 31, 2014	March 31, 2013
DCM Realty Investment & Consulting Limited (DRICL)	99.99%	99.99%
DCM Tools & Dies Limited (DTDLD)	100%	100%
DCM Textiles Limited (DTL)	100%	100%
DCM Finance & Leasing Limited (DFLL)	99.99%	99.99%
DCM Engineering Limited (DEL)	75.06%	75.06%
DCM Data Systems Limited (DCMDSL)	100%	100%

Joint Venture	Percentage of Voting power as on	
	March 31, 2014	March 31, 2013
Purearth Infrastructure Limited (PIL)	16.41%	16.41%

- ii. With effect from the current year, the financial statements of Purearth Infrastructure Limited, a joint venture, have been consolidated for the first time using proportionate consolidation method and accordingly, venture's share of each assets, liabilities, income and expenses of jointly controlled entity is reported as a separate line item in consolidated financial statements.

## 2. Significant accounting policies

- a) Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except revaluation of certain plots of land. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

- b) Operating cycle:

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalent, the Group has determined its current operating cycle as 12 months for the purpose of classification of its assets and liabilities as current & non current.

- c) Use of estimates:

The preparation of consolidated financial statements requires the management of the Group 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 consolidated 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 recognised prospectively in current and future period.

- d) Fixed assets:

Fixed assets, other than certain plots of land, which have been revalued, are stated at cost of acquisition/ construction less accumulated depreciation and impairment loss if any. 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.

- e) 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.

- f) 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 Limited and written down value method in respect of other assets (including all assets of PIL).

(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 Limited) 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%
- c) Assets held by Purearth Infrastructure Limited, joint venture company.  
 Depreciation is provided using the Written Down Value method ("WDV") on the basis of rates derived in accordance with the useful lives of the assets estimated by the management or at the rates prescribed under schedule XIV to the Companies Act, 1956 whichever is higher. Rates derived based on useful lives estimated by the management are as follows:
- |                          |        |
|--------------------------|--------|
| – Building               | 33.33% |
| – Computers              | 40.00% |
| – Furniture and fixtures | 18.10% |
| – Air conditioner        | 13.91% |
| – Office equipment       | 33.33% |
| – Vehicles               | 33.33% |
- Intangible fixed assets comprising of computer software's are amortized on a straight-line basis over the estimated useful life of three years.
- iii) On assets sold, discarded, etc., during the year, depreciation is not provided up to the date of sale/discard except for DCM engineering Limited where depreciation is provided till the date of sale/ disposal.
  - iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation of all assets of the IT Division and DCM Engineering Limited 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.
- g) Investments:  
 Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.  
 Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
- h) 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 relating 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.
  - iv) Development rights of real estate project, development work-in-process related thereto and construction material and consumables lying at site are valued at lower of cost and net realizable value. Cost include acquisition cost, construction cost, architect and project management fees, costs that are attributable to the construction activity in general and borrowing costs relating to building up of the inventories, which necessarily takes substantial period of time to get ready for its intended sale.  
 Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost of acquisition of rights, development and construction.  
 When the cost of unit is estimated to exceed its expected revenue, the loss is recognized immediately.
- i) 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.
  - viii) Real estate projects in PIL are recognised as under:  
 Revenue is derived from sale of rights in property (Units) under development and is recognized in relation to the sold units only upon transfer of significant risks and rewards of ownership of such property as per the terms of the contract entered into with the buyers. Revenue is recognized on the basis of percentage of completion method, when the contract reaches a mile stone that the cost incurred, excluding cost of land is 25% or more of the total estimated cost of contract and the buyers' investment is adequate to demonstrate commitment to pay and is reasonably certain that the ultimate collection will be made.

With regard to the projects being developed under joint development, revenue is recognized upon transfer of significant risks and rewards in terms of the Joint Development Agreement, which coincides with grant of right to sell coupled with possession of land to the developer.

The estimates of the projected revenue, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period in which such changes are determined.

Amounts due in respect of claims for price escalation and/or variations in contract work are recognized as revenue only if the contract allows for such claims or it is evident that the customer has accepted it and that claims are capable of being reliably measured.

Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.

Income from transfer charges received from customers on transfer of ownership of property during the construction period is accounted for on receipts basis due to uncertainty of recovery of the same.

j) Cost of acquisition rights, development and construction:

Cost of construction / development incurred, including cost of development rights (excluding repossession expense which is charged to the Statement of Profit and Loss in the period in which it is incurred), is charged to the Statement of Profit and Loss proportionate to the revenue recognized as per accounting policy 2(h)(viii) above. Final adjustments, if required, are made on completion of the respective projects.

k) 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.

l) 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.

m) 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.

n) Provisions, contingent liabilities and contingent assets:

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group does not recognize assets which are of contingent nature. However, if it has become virtually certain that an inflow of economic benefits will arise; the asset and related income are recognized in the financial statements of the period in which the change occurs.

o) Earnings/(loss) per share:

Basic earnings/(loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) 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.

q) 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 consolidated 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.

Notes forming part of the consolidated financial statements continued

- ii) In respect of consolidated 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.

3. Share capital	No. of shares	As at	No. of shares	As at
		March 31, 2014		March 31, 2013
		Rs./Lacs		Rs./Lacs
<b>Authorised</b>				
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
		<u>8,000.00</u>		<u>8,000.00</u>
<b>Issued, subscribed and fully paid up</b>				
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
		<u>1,737.59</u>		<u>1,737.59</u>

- (i) The Company has issued one class of equity shares having at par value of Rs.10 each 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. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.
- (ii) There is no change in issued, subscribed and paid up share capital during the current year and corresponding previous year.
- (iii) The shareholders holding more than 5% shares of the Company are as under:

	As at		As at	
	March 31, 2014		March 31, 2013	
	Number of shares	% holding in the shares	Number of shares	% 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	1,623,135	9.34%	1,623,135	9.34%
Life Insurance Corporation of India	1,567,444	9.02%	1,567,444	9.02%

4. Reserves and surplus	As at	As at
	March 31, 2014	March 31, 2013
	Rs./Lacs	Rs./Lacs
<b>Capital reserve *</b>		
At the beginning and end of the year	24.92	24.90
<b>Capital redemption reserve</b>		
At the beginning and end of the year	130.08	130.08
<b>Securities premium account</b>		
At the beginning and end of the year	3,767.00	3,767.00
Share of joint venture	1,002.29	–
	<u>4,769.29</u>	<u>3,767.00</u>
<b>Reserve fund #</b>		
At the beginning and end of the year	0.27	0.27
<b>Special reserve ##</b>		
At the beginning and end of the year	29.96	29.96
<b>General reserve</b>		
Opening balance	860.20	560.20
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	375.00	300.00
Closing balance	<u>1,235.20</u>	<u>860.20</u>

Notes forming part of the consolidated financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>Reserves and surplus Contd.</b>		
Surplus in Consolidated Statement of Profit and Loss		
Opening balance	14,018.28	13,074.46
Less: Consolidation adjustments **	2,466.52	-
	<u>11,551.76</u>	<u>13,074.46</u>
Add: Profit for the year	3,771.47	1,781.31
	<u>15,323.23</u>	<u>14,855.77</u>
Less: Interim dividend on equity shares	260.69	260.69
Proposed dividend on equity shares	260.69	260.69
Corporate dividend tax	88.61	86.59
Corporate dividend tax no longer payable written back	-	(70.48)
Transferred to general reserve	375.00	300.00
Closing balance	<u>14,338.24</u>	<u>14,018.28</u>
	<u>20,527.96</u>	<u>18,830.69</u>
* Represents Central/State Government subsidy.		
# As per Income tax Act, 1961.		
## As per Reserve Bank of India Act, 1934		
*** In view of note 1 (ii) accumulated post acquisition deficit arising on consolidation of the joint venture and elimination of unrealised gains at the beginning of the current year have been adjusted in opening balance of surplus in consolidated Statement of Profit and Loss in line with Accounting Standard - 27 "Financial Reporting of Interest in Joint Ventures".		

