



September 04, 2019

✓ **BSE Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001

**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051

**Scrip Code: 502820/DCM**

**Sub. Notice of 129<sup>th</sup> Annual General Meeting along with Annual Report of the Company for FY 2018-19**

Dear Sir,

This is in continuation of our letter dated August 22, 2019 informing that 129<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Monday, September 30, 2019 at 11:00 AM at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054.

Pursuant to Regulation 30 read with Schedule III Part A Para A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find attached Notice of aforesaid 129<sup>th</sup> Annual General Meeting along with Annual Report of the Company for financial year 2018-19.

You are requested to kindly take the same on record.

Thanking You,

Yours truly,

For DCM Limited

  
Yadvinder Goyal  
Company Secretary



Encl.: As stated above

DCM  
LIMITED  
ANNUAL  
REPORT

BOARD OF DIRECTORS

Dr. Vinay Bharat Ram  
*Chairman and Managing Director*

Mr. Sumant Bharat Ram

Mr. Bipin Maira

Mr. Jitendra Tuli

Mr. Krishna Singh Nangyal  
*Nominee of LIC*

Mr. Ravi Vira Gupta

Prof. Sudhir Kumar Jain

Mr. Sushil Kapoor  
Whole-Time Director designated as Executive Director (Engineering Business)

Mr. Dinesh Dhiman  
Whole-Time Director designated as Executive Director (Engineering Operation)

CHIEF FINANCIAL OFFICER

Mr. Ashwani Singhal

COMPANY SECRETARY

Mr. Yadvinder Goyal

BANKERS

State Bank of India

HDFC Bank Limited

ICICI Bank Limited

AUDITORS

BSR & Co. LLP

Gurugram

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited  
F-65, Okhla Industrial Area,  
Phase-I, New Delhi-110 020  
Tel : 91-11-41406149-52  
Fax : 91-11-41709881

## Notice of Annual General Meeting

### 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 129<sup>th</sup> Annual General Meeting of DCM Limited ('the Company') will be held on Monday, September 30, 2019 at 11:00 A.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054 for transacting the following business:**

#### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the audited standalone financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon; and
  - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2019 together with Report of Auditors thereon.
2. To appoint a director in place of Dr. Vinay Bharat Ram, (DIN 00052826), who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

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

**"RESOLVED THAT** Mr. Sumant Bharat Ram (DIN 00052833), who was appointed by the Board of Directors as an Additional Director of the Company on the recommendations of Nomination & Remuneration Committee, with effect from April 1, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 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 a Director of the Company, liable to retire by rotation.

**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."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulations 17(1A), 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Jitendra Tuli, (DIN: 00272930), aged around 79 years, 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 for a term of five consecutive years commencing with effect from August 12, 2019 upto August 11, 2024, not liable to retire by rotation.

**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."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulations 17(1A), 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Ravi Vira Gupta, (DIN: 00017410), aged around 81 years, 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 Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing with effect from August 4, 2019 upto August 3, 2024, not liable to retire by rotation.

**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 a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulations 17(1A), 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Bipin Maira, (DIN: 05127804), aged around 79 years, 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 Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing with effect from August 4, 2019 upto August 3, 2024, not liable to retire by rotation.

**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 a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulations 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Sudhir Kumar Jain, (DIN: 06419514), 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 Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing with effect from August 4, 2019 upto August 3, 2024, not liable to retire by rotation.

**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 a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulations 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Dr. Meenakshi Nayar, (DIN: 06866256), 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 Independent Director, be and is hereby re-appointed as an Independent Woman Director of the Company for a second term with effect from August 4, 2019 upto August 6, 2019, not liable to retire by rotation.

**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 a **Special Resolution**:

“**RESOLVED THAT** subject to approval of shareholders of the Company to the resolution no. 2 for appointment of Dr. Vinay Bharat Ram (DIN 00052826), as a director of the Company liable to retire by rotation, of this notice of the 129<sup>th</sup> Annual General Meeting of the Company and pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded for continuation of the appointment of Dr. Vinay Bharat Ram (DIN 00052826), aged around 83 years, as a Director of the Company, (whose office of director is liable to retire by rotation and whose continuation in office with effect from September 27, 2019, requires approval of shareholders by way of special resolution), for his remaining term of office with effect from September 27, 2019 upto the period till he retires by rotation or ceases to be director of the company.

**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 recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and Schedule – V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Sushil Kapoor (DIN: 02481289), as Whole-Time Director of the Company designated as Executive Director (Engineering Business) w.e.f. January 15, 2019 for a period of three (3) years from January 15, 2019

upto January 14, 2022 on the remuneration and terms and conditions as given below:

Sl. No.	Particulars	Amount in Rs. (Per Month)	Amount in Rs. (Per Annum)
1	Salary	8,55,000	1,02,60,000
2	Car Allowance	60,000	7,20,000
	<b>Total</b>	<b>9,15,000</b>	<b>1,09,80,000</b>

He shall be entitled for annual increase in his aforesaid remuneration as may be decided by the Board of Directors of the Company on recommendations of the Nomination and Remuneration Committee, from time to time, however the same shall not exceed Rs. 1,00,000/- per month or Rs. 12,00,000/- per annum, at each occasion of the annual increment.

He shall also be entitled to following:

- Performance Bonus linked to the achievement of targets, as may be defined by the Board of Directors of the Company and/or its committee(s), subject to maximum limit of Rs. 50 lacs per annum.
- Telephone expenses

He shall not be entitled to any retirement benefits like Gratuity, Provident Fund, Superannuation and Leave Encashment etc.