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>5. Long-term borrowings</b>		
Secured		
Term loans		
From banks*	12,209.99	7,818.42
From others**	60.59	63.45
	<u>12,270.58</u>	<u>7,881.87</u>
Unsecured		
Term loans		
From others	71.35	71.35
Deferred payment liability #	189.90	353.84
	<u>261.25</u>	<u>425.19</u>
	<u>12,531.83</u>	<u>8,307.06</u>
Less: Current maturities on long term borrowings ##	2,045.74	2,581.76
	<u>10,486.09</u>	<u>5,725.30</u>
Share of Joint venture (net of current maturities)***	681.90	-
	<u>11,167.99</u>	<u>5,725.30</u>

\* Term loans from banks include :

- Term loans aggregating Rs. 9,513.64 lacs (Previous year: Rs. 3,804.84 lacs) are secured by first charge 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. Rs. 925.00 lacs repayable in 5 quarterly installments, Rs. 248.98 lacs repayable in 12 quarterly installments, Rs. 987.50 lacs repayable in 19 quarterly installments, Rs. 682.00 lacs repayable in 20 quarterly installments and Rs. 6670.16 lacs repayable in 32 quarterly installments.
- Corporate loan of Rs. Nil (Previous year: Rs. 616.82 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 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.



Notes forming part of the consolidated financial statements continued

- Rs. 2,541.40 lacs (Previous year : Rs. 3,241.75 lacs) secured by way of first pari passu charge on the entire fixed assets of DCM Engineering Limited, both present and future, including equitable mortgage of DCM Engineering Limited's factory land and building and second pari passu charge on the entire current assets+ of the DCM Engineering Limited both present and future.  
Rs. 2,541.40 lacs repayable in 55 equal monthly installments.
- Rs. 154.95 lacs (Previous year: Rs. 155.01 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.
- + Current assets has a meaning as per the terms of the related agreement and without considering the changes in definition of "current" included in Revised Schedule VI.
- \*\* Rs. 60.59 lacs (Previous year: Rs. 63.45 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.
- \*\*\* Term loans relating to share of joint venture amounting to Rs. 681.22 lacs (previous year Rs. Nil) is secured by first pari-passu charge on the land situated at Bara Hindu Rao, Delhi, and the flats/flatted factories, present and future constructed/to be constructed thereon excluding the flats/flatted factories constructed/to be constructed booked by the customers of erstwhile builders and on which lien has been specifically released. The charge shall rank pari-passu with the charge created/to be created to secure loan amounts converted into advance against rights in property. These term loans are further secured by first charge over the receivables of the Purearth Infrastructure Limited from the project by the name and style of "Central Square" and "Park Square" and escrow accounts.  
Vehicle loan relating to share of joint venture Rs. 0.68 lacs (Previous year : Rs. Nil) 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.
- # Deferred payment liability are repayable in six equal semi-annual installments commencing from January 2012.
- ## Refer note 11.

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>6. Deferred tax assets/ (liabilities) (net)</b>		
<b>Classified on a company wise basis</b>		
(a) Deferred tax assets *	205.89	-
(b) Deferred tax (liabilities)	(309.52)	(300.68)
<b>Net deferred tax (liabilities)</b>	<u>(103.63)</u>	<u>(300.68)</u>
<b>Deferred tax liability on:</b>		
Accelerated depreciation	580.93	829.56
Difference in block of assets as per books and as per Income-tax Act, 1961	636.61	-
	<u>1,217.54</u>	<u>829.56</u>
<b>Less:</b>		
<b>Deferred tax asset on:</b>		
Unabsorbed depreciation #	636.61	-
Accrued expenses deductible on payment	445.28	498.01
Provision for doubtful debts and advances	32.02	30.87
	<u>1,113.91</u>	<u>528.88</u>
	<u>(103.63)</u>	<u>(300.68)</u>

\* Represents share of joint venture.

# As at 31 March 2014, DCM Engineering Limited has carry forward business losses and unabsorbed depreciation under the provisions of the Income-tax Act, 1961. In the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, deferred tax assets has been recognised only to the extent of deferred tax liability.

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>7. Other long-term liabilities</b>		
Trade payables	82.52	82.44
Security deposits	18.16	18.66
Others deposits	53.36	47.35
Liabilities for land development expenses	1,517.93	1,553.62
Others	1,126.52	1,126.52
	<u>2,798.49</u>	<u>2,828.59</u>
Share of joint venture	-	-
	<u>2,798.49</u>	<u>2,828.59</u>

Notes forming part of the consolidated financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>8. Long-term provisions</b>		
Provision for employee benefits :		
Compensated absences	403.48	407.24
Gratuity	1,552.79	1,597.89
	<u>1,956.27</u>	<u>2,005.13</u>
Share of joint venture	14.92	-
	<u>1,971.19</u>	<u>2,005.13</u>
	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>9. Short-term borrowings</b>		
Secured		
Loans repayable on demand from banks *	17,346.54	15,833.21
Unsecured		
Other loans and advances**	1,000.00	-
	<u>18,346.54</u>	<u>15,833.21</u>
Share of joint venture	-	-
	<u>18,346.54</u>	<u>15,833.21</u>

\* Loans repayable on demand from banks include

- cash credit/overdraft and working capital demand loan facilities relating to Textile division at Hisar aggregating Rs. 11,250.30 lacs (Previous year : Rs. 10,567.10 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 Division.
- cash credit facilities relating to IT Division, aggregating Rs. 372.52 lacs (Previous year :Rs. 422.54 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 and working capital demand loan facilities relating to DCM Engineering Limited aggregating Rs. 5,723.72 lacs (Previous year : Rs. 4,843.57 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, ranking pari-passu with charge created for availing term loans as described in note 5 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 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.

\*\* Other loans and advances include

- Rs. 1,000.00 (Previous year: Rs. Nil) secured by way of pledge of equity shares in Teak farms Private Limited, Juhi Developers Private Limited (Investments in promotor group) and personal guarantee of Mr. Sumant Bharat Ram.

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>10. Trade payables</b>		
Dues to micro and small enterprise #	743.60	621.81
Others	5,822.84	4,372.99
	<u>6,566.44</u>	<u>4,994.80</u>
Share of joint venture	99.78	-
	<u>6,666.22</u>	<u>4,994.80</u>

# 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 743.60 lacs (Previous year : Rs. 621.81 lacs). Further, no interest has been paid or payable during the year under the terms of the MSMED Act, 2006.

Notes forming part of the consolidated financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>11. Other current liabilities</b>		
Current maturities of long-term borrowings *		
Secured		
From banks	1,889.71	2,374.41
From others	11.54	13.75
Unsecured		
Deferred payment liability	144.49	193.60
	<u>2,045.74</u>	<u>2,581.76</u>
Unclaimed dividends	49.73	32.96
Unclaimed matured deposits and interest accrued thereon **	97.59	113.33
Unclaimed matured debentures and interest accrued thereon **	240.39	538.81
Statutory dues payable	206.55	162.89
Liabilities for capital goods	182.89	60.73
Security deposits received	5.17	4.67
Advances from customers	477.08	190.20
Interest accrued but not due on borrowings	35.23	6.78
Interest accrued and due on borrowings	-	48.53
Liabilities for land development expenses	-	1,512.50
Others	22.76	28.92
	<u>3,363.13</u>	<u>5,282.08</u>
Share of joint venture	2,075.93	-
	<u>5,439.06</u>	<u>5,282.08</u>

\*Refer note 5.