**Other Terms and Conditions:**

- The Board may in its discretion pay to him lower remuneration than the maximum remuneration stipulated hereinabove and revise it from time to time within the limits stipulated herein or if it exceeds, then with the necessary approvals, if any, at the appropriate point of time.
- For the discharge of duties, Mr. Sushil Kapoor shall report to and derive his authorities and functional responsibilities from the Chairman and Managing Director and/or Board of Directors of the Company.
- Subject to overall superintendence, direction and control of the Board of Directors, Mr. Sushil Kapoor shall look after the working of and shall manage the day to day affairs of the ‘DCM Engineering Product’, a Unit of DCM Limited (referred as ‘Engineering Division’) situated at Village Asron, Tehsil Balachur, District Shaheed Bhagat Singh Nagar, Punjab.
- Either party may terminate the appointment by giving to the other, 3 calendar months’ notice in writing.
- In the event of termination of appointment by the Company, he shall not be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013.
- Remuneration for a part of the year shall be computed on a pro-rata basis.
- He shall not be entitled to any sitting fees for attending the meeting(s) of Board of Directors or Committee(s) thereof of the Company.

**RESOLVED FURTHER THAT** pursuant to provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Rules issued there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, the remuneration as set out above, be paid as minimum remuneration to Mr. Sushil Kapoor, Whole-Time Director, designated as Executive Director (Engineering Business) of the Company, subject to such approvals as may be necessary, notwithstanding that in any relevant financial year(s) of the Company during his tenure as Whole-Time Director, the Company has no profit or its profits are inadequate under Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors (constituted or to be constituted) or Director(s) or officer(s) or any other person(s) to give effect to the aforesaid resolution.”

11. 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 Section 148 and all other applicable provisions 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), the remuneration of Rs. 1,25,000/- (Rupees one lac and twenty five thousand only) plus GST & out-of-pocket expenses, if any, payable to M/s V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2019-20, for audit of the Cost Accounts pertaining to Cast Iron Unit of the Company namely ‘DCM Engineering Products’ located at Shaheed Bhagat Singh Nagar, Punjab, be and is hereby ratified and confirmed.

**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.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the enabling provisions in the Memorandum of Association and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to all such other approvals, sanctions, consents and permissions, to the extent applicable and necessary, approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include a Committee constituted by the Board to exercise the powers conferred on the Board by this Resolution), to sell, transfer, hive-off and/or otherwise dispose of as a going concern by way of slump sale (as defined in Section 2 (42C) of Income Tax Act 1961), Engineering Business conducted by the Company under the undertaking, namely, ‘DCM Engineering Products’ located at Village Arson, Shaheed Bhagat Singh Nagar, Punjab-140001, together with all assets, whether tangible or intangible, moveable or immovable, licenses, rights, titles, interests, permits, consents, approvals, privileges, claims, resources, debts, liabilities, encumbrances/mortgages and obligations of every nature related to said undertaking (“Business Undertaking”) including employees engaged therein to DCM Tools & Dyes Limited (hereinafter referred to as the “Buyer”), a wholly owned subsidiary of the Company, for such consideration and on such terms and conditions and in such manner as may be decided by the Board, with effect from such date and in such manner as the Board deems appropriate with power to the Board of Directors to finalise the terms and conditions as well as the means, methods or modes in respect thereof and to finalise and execute all the required documents, memoranda, deeds of assignment/conveyance and other incidental transactional documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and / or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorised and empowered to execute the documents, deeds or writings required to be executed in relation to the transfer and vesting of the Business Undertaking and other incidental documents, make applications to regulatory and governmental authorities for the purposes of obtaining all approvals, consents, permissions and sanctions required by the Company and to do all acts and deeds as may be necessary, proper, desirable and / or expedient to give effect to this resolution, to settle any questions, difficulties or doubts that may arise in regard to such sale/disposal and transfer of the Business Undertaking as they may in their absolute discretion deem fit.”

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

“**RESOLVED THAT** pursuant to Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, if any, and the relevant rules made thereunder (including any amendment thereto or re-enactment thereof), the Memorandum and Articles of Association of the Company, and subject to all such approvals, consents, sanctions and permissions, to the extent applicable and necessary, consent and approval of the members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include a Committee constituted by the Board to exercise the powers conferred on the Board by this Resolution) for sale/transfer/disposal of more than 50% of its shareholding in its wholly owned subsidiary, DCM Tools & Dyes Limited (hereinafter referred to as ‘DTDL’) and/or dilution of the shareholding in DTDL on account of further issue of shares by DTDL to the prospective strategic/financial partner(s) in the business of DTDL, resulting in reduction of shareholding of the Company in DTDL to less than 50% or cease the exercise of control of the company over DTDL for such consideration and on such other terms and conditions as may be agreed by the Board of Directors of the Company with the strategic partner while granting their consent.

**RESOLVED FURTHER THAT** pursuant to Regulation 24(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, if any, and the relevant rules made thereunder (including any amendment thereto or re-enactment thereof), the Memorandum and Articles of Association of the Company, and subject to all such approvals, consents, sanctions and permissions, to the extent applicable and necessary, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include a Committee constituted by the Board to exercise the powers conferred on the Board by this Resolution) for sell, transfer, dispose of assets and/or the whole or substantially the whole of the undertaking or one or more undertakings of DTDL as a going concern for such consideration and on such other terms and conditions as may be agreed by the Board of Directors of both DCM Limited and DTDL.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions the Board of Directors of the Company, be and are hereby authorized to take such actions and to give all such directions as may be necessary or desirable and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