\*\* 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, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>12. Short-term provisions</b>		
Provision for employee benefits :		
Compensated absences	46.41	22.27
Gratuity	232.07	181.43
	<u>278.48</u>	<u>203.70</u>
Others :		
Provision for sales return	69.48	76.53
Provision for tax	853.19	594.91
{ net of advance tax Rs.4,059.08 Lacs (Previous year: Rs. 2,884.26 lacs)}		
Less : MAT credit entitlement utilisation	722.58	457.41
	<u>130.61</u>	<u>137.50</u>
Provision for non- performing assets	6.00	3.11
Proposed equity dividend	260.69	260.69
Corporate dividend tax	44.30	44.30
	<u>511.08</u>	<u>522.13</u>
	<u>789.56</u>	<u>725.83</u>
Share of joint venture	169.05	-
	<u>958.61</u>	<u>725.83</u>

Notes forming part of the consolidated financial statements continued

13. Fixed assets

(Rs./lacs)

Description	Gross block				Depreciation and amortisation					Net block		
	As at March 31, 2013	Adjust-ment #	Addi-tions#	Deductions /Adjustments	As at March 31, 2014	Upto March 31, 2013	Adjustment #	For the year	Deductions/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>												
Land - freehold * \$	1,393.29	-	-	-	1,393.29	-	-	-	-	-	1,393.29	1,393.29
Buildings \$	3,371.52	29.22	196.17	-	3,596.91	995.73	26.99	106.01	-	1,128.73	2,468.18	2,375.79
Lease improvements	28.43	-	-	-	28.43	11.14	-	2.98	-	14.12	14.31	17.29
Plant and machinery **	27,564.82	5.56	5,610.19	716.48	32,464.09	17,880.54	5.10	2,026.17	668.38	19,243.43	13,220.66	9,684.28
Furniture and fittings	287.42	9.12	29.21	0.46	325.29	225.32	6.53	11.14	0.21	242.78	82.51	62.10
Office equipments	187.05	14.13	17.20	3.04	215.34	95.98	10.88	14.08	2.06	118.88	96.46	91.07
Vehicles	639.65	7.24	103.76	84.58	666.07	273.01	3.42	75.61	52.87	299.17	366.90	366.64
<b>Sub total</b>	<b>33,472.18</b>	<b>65.27</b>	<b>5,956.53</b>	<b>804.56</b>	<b>38,689.42</b>	<b>19,481.72</b>	<b>52.92</b>	<b>2,235.99</b>	<b>723.52</b>	<b>21,047.11</b>	<b>17,642.31</b>	
Previous Year	30,444.40	-	3,390.76	362.98	33,472.18	17,949.98	-	1,844.95	313.21	19,481.72		13,990.46
<b>Intangible Assets</b>												
Computer Software	330.62	3.08	24.47	-	358.17	235.73	3.08	24.80	-	263.61	94.56	94.89
<b>Sub total</b>	<b>330.62</b>	<b>3.08</b>	<b>24.47</b>	<b>-</b>	<b>358.17</b>	<b>235.73</b>	<b>3.08</b>	<b>24.80</b>	<b>-</b>	<b>263.61</b>	<b>94.56</b>	
Previous year	678.56	-	65.16	413.10	330.62	631.49	-	17.34	413.10	235.73		94.89
<b>Grand total</b>	<b>33,802.80</b>	<b>68.35</b>	<b>5,981.00</b>	<b>804.56</b>	<b>39,047.59</b>	<b>19,717.45</b>	<b>56.00</b>	<b>2,260.79</b>	<b>723.52</b>	<b>21,310.72</b>	<b>17,736.87</b>	
Previous Year	31,122.96	-	3,455.92	776.08	33,802.80	18,581.47	-	1,862.29	726.31	19,717.45		14,085.35
Share in joint venture@	-	68.35	2.88	3.54	67.69	-	56.00	3.82	3.27	56.55	11.14	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-

\* 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.

\*\* Includes Rs. 212.97 lacs (previous year nil) on account of borrowing cost and Rs. 31.10 lacs (previous year Rs. 2.55 lacs) on account of foreign exchange fluctuations capitalised during the year.

@ The joint ventures' share is included in the above note under respective heads.

# Refer note 1 (ii).

14. Non-current investments

Investments (At cost unless otherwise stated):

In equity instruments

A. Trade (unquoted)

Joint venture company

17,853,605 (Previous year : 17,853,605) shares of Rs. 10 each fully paid up in Purearth Infrastructure Limited \*

\*\*

2,690.25

Total - Trade (A)

2,690.25

B. Others

Quoted

50850 (Previous year : 185,850) shares of Rs. 10 each fully paid up in SRF Limited

129.32

505.33

129.32

505.33

In preference shares

Unquoted

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)

229.32

605.33

Total (A+B)

229.32

3,295.58

Share of joint venture

1.81

-

231.13

3,295.58

Aggregate cost of quoted investments (net of provision for diminution)

129.32

505.33

Aggregate market value of listed and quoted investments

182.86

314.83

Aggregate cost of unquoted investments

101.81

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, Delhi.

\*\* Refer note 1 (ii)

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Notes forming part of the consolidated financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>15. Long-term loans and advances</b>		
Unsecured, considered good		
Capital advances*	2,476.23	1,864.02
Security deposits	842.34	675.56
Loans and advances to employees	11.57	6.54
Balances with government authorities	53.22	52.52
Advance income tax {net of provision Rs. 1,059.18 lacs (previous year : Rs. 1,077.13 lacs)}	338.94	260.48
MAT credit entitlement	0.42	807.43
Other loans and advances	539.07	545.22
Considered doubtful		
Other loans and advances \$	785.07	785.07
	<u>5,046.86</u>	<u>4,996.84</u>
Less: Provision for other doubtful loans and advances	785.07	785.07
	<u>4,261.79</u>	<u>4,211.77</u>
Share of joint venture	137.78	-
	<u>4,399.57</u>	<u>4,211.77</u>
* Refer note 36		
\$ Include Rs. 150.22 lacs (Previous year: Rs. 150.22 lacs) as inter corporate deposit.		

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>16. Other non-current assets</b>		
Unsecured, considered good		
Trade receivables	1,671.70	2,000.00
Other bank balances		
Deposits with maturity for more than 12 months **	9.08	2.23
	<u>1,680.78</u>	<u>2,002.23</u>
Share of joint venture	-	-
	<u>1,680.78</u>	<u>2,002.23</u>
** Held in margin money Rs. 1.44 lacs (Previous year : Rs. 1.44 lacs) and earmarked for specific use Rs. Nil (Previous year : Rs. 0.79 Lacs).		

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>17. Inventories</b>		
Raw materials #	7,503.61	6,644.94
Work-in-progress #	2,916.13	1,975.95
Finished goods #	1,673.33	1,503.81
(Includes goods in transit Rs. 365.23 lacs (Previous year : Rs. 690.58 lacs))		
Land (for development) ##	1,000.00	1,000.00
Stores, spares and components ###	1,297.76	1,319.12
	<u>14,390.83</u>	<u>12,443.82</u>
Share of joint venture	4,427.23	-
	<u>18,818.06</u>	<u>12,443.82</u>
# 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		

Notes forming part of the consolidated financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>18. Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	8.45	8.47
Unsecured, considered good	72.38	109.21
Doubtful	58.03	82.14
	<u>138.86</u>	<u>199.82</u>
Less: Provision for doubtful trade receivables	58.03	82.14
	<u>80.83</u>	<u>117.68</u>
Other Trade receivables		
Secured, considered good	2.50	1.50
Unsecured, considered good	13,858.80	13,748.03
	<u>13,861.30</u>	<u>13,749.53</u>
	13,942.13	13,867.21
Share of joint venture	161.18	-
	<u>14,103.31</u>	<u>13,867.21</u>

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>19. Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	15.90	14.52
Balances with banks		
In current accounts*	570.21	277.39
In deposit accounts **	300.52	544.31
Cheques in hand	0.39	-
Others bank balances		
In deposit accounts ***	304.46	448.09
	<u>1,191.48</u>	<u>1,284.31</u>
Share of joint venture	70.97	-
	<u>1,262.45</u>	<u>1,284.31</u>

- \* Includes Rs. 17.13 lacs (Previous year : Rs. 5.14 lacs ) deposited with Debenture trustees and Rs. 61.94 lacs (Previous year : Rs. 40.19 lacs) earmarked for specific use.
- \*\* Includes Rs. 12.26 lacs (Previous year : Rs. 18.01 lacs) against bank guarantee/ margin money and Rs. 53.04 lacs (Previous year: Rs. 264.86 lacs) earmarked for specific uses.
- \*\*\* Includes Rs. 4.80 lacs (Previous year : Rs. 5.72 lacs) against bank guarantee/ security, Rs. 113.85 lacs (Previous year : Rs. 279.00 lacs) deposited with Debenture trustees and Rs. 141.01 lacs (Previous year : Rs. 99.20 lacs) earmarked for specific uses.

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>20. Short term loans &amp; advances</b>		
Unsecured, considered good		
Advance to suppliers	338.08	143.31
Loans and advances to employees	47.85	49.85
Security deposits	-	1.05
Prepaid expenses	180.35	133.32
Balances with government authorities	2,055.45	1,726.40
Advance income tax {net of provisions Rs.4,059.08 lacs, (Previous year : Rs. 2,884.26 lacs)}	363.87	351.10
MAT credit entitlement	494.86	410.00
Inter corporate deposits	15.00	25.00
Other loans and advances @	668.83	775.62
	<u>4,164.29</u>	<u>3,615.65</u>
Share of joint venture	69.44	-
	<u>4,233.73</u>	<u>3,615.65</u>

- @ Represents advance for purchase of rights in flats Rs. 668.69 lacs (Previous year: Rs. 775.36 lacs).

Notes forming part of the consolidated financial statements continued

	As at March 31, 2014 Rs./Lacs	As at March 31, 2013 Rs./Lacs
<b>21. Other current assets</b>		
<b>Unsecured, considered good</b>		
Interest accrued on deposits and loans	79.03	69.07
Unbilled revenue	158.85	167.34
Insurance claim	-	192.06
Others receivables	931.16	1,693.38
	<u>1,169.04</u>	<u>2,121.85</u>
Share of joint venture	55.32	-
	<u>1,224.36</u>	<u>2,121.85</u>
	<b>For the year ended March 31, 2014 Rs./Lacs</b>	<b>For the year ended March 31, 2013 Rs./Lacs</b>
<b>22. Revenue from operations</b>		
<b>Sale of products</b>		
Manufactured goods		
Cotton yarn	37,621.26	31,793.11
Iron castings *	44,467.07	43,036.25
Patterns, jigs and fixtures *	219.11	142.23
Sale of Services	6,402.76	4,442.46
	<u>88,710.20</u>	<u>79,414.05</u>
Share of joint venture	2,979.52	-
	<u>91,689.72</u>	<u>79,414.05</u>
<b>Other operating revenues</b>		
Waste sales	2,128.64	1,753.69
Duty drawback and other export incentives	772.63	623.72
Liabilities/ provisions no longer required written back	14.12	51.98
Income from housing finance activity	1.73	7.58
Miscellaneous sales/ income	133.66	105.79
Discounts received from vendors	-	0.72
	<u>3,050.78</u>	<u>2,543.48</u>
Share of joint venture	9.90	-
	<u>3,060.68</u>	<u>2,543.48</u>
	<u>94,750.40</u>	<u>81,957.53</u>
	<b>For the year ended March 31, 2014 Rs./Lacs</b>	<b>For the year ended March 31, 2013 Rs./Lacs</b>
<b>23. Other income</b>		
Interest income	320.84	253.64
Dividend from long-term non trade investments	18.59	18.59
Net gain on foreign currency transactions and translation	275.35	342.50
Profit on sale of long term investment	46.21	-
Profit on sale of fixed assets	30.36	28.88
Liabilities/ provisions no longer required written back	-	0.55
Other non-operating income	90.30	39.73
	<u>781.65</u>	<u>683.89</u>
Share of joint venture	7.54	-
	<u>789.19</u>	<u>683.89</u>

\* Includes unbilled revenue of Rs. 71.51 lacs (Previous year : Rs. 71.33 lacs) net of excise duty and taxes amounting to Rs. 17.43 lacs (Previous year : Rs. 10.09 lacs) arising on retrospective sales order amendments given by a few customers subsequent to the year end for finished goods sold to them during the year.

Notes forming part of the consolidated financial statements continued

	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>24. Cost of materials consumed</b>		
<b>24.a Cost of materials consumed</b>		
Opening stock	6,644.94	5,257.05
Add: Purchases	43,810.76	38,277.18
	<u>50,455.70</u>	<u>43,534.23</u>
Less: Closing stock	7,503.61	6,644.94
	<u>42,952.09</u>	<u>36,889.29</u>
Share of joint venture	1,405.93	-
	<u>44,358.02</u>	<u>36,889.29</u>
<b>24.b Changes in inventories of finished goods, work-in-progress and land (for development)</b>		
<b>Inventories at the end of the year:</b>		
Finished goods	1,673.33	1,503.81
Work-in-progress	2,916.13	1,975.95
Land (for development)	1,000.00	1,000.00
	<u>5,589.46</u>	<u>4,479.76</u>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,503.81	2,035.50
Work-in-progress	1,975.95	1,736.61
Land (for development)	1,000.00	1,000.00
	<u>4,479.76</u>	<u>4,772.11</u>
	(increase) / decrease	292.35
Share of joint venture	(1,109.70)	-
	<u>-</u>	<u>-</u>
	Net (increase) / decrease	292.35
	<u>(1,109.70)</u>	<u>292.35</u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>25. Employee benefits expense</b>		
Salaries, wages, bonus, etc.	11,142.76	9,759.23
Gratuity	270.89	378.09
Contributions to provident and other funds	790.52	839.64
Staff welfare expenses	438.96	407.24
	<u>12,643.13</u>	<u>11,384.20</u>
Share of joint venture	69.20	-
	<u>12,712.33</u>	<u>11,384.20</u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>26. Finance costs</b>		
Interest expense:		
- On borrowings	1,505.83	1,629.57
- Other	13.96	32.96
Other borrowing costs	658.25	509.14
	<u>2,178.04</u>	<u>2,171.67</u>
Share of joint venture	203.75	-
	<u>2,381.79</u>	<u>2,171.67</u>