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

**By order of the Board of Directors  
For DCM Limited**

**Place :** New Delhi  
**Date :** August 12, 2019

**Sd/-  
Yadvinder Goyal  
Company Secretary**

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item nos. 3 to 13 under Special Business of this Notice is annexed hereto.
2. M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022), were appointed as Statutory Auditors of the Company at the 125<sup>th</sup> Annual General Meeting (AGM) held on August 18, 2015 for a period of 5 years from the conclusion of 125<sup>th</sup> AGM held on August 18, 2015 to hold office till conclusion of 130<sup>th</sup> AGM of the Company subject to ratification of their appointment by the members at every intermittent AGM of the Company. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this 129<sup>th</sup> AGM of the Company.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT AGM 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 and rules made thereunder, 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.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).
5. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
6. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated through Attendance Slip. Members, Proxies and Authorised representatives are requested to bring the duly completed & signed Attendance Slip enclose herewith to attend the AGM.
7. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MCS, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members are requested to bring their copy of Annual Report.
10. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
11. 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.
12. Notice of the 129<sup>th</sup> AGM along with the Annual Report 2018-19 is being sent by electronic mode to those members whose email addresses are registered with the company / Depositories. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website [www.dcm.in](http://www.dcm.in) and on the website(s) of (<https://www.bseindia.com>) BSE, (<https://www.nseindia.com>) NSE and (<https://www.evoting.nsdl.com>) NSDL.
13. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('SEBI Listing Regulations'), securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members are requested to get in touch with any Depository Participant ("DPs") having registration with SEBI to open a Demat account or alternatively, contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agents Limited (MCS) for assistance in this regard. You may visit website of depositories viz., NSDL or CDSL or websites of stock exchanges for further understanding about the demat procedure.
14. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with MCS in case the shares are held by them in physical form.
15. The Securities and Exchange Board of India (SEBI) 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 Share Transfer Agent Limited.
16. As per SEBI Listing Regulations, for securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) (including joint holders) shall furnish copy of PAN card to the Company for registration of such transfer of securities. Accordingly, all the shareholders/ transferor(s) / transferee(s) of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
17. As per SEBI Listing Regulations, it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/ RTA/ DPs, as the case may be.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to MCS in case the shares are held in physical form.
19. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.dcm.in](http://www.dcm.in). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to MCS in case the shares are held in physical form.

20. 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/will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, from time to time, in accordance with applicable provisions of the Companies Act, 1956 and / or the Companies Act, 2013.
21. Also, in terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.
22. Any person whose shares, unclaimed/un-encashed dividend, matured deposits, matured debentures, or interest thereon, have been transferred to the IEPFA, can claim back the shares or apply for refund from IEPFA, as the case may be, by making an application to the IEPFA, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. Therefore, it is in the interest of deposit-holders/debenture-holders/ shareholders to claim the unclaimed / un-encashed amount of dividend, matured deposits, matured debentures or interest thereon with in scheduled time.
23. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays & Public Holidays) during 11.00 a.m. to 2.00 p.m. up to one day prior to date of the Meeting.
24. The relevant details as required under Regulations 26(4) and 36(3) of SEBI Listing Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of directors seeking appointment /re-appointment at this 129<sup>th</sup> AGM under Item No. 2, 3-10 of Notice of this 129<sup>th</sup> AGM, are provided at page nos. 13-15 of the Annual Report.
25. The route map to the venue of the 129<sup>th</sup> AGM is given at page no. 16 of this Annual Report.

**26. Voting through electronic means**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder and the Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The instructions for remote e-voting are as under:
- II. Mrs. Pragnya Parimita Pradhan, Company Secretary in whole-time practice, Proprietor of M/s Pragnya Pradhan & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting at AGM in a fair and transparent manner.
- III. The facility for voting through polling paper shall also be made available at the AGM and Members attending the AGM who have

not already cast their vote by remote e-voting shall be able to vote at the AGM.

- IV. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- V. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
- VI. The details of the process and the manner for remote e-voting are explained herein below:

**A. In case a Member receives an email from NSDL:**

- i. Open the PDF file 'DCM remote 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.nsd.com/>
- iii. Click on Shareholder - Login.
- iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
- v. Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. 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 remote e-Voting –Active Voting Cycles.
- vii. Select 'EVEN' (i.e. Remote e-voting Event Number) 111547 of DCM Limited.
- viii. Now you are ready for remote 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 confirmed your vote on the resolution, you cannot 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 [pragnyap.pradhan@gmail.com](mailto:pragnyap.pradhan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM:**

- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM, in the manner as stated below:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN
-	-	-

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

**C. General Guidelines for members:**

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- ii. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact NSDL at toll free no. 1800- 222-990. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

*Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID).*

*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No. + Folio No.).*

- VII. The remote e-voting period commences on Friday, September 27, 2019 (9.00 a.m. IST) and ends on Sunday, September 29, 2019 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, September 23, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- VIII. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on Monday, September 23, 2019 i.e. cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at AGM through polling paper.
- IX. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.
- X. The result shall be declared not later than 48 hours from conclusion of this Annual General Meeting. The result declared shall be communicated to BSE Limited, National Stock Exchange of India Limited, National Securities Depository Limited (NSDL), MCS Share Transfer Agent Limited (i.e. Registrar & Share Transfer Agent of the Company) and shall also be displayed on the website of the Company i.e. [www.dcm.in](http://www.dcm.in)
- XI. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on date of Annual General Meeting i.e. September 30, 2019.

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

**Item No. 3**

The Board of Directors of the Company have appointed Mr. Sumant Bharat Ram as an Additional Director of the Company with effect from April 1, 2019, 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, he would hold office as such up to the date of forthcoming Annual General Meeting of the Company.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Sumant Bharat Ram for the office of director of the Company.

Keeping in view his experience and knowledge, it will be in the interest of the Company that Mr. Sumant Bharat Ram is appointed as Director of the Company, liable to retire by rotation.

Mr. Suman Bharat Ram is son of Dr. Vinay Bharat Ram, Chairman & Managing Director and Promoter of the Company. He also forms part of Promoter Group of the Company and holds (90,66,584 equity shares) 48.54% of paid up share capital of the Company through himself and his relatives. Other than Mr. Sumant Bharat Ram and Dr. Vinay Bharat Ram and their 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 at Item No. 3 of this Notice.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 3 of this Notice for approval of the members of the Company.

**Item No. 4**

Mr. Jitendra Tuli, aged 79 years (date of birth 20<sup>th</sup> September, 1939) was appointed as Non-Executive Director of the Company under Section 149 and 152 of the Companies Act, 2013 and Rules made there under, liable to retire by rotation.