Notes forming part of the consolidated financial statements continued

	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>27. Depreciation and amortization expense</b>		
Depreciation on tangible assets	2,232.17	1,844.95
Amortisation on intangible assets	24.80	17.34
	<u>2,256.97</u>	<u>1,862.29</u>
Share of joint venture	3.82	-
	<u>2,260.79</u>	<u>1,862.29</u>
Less: Transferred to cost of acquisition of rights, development and construction	0.45	-
	<u><u>2,260.34</u></u>	<u><u>1,862.29</u></u>
	For the year ended March 31, 2014 Rs./Lacs	For the year ended March 31, 2013 Rs./Lacs
<b>28. Other expenses</b>		
Consumption of stores and spare parts	7,663.82	7,276.84
Power, fuel, etc.	10,356.37	9,456.56
Rent	185.90	209.49
Repairs to:		
– Buildings	98.82	52.43
– Machinery	1,208.15	966.54
– Others	91.90	77.83
Subcontracting charges *	2,444.63	1,010.67
Freight and forwarding	1,012.17	959.72
Insurance	73.90	59.35
Rates and taxes	130.22	20.38
Brokerage, discount (other than trade discount), etc.	180.22	156.89
Auditors' remuneration #	54.16	51.45
Directors' fees	5.51	12.26
Travelling and conveyance	511.84	471.59
Commission to selling agents (other than sole selling)	321.46	273.79
Sales expenses	79.18	80.77
Donations	8.68	6.55
Legal and professional fees	491.86	418.44
Provision for doubtful trade receivables	2.89	17.62
Bad trade and other receivables, loans and advances written off		
Bad trade and other receivables, loans and advances written off	38.84	37.23
Less: Provision held for Bad trade and other receivables	(27.92)	(15.37)
	<u>10.92</u>	<u>21.86</u>
Investments written off	-	16.34
Less: Adjusted against provision for diminution	-	(16.34)
	<u>4.69</u>	<u>21.40</u>
Loss on fixed assets sold/ written off	4.69	21.40
Capital work in progress written off	-	72.61
Land development expenses	35.69	17.99
Less : Adjusted against provision held	(35.69)	(17.99)
	<u>603.42</u>	<u>347.05</u>
Miscellaneous expenses	25,540.71	22,042.09
Share of joint venture	117.71	-
	<u><u>25,658.42</u></u>	<u><u>22,042.09</u></u>
# Auditors remuneration includes		
As auditors		
– Audit fees	25.30	20.33
In other capacity		
– for tax audit	4.25	4.00
– verification of statement and other reports	6.41	3.63
– limited review of unaudited financial results	15.24	20.00
– for reimbursement of expenses	2.96	3.49
	<u><u>**54.16</u></u>	<u><u>51.45</u></u>

\* Includes freight, transportation expense Rs. 209.21 lacs (Previous year : Rs. 201.35 lacs) incurred on materials sent to and received back from sub-contractors.

\*\* Includes service tax. Also include audit fee paid to auditors of subsidiaries.

29. Exceptional item of Rs. 1,295.57 lacs (Previous year : Rs. Nil, net of inter-company elimination) represent compensation receivable from the developer of real estate project, pursuant to a settlement reached in relation to the residential 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
Group's contribution to provident fund	415.93	394.13
Group's contribution to superannuation fund	101.04	106.51
Group's contribution to employees' state insurance scheme	102.54	166.72
Company's Contribution to Social security	189.04	221.48
Share of joint venture	3.12	-

**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		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in present value of obligation</b>				
Present value of obligation as at the beginning of the year	1779.32	1637.99	429.51	412.90
Current service cost	102.26	99.12	149.12	126.42
Interest cost	156.10	131.00	36.88	33.02
Actuarial (gain) / loss	12.53	147.97	(92.72)	(63.36)
Benefits paid	(265.35)	(236.76)	(72.90)	(79.47)
Present value of obligation as at the end of the year	Total	1784.86	449.89	429.51
	Non-current	1552.79	403.48	407.24
	Current	232.07	46.41	22.27
	Share of Joint Venture	11.90	10.88	-
	Total	1796.76	460.78	429.51
<b>Change in plan assets</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>
Plan assets at the beginning of the year	-	-	-	-
Expected return on plan assets				
Contribution by the Group				
Benefits paid				
Actuarial gain / (loss)				
Plan assets at the end of the year	-	-	-	-
<b>Liability recognised in the consolidated financial statement</b>				
<b>Cost for the year</b>				
Current service cost	102.26	99.12	149.12	126.42
Interest cost	156.10	131.00	36.89	33.02
Return on plan assets	-	-		
Actuarial (gain) / loss	12.53	147.97	(92.72)	(63.36)
Net cost	270.89	378.09	93.29	125.21
Share in joint venture	0.01	-	1.15	-
<b>Constitution of plan assets</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>
Other than equity, debt, property and bank a/c Funded with LIC				
<b>Main actuarial assumptions</b>				
Discount rate	8%/9%	8%	8%/9%	8.00%
Rate of increase in compensation levels	5.50% / 6.00%	5.50% / 5.00%	5.50% / 6.00%	5.50% / 5.00%
Retirement Age (Years)	58/60	58/60	58/60	58/60
Mortality Table	*	*	*	*

\* IALM (1994 - 96)

Notes forming part of the consolidated financial statements continued

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, 2014		For the year ended March 31, 2013		For the year ended March 31, 2012		For the year ended March 31, 2011		For the year ended March 31, 2010	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of obligation at the end	1796.76	460.78	1779.32	429.51	1637.99	412.90	1569.57	355.56	382.33	155.68
Fair value of plan assets at the end	-	-	-	-	-	-	-	-	-	-
Net liability recognized in balance sheet	1796.76	460.78	1779.32	429.51	1637.99	412.90	1569.57	355.56	382.33	155.68
Net actuarial (gain) /loss recognized.	12.53	(92.72)	147.97	(63.36)	66.22	(26.83)	22.11	9.67	39.18	13.49

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 - 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 DCM Limited 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. 3,400 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 DCM Limited 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 years to cover the expenses to be incurred in relation to the above project has been utilized / adjusted during the previous year.

- c) Since, in terms of para 43 of the SORA, it cannot 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. 331.86 lacs (Previous year: Rs. 655.42 lacs).
32. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for in the consolidated financial statements aggregate Rs. 3,065.64 Lacs (Previous year: Rs. 1,323.26 Lacs), including share of joint venture Rs. 9.03 lacs (Previous year : Rs. Nil).

## 33. Contingent liabilities not provided for:

Particulars	Current year Rs./Lacs	Previous year Rs./Lacs
Claims not acknowledged as debts: *		
– Income-tax matters	147.17	362.85
– Service tax	–	1.24
– Customs duty	12.55	12.55
– Employees' claims (to the extent ascertained)	39.32	39.32
– Property tax	283.67	391.56
– Excise Duty	523.55	653.00
– Others	293.52	291.87
– Share of joint venture	93.63	–

\* 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.

	Current Year	Previous Year
34. Earnings per share:		
(a) Profit after taxation as per statement of profit and loss (Rs./lacs)	3,771.47	1,781.31
(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)	21.70	10.25

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. 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.

37. 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.

38. 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. 185.91 lacs (Previous year: Rs. 209.49 lacs) under note 28.

39. The schedule of provisions as required to be disclosed in compliance with Accounting Standard-29 on "Provisions, Contingent liabilities and Contingent Assets" is as under:

Provision relating to	Opening balance as on 1 April 2013	Additional provision created during the year	Utilisation/ (Reversed) during the year	Closing balance as on 31 March 2014
Provision for sales return	76.53	255.75	262.80	69.48

40. The construction work by PIL on Central Square Project, i.e. on Plaza 1, 2 and 3, has commenced and actual cost incurred has reached milestones to enable recognition of revenue. Completion certificates of Plazas 1 and 3 of Central Square have been received from the appropriate authority and are now operational. PIL had started development activities in Plaza 4 in earlier years. With regard to its residential project, the PIL during an earlier year, entered into a Joint Development Agreement (JDA) with M/s Basant Projects Limited (Unity) for joint development of the PIL's Residential Project (Park Square) at Kishanganj, Delhi.

PIL, during earlier years, had made certain sale bookings of units in its Park Square and Central Square projects and is expected to incur losses on these sale bookings. PIL has recognized likely losses amounting to Rs. 543.95 lacs on such sale bookings of units forming part of Plaza 1, 2 and 3 of Central Square project and Rs. 860.35 lacs on such sale bookings of units forming part of Park Square project.