Pursuant to recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 12, 2019 have appointed Mr. Jitendra Tuli as Independent Director of the Company for a term of 5 (five) consecutive years with effect from August 12, 2019 upto August 11, 2024 subject to approval by the members of the Company.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), with effect from 1<sup>st</sup> April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Jitendra Tuli is more than 75 years of age as on date of this notice of 129<sup>th</sup> Annual General Meeting i.e. August 12, 2019 Accordingly as per Regulation 17(1A) of SEBI Listing Regulations, appointment of Mr. Jitendra Tuli, as Non-Executive Independent Director of the Company with effect from August 12, 2019 shall also require approval of shareholders by way of special resolution under Regulation 17(1A) of SEBI Listing Regulations.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, brief justification for appointment of Mr. Jitendra Tuli, as Non-Executive Independent Director on the Board of the Company with effect from August 12, 2019 is as under:

Mr. Jitendra Tuli obtained his Post Graduate Diploma from London School of Journalism and attended the School of Public Relations and Communications at Boston University, USA. Mr. Jitendra Tuli is an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for 19 years till 1996. He has written for leading Newspapers and Magazines. He is deeply involved in the work for the less privileged ones, as trustee of Amarjyoti Charitable Trust and as founder member of Cancer Sehyog. Mr. Jitendra Tuli was Chairman of the Company for the period from December 20, 2011, to January 29, 2016, and has also served as Managing Director of the Company for the period from December 20, 2012 to January 29, 2016. His track record of managing the Company is also a plus for the Board.

Mr. Jitendra Tuli has around 55 years of vast experience in communications, external relations, media management and social responsibility. Due to his long association with the Company including in his capacity as Chairman & Managing Director of the Company in the past, he has ample experience and understanding of the business of the Company. In view of Board, the presence of Mr. Jitendra Tuli on the Board further enhances the diversity of the Board in terms of its composition.

The Board, based on the recommendation of Nomination and Remuneration Committee, considered that given his background, experience and contribution, the continued association of Mr. Jitendra Tuli would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director of the Company.

The Company has received declaration from Mr. Jitendra Tuli to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Jitendra Tuli fulfills the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations for his appointment as Independent Director and is independent of the management of the Company.

In terms of Section 160 of the Companies Act, 2013, The Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Jitendra Tuli for the office of director of the Company.

Mr. Jitendra Tuli is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Other than Mr. Jitendra Tuli, his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Special Resolution as set out in Item No. 4 of this Notice.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 4 of this Notice for approval of the members of the Company.

#### **Item Nos. 5 & 6**

Mr. Ravi Vira Gupta and Mr. Bipin Maira were appointed as Independent Directors of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from August 4, 2014 upto August 3, 2019.

Pursuant to performance evaluation and recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 29, 2019 have re-appointed Mr. Ravi Vira Gupta and Mr. Bipin Maira as Independent Director(s) of the Company for second term of 5 (five) consecutive years with effect from August 4, 2019 upto August 3, 2024 subject to approval by the members by Special Resolution in the ensuing Annual General Meeting of the Company.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), with effect from 1<sup>st</sup> April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Ravi Vira Gupta, aged 81 years (date of birth 19<sup>th</sup> November, 1937) and Mr. Bipin Maira aged 79 years (date of birth 7<sup>th</sup> November, 1939) are more than 75 years of age as on date, Accordingly as per Regulation 17(1A) of SEBI Listing Regulations, re-appointment of Mr. Ravi Vira Gupta and Mr. Bipin Maira, as Non-Executive Independent Directors of the Company with effect from August 4, 2019 shall also require approval of shareholders by way of special resolution under Regulation 17(1A) of SEBI Listing regulations.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, brief justification for re-appointment of Mr. Ravi Vira Gupta and Mr. Bipin Maira as Non-Executive Independent Directors on the Board of the Company with effect from August 4, 2019 is as under:

Mr. Ravi Vira Gupta joined the Indian Administrative Service 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 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.

Mr. Ravi Vira Gupta possess rich and diverse experience. His professional profile and proven experience in business domain is a valuable asset to the Company which adds diversity and enriched points of view in the Board's discussions. He has all round experience in various functions of managing business enterprises.

Mr. Bipin Maira has around 54 years of industry experience. He started his career with Delhi Cloth & General Mills Co. Ltd. as Senior Management Trainee in 1962 & grew to the position of General Manager of DCM before leaving in 1982. He has 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 & H R. Currently since 2007, as Group H R Advisor, to the Singapore-based Kewalram Chennai Group.

Mr. Bipin Maira's judgment and commercial knowledge of industry and manufacturing operations are very important element in the debates and business decisions adopted by the Board of Directors. Mr. Bipin Maira inspire great confidence to the Board.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considered that given their background, experience and contribution, the continued association of Mr. Ravi Vira Gupta and Mr. Bipin Maira would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors of the Company.

The Company has received declaration(s) from Mr. Ravi Vira Gupta and Mr. Bipin Maira to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations. In terms of regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, Mr. Ravi Vira Gupta and Mr. Bipin Maira fulfill the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company.

In terms of Section 160 of the Companies Act, 2013, The Company has received notices in writing from a member signifying his intention to propose the candidature of Mr. Ravi Vira Gupta and Mr. Bipin Maira for the office of directors of the Company.

The said Independent Directors are not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Other than Mr. Ravi Vira Gupta and Mr. Bipin Maira, their respective relatives, for their respective appointments, none of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in their respective Special Resolutions as set out in Item Nos. 5 & 6 of this Notice.

Accordingly, the Board recommends the Special Resolutions as set out at Item Nos. 5 & 6 of this Notice for approval of the members of the Company.

#### **Item Nos. 7 & 8**

Mr. Sudhir Kumar Jain and Dr. Meenakshi Nayar were appointed as Independent Directors of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from August 4, 2014 upto August 3, 2019.