PIL has also received advances Rs. 3,730.08 lacs for sale bookings of units in Plaza 4 of Central Square project and has presented these as 'advances from customers' under other current liabilities (share of the Group in these advance of joint venture are amounting Rs. 612.26 lacs). The management of PIL is yet to draw up construction plans for Plaza 4 of Central Square project as also cannot determine the resultant revenue including price

escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived with the booking holders in respect of these bookings at this stage. Thus, the PIL's management has not been able to estimate the likely losses for such bookings under the plaza 4 of Central Square project and hence has not provided such losses in the financial statements of PIL.

41. Capital work-in-progress includes Rs. 17.10 lacs (previous year Rs. 212.94 lacs) on account of borrowing costs capitalised during the year.
42. 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))}.

43. 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.

Notes forming part of the consolidated financial statements continued

e) (i) Primary Segment information (Business Segments) for the year ended March 31, 2014.

(Rs./lacs)

	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 (net of excise duty)																
– External sales/services	37,562.47	31,764.85	6,402.76	4,442.46	2,979.52	–	39,732.04	38,346.66	–	–	86,676.79	74,553.97	–	–	86,676.79	74,553.97
– Other Operating income	2,927.56	2,397.12	10.89	13.17	*1,305.47	–	110.60	125.61	1.00	7.58	4,355.52	2,543.48	–	–	4,355.52	2,543.48
<b>Total Revenue</b>	<b>40,490.03</b>	<b>34,161.97</b>	<b>6,413.65</b>	<b>4,455.63</b>	<b>4,284.99</b>	<b>–</b>	<b>39,842.64</b>	<b>38,472.27</b>	<b>1.00</b>	<b>7.58</b>	<b>91,032.31</b>	<b>77,097.45</b>	<b>–</b>	<b>–</b>	<b>91,032.31</b>	<b>77,097.45</b>
2. Segment results	5,246.64	5,061.28	410.91	161.88	2,691.00	–	(103.05)	71.58	(7.81)	(0.31)	82,37.69	5,294.43	–	–	82,37.69	5,294.43
Unallocated corporate expenses /income (net of unallocated income /expenses)													(615.72)	(236.95)	(615.72)	(236.95)
3. Interest income													320.84	253.64	320.84	253.64
4. Profit before finance costs and tax															7,942.81	5,311.12
5. Finance Costs													2,381.79	2,171.67	2,381.79	2,171.67
6. Profit before tax															5,561.02	3,139.45
7. Provision for taxation													1,925.16	1,581.14	1,925.16	1,581.14
8. Profit after taxation															3,635.86	1,558.31
9. Other information																
(a) Segment assets	33,086.98	22,074.98	1,890.94	1,333.35	10,583.69	7,085.68	23,548.21	22,022.17	349.62	349.66	69,459.44	52,865.84	–	–	69,459.44	52,865.84
Investments													231.13	3,295.58	231.13	3,295.58
Other unallocated assets													2,221.22	4,226.71	2,221.22	4,226.71
<b>Total Assets</b>															71,911.79	60,388.13
(b) Segment liabilities	1,156.00	888.79	711.04	441.82	4,068.26	3,115.02	7,462.41	5,946.10	7.51	4.77	13,405.21	10,396.50	–	–	13,405.21	10,396.50
Share capital and reserves													22,265.55	20,568.28	22,265.55	20,568.28
Minority Interest													1,988.62	2,124.23	1,988.62	2,124.23
Loan funds													32,020.83	24,140.27	32,020.83	24,140.27
Other unallocated liabilities													2,231.58	3,158.84	2,231.58	3,158.84
<b>Total liabilities</b>															71,911.79	60,388.12
(c) Capital expenditure	7,946.04	867.77	18.91	17.52	13.77	–	1,796.31	5,558.57	–	–	9,775.03	6,443.86	104.70	81.04	9,879.73	6,524.90
(d) Depreciation	1,107.90	988.21	21.98	20.68	3.36	–	1,106.31	842.56	0.00	–	2,239.55	1,851.45	20.79	10.84	2,260.34	1,862.29
(e) Non-cash expenditure other than depreciation	3.99	1.39	5.98	27.49	–	–	5.64	103.04	2.89	1.16	18.50	133.08	–	0.41	18.50	133.49

e) (ii) Secondary segment information (Geographical segments)

Particulars	Current Year Rs./lacs	Previous Year Rs./lacs
Segment revenue (net of excise duty)		
– Revenue within India	*61,251.33	54,099.09
– Revenue outside India	29,780.98	22,998.36
<b>Total segment revenue</b>	<b>91,032.31</b>	<b>77,097.45</b>
Segment assets		
– Within India	62,139.36	47,873.02
– Outside India	7,320.08	4,992.82
<b>Total segment assets</b>	<b>69,459.44</b>	<b>52,865.84</b>
Capital expenditure		
– Within India	9,879.31	1,990.88
– Outside India	0.42	1.67
<b>Total segment capital expenditure</b>	<b>9,879.73</b>	<b>6,524.90</b>

\* Includes exceptional income of Rs. 1,295.57 lacs (Refer note 29).

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

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

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

- a. Mr. Naresh Kumar Jain - Managing Director (Upto December 19, 2012).
- b. Mr. Jitendra Tuli - Chairman and Managing Director (w.e.f. December 20, 2012).
- c. Dr. Vinay Bharat Ram - Chief Executive Officer
- d. Mr. Hemant Bharat Ram - President - Textiles
- e. Mr. Sumant Bharat Ram - Chief Operating and Financial Officer
- f. Mr. J. K. Menon - Managing Director (DEL) (Upto March 15, 2013)
- g. Mr. Rahil Bharat Ram - Son of Mr. Sumant Bharat Ram
- h. Mr. Yuv Bharat Ram - Son of Mr. Sumant Bharat Ram
- i. Dr. Uma Tuli - (Wife of Mr. Jitendra Tuli)
- j. Mr. Vivek Tuli - (Son of Mr. Jitendra Tuli)

II. 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)
- g. Juhi Developers Private Ltd. (JDPL)
- h. Teak Farms Private Ltd. (TFPL)

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		Join Venture		Others*	
		Current Year**	Previous Year	Current Year	Previous Year
Expenses recovered	PIL	-	51.32	-	-
Compensation Received	PIL	-	-	-	-
Liabilities no longer required written back	PIL	-	-	-	-
Advance/Consideration given for purchase of rights in flats	PIL	-	-	-	-
Dividend Paid	ALFPL	-	-	111.50	298.66
	BFLPL	-	-	48.69	64.93
	XEPL	-	-	23.33	31.11
	Others	-	-	48.43	64.57
a) Trade Receivable					
- Current	PIL	-	2,447.50	-	-
- Non-current	PIL	-	2,000.00	-	-
b) Other Receivable					
- Current	PIL	-	1,620.00	-	-
- Non-current	PIL	-	-	-	-
c) Advance / consideration for purchase of rights in flats	PIL	-	775.36	-	-
d) Advances recoverable / (payable)	PIL	-	(2.68)	-	-

\* Enterprises where key management personnel have significant influence

\*\*Current year's figures are not given as the accounts of Joint venture are consolidated in current year.

ii) Transactions with key managerial personnel.