Pursuant to performance evaluation and recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 29, 2019 have re-appointed Mr. Sudhir Kumar Jain and Dr. Meenakshi Nayar as Independent Director(s) of the Company for second term of 5 (five) consecutive years with effect from August 4, 2019 upto August 3, 2024 subject to approval by the members by Special Resolution in the ensuing Annual General Meeting of the Company.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considered that given their background, experience and contribution, the continued association of Mr. Sudhir Kumar Jain and Dr. Meenakshi Nayar would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors of the Company.

The Company has received declaration(s) from Mr. Sudhir Kumar Jain and Dr. Meenakshi Nayar to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In

terms of regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, Mr. Sudhir Kumar Jain and Dr. Meenakshi Nayar fulfill the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company.

However, subsequently Dr. Meenakshi Nayar has resigned and ceased to be Independent Director of the Company w.e.f. August 6, 2019. Accordingly members approval is sought for re-appointment of Dr. Meenakshi Nayar as Independent Director of Company only for the period from August 4, 2019 to August 6, 2019.

The said Independent Directors are not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Other than Mr. Sudhir Kumar Jain and Dr. Meenakshi Nayar, their respective relatives, for their respective appointments, none of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in their respective Special Resolutions as set out in Item Nos. 7 & 8 of this Notice.

Accordingly, the Board recommends the Special Resolutions as set out at Item Nos. 7 & 8 of this Notice for approval of the members of the Company.

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

Dr. Vinay Bharat Ram, retires by rotation at this 129<sup>th</sup> Annual General Meeting of the Company and being eligible offers himself for re-appointment as a director of the Company. Accordingly, an ordinary resolution as set out at Item No. 2 for his appointment as a director of the Company, liable to retire by rotation, forms part of this Notice of 129<sup>th</sup> Annual General Meeting of the Company, for seeking approval of members of the Company.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), with effect from 1<sup>st</sup> April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Dr. Vinay Bharat Ram, aged 83 years (date of birth 18<sup>th</sup> February, 1936) is more than 75 years of age as on date of this notice of 129<sup>th</sup> Annual General Meeting i.e. August 12, 2019 and accordingly as per Regulation 17(1A) of SEBI Listing Regulations, his continuation in his capacity as a Director of the Company, liable to retire by rotation, with effect from September 27, 2019 shall require approval of shareholders by way of special resolution.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, brief justification for his continuation as Director of the Company, liable to retire by rotation, with effect from September 27, 2019 is as under:

Dr. Vinay Bharat Ram is educated from the University of Delhi (BA), Michigan University (MBA) and Harvard Business School (MDP) and holds Ph. D in Economics from the University of Delhi. He has wide industry experience of around 53 years. He was Chief Executive Officer of the Company. Thereafter, he is acting as Managing Director of the Company with effect from January 30, 2016.

Dr. Vinay Bharat Ram has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. He has outstanding knowledge/ vast experience in the industry. The Board of Directors are of the opinion that in view of his educational background, role & responsibilities undertaken by him and in order to have his continuous guidance & leadership in the business of the Company, he shall continue in his capacity as a Director of the Company, liable to retire by rotation.

Dr. Vinay Bharat Ram is father of Mr. Suman Bharat Ram, director of the Company. He is also Promoter of the Company and holds (90,66,584 equity shares) 48.54% of paid up share capital of the Company through himself and his relatives. Other than Dr. Vinay Bharat Ram and Mr. Sumant Bharat Ram and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the aforesaid Special Resolution as set out at Item No. 9 of this Notice.

Further, the Special Resolution as set out at Item No. 9 of this Notice of 129<sup>th</sup> Annual General Meeting of the Company, for approval of the members of the Company, is subject to approval of ordinary resolution as set out at Item No. 2 of this Notice of 129<sup>th</sup> Annual General Meeting of the Company, by members of the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 9 of this Notice for approval of the members of the Company.

**Item No. 10**

The Board of Directors of the Company, on the recommendations of Nomination & Remuneration Committee, have re-appointed Mr. Sushil Kapoor as Whole-time director designated as Executive Director (Engineering Business) of the Company for a period of three (3) years with effect from January 15, 2019 upto January 14, 2022, subject to the approval of members, on payment of remuneration and on such terms and conditions as stated in the resolution.

It is proposed to seek the members' approval for the re-appointment of Mr. Sushil Kapoor, as Whole-time director designated as Executive Director (Engineering Business) of the Company, by way of Special Resolution, as required under Schedule V and sub-section (3) of Section 196 of the Companies Act, 2013.

Keeping in view that Mr. Sushil Kapoor has rich and varied experience in the Industry, it would be in the interest of the Company to re-appoint Mr. Sushil Kapoor as Whole-time director designated as Executive Director (Engineering Business) of the Company.

The proposed remuneration is in line with the remuneration being paid to the Whole Time Directors in the Industry for similar sized Companies. Further, the educational background, experience and job profile of Mr. Sushil Kapoor justify his entitlement to the remuneration proposed as above in resolution no.10.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution as set out under item no. 10 of this Notice for the approval of members of the Company.

None of the directors and Key Managerial Personnel and their relatives except Mr. Sushil Kapoor and his relatives are interested or concerned, financially or otherwise, in the aforesaid resolution as set out under item no. 10.

The information required to be disclosed in the explanatory statement to the Notice as per item (iv) to third proviso of Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

**I. GENERAL INFORMATION:**

(1)	Nature of Industry	The Company is primarily engaged in the business of production / sale of Grey Iron Castings, Cotton Textile Yarn, and IT Infrastructure Services.
(2)	Date of or expected date of commencement of commercial production :	<p>DCM Limited established in 1889 has been engaged in diversified business over the years. Presently, the Company is in following businesses:</p> <p><b>a. Engineering Business:</b> DCM Engineering Products (Division of the Company) is primarily engaged inter alia in the manufacturing and supply of castings across all segments in automotive market: car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipment etc. The plant is located at Shaheed Bhagat Singh Nagar, Punjab with capacity of 72,000 MT per annum. It is associated with top automotive players and specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings.</p> <p><b>b. IT Business:</b> The IT Division of the Company is an established service provider for managed IT Services globally. The Division has over a decade's experience in IT Infrastructure services specializing in networking, analytics, cloud, and digital technologies.</p> <p><b>c. Textile Business:</b> DCM Textile (Division of the Company) is engaged in production / sale of Cotton Textile Yarn having an installed capacity of 1,14,096 spindles. The plant is located at Hisar, Haryana. Textile division is highly focused on exports with around 50% turnover in export market.</p> <p>Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide its Order dated May 01, 2019 has sanctioned the Scheme of Arrangement between the Company and DCM Nouvelle Limited ('Resulting Company'), for the demerger of the cotton textile business undertaking of DCM Limited and vesting of the same with Resulting Company, on a going concern basis with effect from appointed date of April 1, 2019. The said scheme has become effective on May 13, 2019. Accordingly, the cotton textile business undertaking of the Company stand transferred and vested in the Resulting Company with effect from April 1, 2019.</p>
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not applicable

(4) Financial Performance based on the given indicators:

(Rs. Lacs)

Particulars	FY 2018-19 *	FY 2017-18	FY 2016-17
Revenue from operations	1,10,004.08	97,058.03	99,020.49
Other income	1,134.06	896.46	1,564.92
Total Income	1,11,138.14	97,954.49	100,585.41
Other expenditure	1,04,658.94	95,272.14	94,167.45
Finance costs	2,755.20	2,613.03	3,017.85
Depreciation and amortisation	3,443.82	3,624.32	3,637.19
Profit/ (loss) before tax	280.18	(3,555.00)	(237.08)
Provision for taxation (including deferred taxes)	80.55	(0.74)	13.50
Profit/ (loss) after tax	199.63	(3,554.26)	(250.58)

\* includes financial figures of cotton textile business undertaking of the Company which stand transferred and vested into DCM Nouvelle Limited ('Resulting Company') w.e.f. appointed date of 01.04.2019 pursuant to sanction of Scheme of Arrangement between the Company and DCM Nouvelle Limited by Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide its Order dated May 01, 2019.

(5) Foreign investments or collaborators, if any: NIL

## II) INFORMATION ABOUT THE APPOINTEE

(1)	Background Details	<p>Mr. Sushil Kapoor is B. Tech in Mechanical Engineering from IIT, Delhi and has also completed Professional course on Strategy &amp; Organization from Stanford University.</p> <p>Mr. Sushil Kapoor had joined DCM Group as Management Trainee in 1982 and has work experience of over 35 years at various positions with the SRF Limited across Engineering, Chemical and Textiles business segments.</p> <p>Mr. Sushil Kapoor was CEO of Technical Textiles Business of SRF Ltd. from June 2005 till Sep 2017, comprising of 6 business segments, 7/8 manufacturing units, 3500 employees with a revenue in the range of 2000-2200 crores.</p> <p>He has well-rounded experience with:</p> <ul style="list-style-type: none"> <li>Multiple function exposure (purchasing, marketing, plant operations, projects etc.);</li> <li>Expertise in growing business segments organically and inorganically;</li> <li>Successful track record of turning around acquisitions, in India and overseas;</li> <li>Experience in running plants across multiple geographies (India, Dubai, South Africa, and Thailand);</li> <li>End to end experience of setting up plants, running them, acquiring them and turning them around, Profit Generation and Relocation etc.</li> </ul> <p>Mr. Sushil Kapoor was appointed as Whole-Time Director of the Company and designated as Executive Director (Engineering Business) for a period of one year with effect from January 15, 2018. His said term as Whole-Time Director of the Company and designated as Executive Director (Engineering Business) of the Company has completed on January 14, 2019.</p>
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(2)	Past Remuneration	N.A.
(3)	Recognition or Awards	DEMING APPLICATION PRIZE in 2004 for the global Tyre cord business for its TQM practices
(4)	Job Profile and his suitability	His 36 years of experience in multiple functions across Engineering, Chemical and textile business segments makes him suitable for re-appointment as Whole-time director designated as Executive Director (Engineering Business) of the Company. [Please refer point no. 1 above (i.e. Background details)].
(5)	Proposed Remuneration	As set out in the Special Resolution above relating to his re-appointment as Whole-Time Director, designated at Executive Director (Engineering Business) of the Company
(6)	Comparative Remuneration	The remuneration proposed to be paid to Mr. Sushil Kapoor is in line with the remuneration paid to the Whole-Time Directors of the similar sized companies in the Industry.
(7)	Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel; if any	Mr. Sushil Kapoor holds NIL equity shares in the Company.  Mr. Sushil Kapoor does not have any relationship financial or otherwise with managerial personal and the Board of Directors of the Company.

## III OTHER INFORMATION

(1)	Reasons of loss or inadequate profits	The Company has recorded net profit after tax of Rs. 2.28 Crores during the Financial Year 2018-19 against the net losses of Rs. 35.08 Crores during the financial year 2017-18. During the year 2018-19, the performance of the Textile Division has improved with higher profitability. However, the Engineering Division continue to make losses because of lower volume due to production constraints, primarily on account of IR issues, low demand in the last quarter of the year, decline in margin due to higher rejection, increase in cost and under recovery of fixed overheads.
(2)	Steps taken or proposed to be taken for improvement	The steps taken or proposed to be taken to improve the profitability inter-alia includes: <ul style="list-style-type: none"> <li>Focus on employee engagement activities and one to one informal interaction with workers at shop floor level to improve the morale of the workmen and cordial relations with them.</li> <li>Continued focus to achieve improved quality standard, skill set improvement and enhancement of machine efficiencies for better productivity and cost effectiveness across all areas of operations.</li> <li>Better product mix /development of new items to match with the increased market dynamics to further increase the market share and better realization.</li> <li>Implementation of new TQM modules to further improve the overall efficiency and cost effectiveness in the system.</li> </ul>