	Current Year Rs./lacs	Previous Year Rs./lacs
<b>Remuneration *</b>		
- Dr. Vinay Bharat Ram	142.52	142.52
- Mr. Hemant Bharat Ram	280.76	121.63
- Mr. Sumant Bharat Ram	98.49	89.58
- Mr. Jai Kumar Menon	-	90.60

	Current Year Rs./lacs	Previous Year Rs./lacs
<b>Sitting fees</b>		
– Mr. Naresh Kumar Jain	–	0.50
– Mr. Jitendra Tuli	1.30	0.45
<b>Dividend Paid:</b>		
– Dr. Vinay Bharat Ram	0.20	0.26
– Mrs. Panna Bharat Ram (Since deceased)	0.24	0.32
– Mr. Sumant Bharat Ram	0.36	0.48
– Mr. Rahil Bharat Ram	0.15	0.19
– Mr. Yuv Bharat Ram	0.14	0.19
	Current Year Rs./lacs	Previous Year Rs./lacs
<b>Balance outstanding at the year end:</b>		
<b>Payables:</b>		
– Dr. Vinay Bharat Ram	0.92	0.92
– Mr. Hemant Bharat Ram	2.63	3.78
– Mr. Sumant Bharat Ram	3.85	3.17

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

45. Quantitative data about Derivative Instruments

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	12	19	Hedge	Hedge	12,12,035	29,24,240	758.69	1635.02

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\$	16,85,141	991.43	US\$	10,15,938	530.79
Cash and Bank	US\$	3,02,754	180.83	US\$	1,69,723	91.79
Loans and Advances	US\$	1,46,616	87.69	US\$	1,64,444	88.93
	Euro	3,16,319	260.52	Euro	19,118	13.29
Current Liabilities	US\$	9,29,004	555.99	US\$	3,01,842	163.24
	Euro	1,10,328	90.87	Euro	1,02,400	71.17
Provisions	US\$	50,000	29.87	US\$	20,000	10.82
Unsecured Long Term Borrowings	Euro	2,30,577	189.90	Euro	5,09,100	353.84

46. In view of reasons explained in note 1 (ii) above the figures of current year are not directly comparable with those of previous year. The figures of the previous year have been regrouped / recast to conform to the current year's classification/ disclosure.

Signatures to notes 1 to 46

**JITENDRA TULI**  
Chairman and Managing Director

**BIPIN MAIRA**  
Director

**MUKESH SHARMA**  
Company Secretary

**ASHWANI SINGHAL**  
Executive Vice President  
(Finance & Taxation)

Place : New Delhi  
Date : May 28, 2014





**DCM LIMITED**

**Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008  
**CIN:** L74899DL1889PLC000004,  
**e-mail:** investors@dcm.in, website: www.dcm.in,  
**Ph:** 011-25719967, **Fax:** 011-25765214

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**124<sup>TH</sup> ANNUAL GENERAL MEETING - AUGUST 04, 2014**

Name of the Member(s):


Registered address:


Email:

--

Folio No. / Client ID: 

--	--	--	--	--	--	--	--	--	--

DP ID: 

--	--	--	--	--	--	--	--	--	--

I/ We, being the member(s) of ..... shares of the DCM Limited, hereby appoint;

Name : ..... Email : .....

Address : .....

..... Signature : .....

or failing him/ her;

Name : ..... Email : .....

Address : .....

..... Signature : .....

or failing him/ her;

Name : ..... Email : .....

Address : .....

..... Signature : .....

as my / our proxy to attend and vote (on a poll ) for me/ us and on my / our behalf at the 124th Annual General Meeting of the Company, to be held on Monday, August 04, 2014, at 3:30 p.m. at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054, and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution Number	Resolutions	Vote (Optional see Note 4)	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Financial Statements for the financial year ended March 31, 2014 and Reports of Board of Directors and Auditors thereon		
2	Declaration of final dividend for the financial year ended March 31, 2014 and confirmation of the payment of interim dividend made during the financial year ended March 31, 2014		
3	Appointment of a director in place of Prof. Joginder Singh Sodhi, who retires by rotation and being eligible, offers himself for re- appointment		
4	Appointment of M/s A. F. Ferguson & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.		
<b>Special Business</b>			
5	Appointment of Mr. Bipin Maira as an Independent Director of the Company		
6	Appointment of Prof. Sudhir Kumar Jain as an Independent Director of the Company		
7	Appointment of Mr. Ravi Vira Gupta as an Independent Director of the Company		
8	Appointment of Dr. Meenakshi Nayar as an Independent Director of the Company		
9	Approval of the Remuneration of the Cost Auditors		
10	Amendment of Articles of Association of the Company		
11	Re-appointment of Mr. Jitendra Tuli as Managing Director of the Company		

Signed this ..... day of ..... 2014

.....  
Signature of the member

Affix revenue stamp of not Less than Rs. 0.15
---

.....  
Signature of the first proxy holder      Signature of the second proxy holder      Signature of the third proxy holder

**Notes:**

1. This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference. please put a '√' in the appropriate coloum against the resolutions indicated in the box. If you leave the 'For' or 'Against' coloum blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.



**DCM LIMITED**

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

**CIN:** L74899DL1889PLC000004,

**e-mail:** investors@dcm.in, **website:** www.dcm.in,

**Ph:** 011-25719967, **Fax:** 011-25765214

**ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS**

1. Name(s) & Registered Address :  
of the sole / first named  
Member
2. Name(s) of the :  
Joint-Holder(s),  
if any
3. i) Registered Folio No. :  
ii) \*DP ID No. & Client ID No.  
[\*Applicable to Members  
holding shares in  
dematerialised form]
4. Number of Share(s) held :
5. I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated August 4, 2014, by conveying my / our assent or dissent to the resolutions by placing tick (√) mark in the appropriate box below:

RESOLUTIONS		No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>				
1	Adoption of Financial Statements for the financial year ended March 31, 2014 and Reports of Board of Directors and Auditors thereon			
2	Declaration of final dividend for the financial year ended March 31, 2014 and confirmation of the payment of interim dividend made during the financial year ended March 31, 2014			
3	Appointment of a director in place of Prof. Joginder Singh Sodhi, who retires by rotation and being eligible, offers himself for re- appointment			
4	Appointment of M/s A. F. Ferguson & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.			
<b>Special Business</b>				
5	Appointment of Mr. Bipin Maira as an Independent Director of the Company			
6	Appointment of Prof. Sudhir Kumar Jain as an Independent Director of the Company			
7	Appointment of Mr. Ravi Vira Gupta as an Independent Director of the Company			
8	Appointment of Dr. Meenakshi Nayar as an Independent Director of the Company			
9	Approval of the Remuneration of the Cost Auditors			
10	Amendment of Articles of Association of the Company			
11	Re-appointment of Mr. Jitendra Tuli as Managing Director of the Company			

Place :

Date :

\_\_\_\_\_  
Signature of the Member  
or  
Authorised Representative

- Notes :
- (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
  - (ii) Last date for receipt of Assent/Dissent Form by the Scrutinizer: July 31, 2014 (6.00 pm).
  - (iii) Please read the instructions printed overleaf carefully before exercising your vote.



P.T.O

## INSTRUCTIONS

### **General Instructions**

1. As per the Companies Act, 2013, Company has to provide e-voting facility to its shareholders, however the shareholders, who do not have access to e-voting facility may convey their Assent / Dissent in Physical Assent / Dissent Form. If a shareholder has opted for e-voting, then he/she should not vote by Physical Assent / Dissent Form. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through e-voting shall be considered, and vote casted through physical assent/dissent shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on June 20, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.

### **Instructions for voting physically on Assent / Dissent Form**

1. A Member desiring to exercise vote by Assent / Dissent should complete this Assent / Dissent Form and send it in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer, Mr. D.P. Gupta, Practicing Company Secretary, at the registered office of the Company on or before 6.00 p.m. on July 31, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (√) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature.
8. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
9. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

**BUSINESS REPLY ARTICLE**

Postage  
will be paid  
by the  
addressee

No  
Postage  
necessary  
if posted  
in India

B.R. Permit No. BR-D(C) 843/14-15  
Patel Nagar Post Office  
New Delhi - 110 008

To,  
**D.P. GUPTA**  
**The Scrutinizer**  
**DCM Limited**  
6<sup>th</sup> Floor, Vikrant Tower,  
4, Rajendra Place,  
New Delhi-110008

**DCM LIMITED****Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008**CIN:** L74899DL1889PLC000004,**e-mail:** investors@dcm.in, website: www.dcm.in,**Ph:** 011-25719967, **Fax:** 011-25765214**ATTENDANCE SLIP****124<sup>TH</sup> ANNUAL GENERAL MEETING - AUGUST 04, 2014**

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 124th Annual General Meeting of the Company at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054, on Monday, August 04, 2014, at 3:30 P.M.