(3)	Expected increase in productivity and profits in measurable terms	The series of steps taken/to be taken by the company would increase productivity and profits. With these measures the company would expect increase in sales as well as cash accruals.
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'undertaking' is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180(1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' in any financial year, shall be twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

**IV) DISCLOSURES:**

The following disclosures are mentioned in the Board of Directors' Report and Corporate Governance Report, attached to the financial statement:

- (i) All elements of remuneration package such as salary, benefits and perquisites etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives alongwith the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Company has identified its business undertaking, namely, 'DCM Engineering Products' as 'substantial' in terms of Section 180(1)(a) of the Companies Act, 2013 and therefore requires members' approval by way of 'Special Resolution' for disposal of the said business undertaking.

The Board of Directors of the Company in their meeting held on May 29, 2019 noted that the Company has been running and operating following separate and independent business undertakings viz. (i) Engineering business undertaking namely, 'DCM Engineering Products', (ii) IT Business undertaking namely, 'DCM Data Products' and (iii) Real Estate Development. The Board further noted that Engineering business undertaking of the Company is uniquely positioned to be run as a dedicated entity targeted towards supplies to original equipment manufacturers (OEM) in automotive markets. In order to unlock value for business of manufacturing and supply of grey iron castings and also to explore opportunities to attract "capital plus technology" type of strategic partnership for said business of manufacturing and supply of grey iron castings, it was considered prudent by the Board that the Company should transfer Engineering business undertaking namely, 'DCM Engineering Products' to DCM Tools & Dyes Limited, (Buyer), a wholly owned subsidiary of the Company, on a going concern basis, by way of slump sale, and continue to run and operate the IT Business and Real Estate Development Business.

**Item No. 11**

After the demerger of Textile Division of the Company with effect from appointed date of April 1, 2019, the Company is required to appoint cost Auditor for financial year 2019-20 only in respect of Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab.

The Board of Directors of the Company at their meeting held on August 12, 2019 on the recommendation of the Audit Committee, have approved the appointment of M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2019-20, for audit of Cost Accounts pertaining to Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab at a remuneration of Rs. 1,25,000/- (Rupees one lac and twenty five thousand only) plus GST and out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rules issued thereunder, the remuneration payable to the Cost Auditor, as stated above, has to be ratified by members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for financial year 2019-20.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 11 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 11 of this Notice for approval of the members of the Company.

**Item No. 12**

Members of the Company are requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1)(a) of the Companies Act, 2013 states that the meaning of an

Accordingly, the Board, subject to approval of shareholders of the company, given its consent to sell, transfer, hive-off and/or otherwise dispose of as a going concern by way of slump sale (as defined in Section 2 (42C) of Income Tax Act 1961), the undertaking, namely, 'DCM Engineering Products' together with all assets, whether tangible or intangible, licenses, rights, titles, interests, permits, consents, approvals, privileges, claims, resources, debts, liabilities, encumbrances/ mortgages and obligations of every nature related to said undertaking ("Business Undertaking") including employees engaged therein to M/s DCM Tools & Dyes Limited (hereinafter referred to as the "Buyer"), a wholly owned subsidiary of the Company.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, members of the Company by way of a Special Resolution is required for sale or disposal of one or more undertakings of the Company.

Except in their capacity as shareholder of the Company, none of the directors, key managerial personnel or their relatives, have any concern or interest, financial or otherwise, in the said resolution no. - 12.

The Board recommends the Special Resolution as set out at Item No. 12 of this Notice for approval of the members of the Company.

**Item No. 13**

DCM Tools & Dyes Limited (hereinafter referred to as 'DTDL') is a wholly owned subsidiary of the Company.

On completion of proposed slump sale of company's business undertaking, namely, 'DCM Engineering Products' to DTDL, DTDL's income or net worth is expected to exceed 20% of the consolidated income or net worth of

the Company. Accordingly, in terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, DTDL will become material subsidiary of the Company.

The Company will explore opportunities to attract “capital plus technology” type of strategic partnership for said business of manufacturing and supply of grey iron castings and for that purpose it may have to:

- i. sell/transfer/dispose of more than 50% of its shareholding in said prospective material subsidiary, DTDL and / or dilution of the shareholding in DTDL on account of further issue of shares by DTDL to the prospective strategic partner(s) in the business of DTDL; and /or
- ii. to sell, transfer, dispose of assets and/or, the whole or substantially the whole of the undertaking or one or more undertakings of DTDL.

In view of the above, it was decided by the Board of Directors of the Company to sell, transfer or otherwise dispose of its existing / prospective shareholding in the said prospective material subsidiary and/or to sell, transfer, dispose of asset(s) and/or, the whole or substantially the whole of the undertaking or one or more undertakings of DTDL after completion of slump sale of the undertaking of the Company, namely, ‘DCM Engineering Products’ to DTDL.

Regulation 24(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, provides that no company shall dispose-off shares in its material subsidiary which would reduce its shareholding to less than 50% or cease to exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ National Company Law Tribunal.

Further, Regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, provides that selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution unless

the sale / disposal / lease is made under a scheme of arrangement duly approved by Court / National Company Law Tribunal.

Pursuant to aforementioned Regulation 24, sale, transfer or disposal and / or dilution of the shareholding of the Company in its material subsidiary (i.e. DTDL) or sale, transfer, disposal of assets and/or the whole or substantially the whole of the undertaking or one or more undertakings of DTDL shall require approval of the shareholders of the Company through a special resolution.