.....  
**Member's Folio/DP. ID - Client ID No.**.....  
**Name of the member / proxy**  
**(in BLOCK letters)**.....  
**Signature of the member / proxy**

- Note :** 1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.
2. No bags, briefcases, drinks and eatables will be allowed to be carried inside the auditorium.

**DCM LIMITED****Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008**CIN:** L74899DL1889PLC000004,**e-mail:** investors@dcm.in, website: www.dcm.in,**Ph:** 011-25719967, **Fax:** 011-25765214**E - VOTING PARTICULARS**

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

**Note:** Please read instructions given at Note Nos. 15 & 16 of the Notice of the 124th Annual General Meeting carefully before voting electronically.

**FORM A**

**(Pursuant to Clause 31(a) of Listing Agreement**

1.	Name of the Company	DCM Limited
2.	Annual standalone financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	<p><b>Emphasis of Matter paragraph in Auditor's Report.</b></p> <p>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.</p>
4.	Frequency of observation	<p><b>Emphasis of Matter</b></p> <p>This matter is appearing since 2003-2004, the year in which Company has entered into Leasehold Definitive Agreement(s) with Purearth Infrastructure Ltd., a joint venture Company, for the development of Leasehold land at Bara Hindu Rao/Kishan Gang, Delhi pursuant to sanction of SORA by the Delhi High Court.</p>



*Signature*      *Signature*



- Chairman and Managing Director
- Chairman (Audit Committee)
- Chief Operating and Financial Officer
- Auditors of the Company

*Jitendra Tuli*

(Jitendra Tuli)

*Bipin Maira*

(Bipin Maira)

*Sumant Bharat Ram*

(Sumant Bharat Ram)



Refer our audit report dated May 28, 2014 on the standalone Financial Statements of the Company

**For A.F. Ferguson & Co.**

Chartered Accountants  
(Firm Registration No. 112066W)

*Manjula Banerji*

**Manjula Banerji**  
Partner  
(Membership No. 086423)

New Delhi, May 28, 2014





**FORM B**

(Pursuant to Clause 31(a) of Listing Agreement)

1.	Name of the Company	<b>DCM Limited</b>
2.	Annual Consolidated financial statements for the year ended	March 31, 2014
3.	Type of Audit qualification	<p><b>Qualified:</b></p> <p><b>Basis for Qualified Opinion paragraph in Audit Report to the consolidated financial statements for the year ended March 31, 2014</b></p> <p><i>Attention is invited to note 40, wherein it has been explained that Purearth Infrastructure Limited (joint venture) has received advances during earlier years aggregating Rs 3,730.08 lacs for certain bookings in Plaza 4 of Central Square project and has presented these as 'advances from customers' (share of the Group in these advance of joint venture are amounting Rs. 612.26 lacs). The joint venture has not provided for likely losses, if any, in respect of these bookings. As explained by the management of joint venture, it is not practicable to determine likely loss on these sale bookings as the management is yet to draw a construction plans for Plaza 4 of Central Square project as also the resultant price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived at with the booking holders of this project. Pending the determination of such amounts, we are unable to determine the impact, if any, of such accrual.</i></p> <p><b>Emphasis:</b></p> <p><b>Emphasis of Matter paragraph in Audit Report to the consolidated financial statements for the year ended March 31, 2014</b></p> <p>We draw attention to note 31 of the consolidated 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.</p>



*Sanjay Kumar*




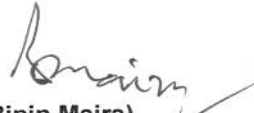



4.	Frequency of qualification	<p><b>Qualification</b></p> <p>This qualification is appearing for the first time.</p> <p><b>Emphasis of Matter</b></p> <p>This matter is appearing since 2003-2004, the year in which Company has entered into Leasehold Definitive Agreement(s) with Purearth Infrastructure Ltd., a joint venture Company, for the development of Leasehold land at Bara Hindu Rao/Kishan Gang, Delhi pursuant to sanction of SORA by the Delhi High Court.</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<p><b>Qualification</b></p> <p><b>Refer note 40 to notes to the Consolidated financial statements.</b></p> <p><b>Clarification on above is given in "Director's view on auditor's observation" in Director's report.</b></p> <p>Purearth Infrastructure Limited, a joint venture company, has received advances Rs. 3,730.08 lacs (Group's share in advances of joint venture are Rs. 612.26 lacs) for sale bookings of units in its Plaza 4 of Central Square Project (referred as 'said Project'). The said advances have been shown as 'advances from customers' under other current liabilities. The management of the joint venture company is yet to draw up construction plans for said Project. Further, the revenue including price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived with the booking holders of the said Project cannot be determined at this stage. Thus, the likely losses for such bookings under the 'Plaza 4 of Central Square Project' could not be estimated and hence have not been provided in the financial Statement of the joint venture company. (Refer note 40 to the consolidated financial statements annexed.)</p> <p><b>Emphasis of Matter</b></p> <p><b>Refer note 31 to notes to the Consolidated financial statements.</b></p> <p><b>Clarification on above is given in "Director's view on auditor's observation" in Director's report</b></p> <p>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) 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 "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 the Auditors 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. The Auditors' opinion is not qualified in respect of this matter (refer note 30 of notes to Financial Statements annexed).</p>



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<p>6. Additional comments from the board/audit committee chair</p>	<p><b>In respect to Qualification</b></p> <p>The Company is having 16.41% equity interest in a joint venture company. The majority stake in the said joint venture Company is held by Joint venture partners.</p> <p>In terms of Accounting Standard (AS) – 27 “Financial Reporting of interest in joint venture”, the Company is required to consolidate its interest in joint venture company using proportionate consolidation.</p> <p>The qualification appearing in financial statements of joint venture company has been dealt in the consolidated financial statements of the Company. The said qualification in the financial statements of joint venture company has been appearing in respect of accounting of likely losses for the bookings under the Plaza 4 of Central Square Project of Joint Venture Company (referred as ‘said Project”).</p> <p>The management of the joint venture company is yet to draw up construction plans for said Project. Further, the revenue including price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived with the booking holders of the said Project cannot be determined at this stage. Thus the likely losses for such bookings under the Plaza 4 of Central Square Project could not be estimated and hence have not been provided in the financial statements of the joint venture company.</p>
<ul style="list-style-type: none"> <li>• Chairman and Managing Director</li> <li>• Chairman (Audit Committee)</li> <li>• Chief Operating and Financial Officer</li> <li>• Auditors of the Company</li> </ul>	<div style="text-align: right;">   <b>(Jitendra Tuli )</b> </div> <div style="text-align: right;">   <b>(Bipin Maira)</b> </div> <div style="text-align: right;">   <b>(Sumant Bharat Ram)</b> </div> <div style="text-align: right;">  </div> <p>Refer our audit report dated May 28, 2014 on the Consolidated Financial Statements of the Company  <b>For A.F. Ferguson &amp; Co.</b>  Chartered Accountants  (Firm Registration No. 112066W)</p> <div style="text-align: right;">   <b>Manjula Banerji</b>  Partner  (Membership No. 086423) </div> <p><b>New Delhi, May 28, 2014</b></p>