Further pursuant to Section 180(1)(a) of the Companies Act, 2013 shareholders’ approval is required by a Company to sell or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. An undertaking is defined to mean an undertaking in which the investment of a Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of a Company during the previous financial year. As a matter of abundant caution the Company proposes the special resolution set out under items no 13 pursuant to Section 180(1)(a) of the Companies Act, 2013.

Except in their capacity as shareholder of the Company, none of the directors, key managerial personnel or their relatives, have any concern or interest, financial or otherwise, in the said resolution no.13.

The Board recommends the Special Resolution as set out at Item No. 13 of this Notice for approval of the members of the Company.

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

**Place :** New Delhi  
**Date :** August 12, 2019

**By order of the Board of Directors  
For DCM Limited**

**Sd/-  
Yadvinder Goyal  
Company Secretary**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT 129<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY

Name of the Director	Dr. Vinay Bharat Ram	Mr. Sumant Bharat Ram	Mr. Jitendra Tuli	Mr. Ravi Vira Gupta
Director Identification Number (DIN)	00052826	00052833	00272930	00017410
Date of Birth	18.02.1936	13.04.1967	20.09.1939	19.11.1937
Date of Appointment	Appointed as an Additional Director of the Company w.e.f.29.01.2016; Appointed as Managing Director of the Company w.e.f.30.01.2016; Re-appointed as Managing Director of the Company w.e.f.30.01.2019.	Appointed as an Additional Director on the Board of Directors of the Company w.e.f.01.04.2019.	20.12.2005 (Appointed as Additional Director of the Company) 12.08.2019 (Appointed as Independent Director of the Company)	27.05.2013 (Appointed as Additional Director of the Company) 04.08.2014 (Appointed as Independent Director of the Company) 04.08.2019 (Re-appointed as Independent Director of the Company)
Qualification	B.A. (Hons.) Economics, University of Delhi, MBA, Michigan University (Ann Arbor), Management Development Programme, Harvard University, Ph.D. in Economics from University of Delhi	Bachelor degree in Economics (Honors) from Delhi University. Master's Degree from the University of Michigan, Ann Arbor, USA	B.Com (Hon.), Post Graduate Diploma from London School of Journalism. Attended the School of Public Relations and communications at Boston University, USA	IAS (Retd.)
Experience & Expertise in specific functional area	Industry and Management experience of more than five decades	He is having experience of more than 27 years of overall management of Finance, Legal and Corporate Affairs	He has around 55 years of vast experience in Communications, external relations, media management and social responsibility	He has around 57 years of experience in Finance, Economics and Operations Management
Profile of the Director	Dr. Vinay Bharat Ram was Past President of the Manufacturers' Association of Information Technology. Ex member of International Council of the Asia Society, New York, U.S.A. He was honored and admired as Member of the Textile Association of India. He is the recipient of the National Citizen's Award 1990 for Entrepreneurship from the Prime Minister of India and National Excellence Award for Art & Culture for 1996-97 from T.P. Jhunjhunwala Foundation. He was nominated as Life Trustee of the Institute of Economic Growth, Delhi by the Ex-Prime Minister Dr. Manmohan Singh. He is also Chairman of the Governing Board of Population Foundation of India.	Mr. Sumant Bharat Ram, hails from pioneering Industrialist family of Lala Shri Ram. Before joining DCM Limited he worked with Toyota Motor Corporation, Japan and SRF Limited. He also worked as Executive Vice Chairman & Managing Director of erstwhile DCM Engineering Limited.	Mr. Jitendra Tuli is an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for 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 Amarjyoti Charitable Trust and founder member of Cancer Sahyog.	Mr. Ravi Vira Gupta, joined the Indian Administrative Service 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 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.
Terms & Conditions of re-appointment along with details of remuneration sought to be paid and last drawn by him	The resolution no.-2 of notice of this AGM is in respect of appointment of Dr. Vinay Bharat Ram as a director of the Company liable to retire by rotation and resolution no.-9 of notice of this AGM is in respect of continuation of his appointment as a director of the Company liable to retire by rotation in terms of Regulation 17(1A) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, as amended from time to time. Dr. Vinay Bharat Ram is also Chairman and Managing Director of the Company. Accordingly, please refer page no. 37 for details of remuneration paid to him in his capacity as Managing Director of the Company.	Please refer respective Resolution no. 3 and explanatory statement in respect of said resolution no. 3 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.	Please refer Resolution no. 4 and explanatory statement in respect of said resolution no.-4 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and Committees thereof.	Mr. Ravi Vira Gupta is Non-Executive Independent Director of the Company. Please refer resolution no.-5 and explanatory statement in respect of Resolution No.-5 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.

Shareholding in the Company as on 31.03.2019	90,43,126 Equity Shares	13,806 Equity Shares	Nil	Nil
Relationship with other directors and KMPs of the Company	He is father of Mr. Sumant Bharat Ram, Director of the Company.	He is son of Dr. Vinay Bharat Ram, Chairman & Managing Director and Promoter of the Company.	Nil	Nil
No. of Meetings of Board attended during the year	6 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	Nil	6 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	5 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)
List of Companies in which outside directorship held	Purearth Infrastructure Ltd. Aggressar Leasing & Finance Pvt. Ltd.	Purearth Infrastructure Limited Strategic Image Management Ltd. DCM Data Systems Limited DCM Realty and Infrastructure Limited Aggressar Leasing & Finance Pvt. Ltd. Calpro Real Estate Pvt. Ltd. Kamayani Facility Management Pvt. Ltd. Vighanbara Estates Pvt. Ltd. Kamayani Properties Pvt. Ltd. Kamakshi Realty Pvt. Ltd. Kalparu Realty Pvt. Ltd.	DCM Nouvelle Limited	The Delhi Safe Deposit Company Limited DCM Nouvelle Limited True North Ventures Private Ltd.
Chairman/Member of the Committees of Board of Directors of Indian Companies	<b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Corporate Social Responsibility Committee <b>Membership(s) of Committees of the Board</b> Nil	<b>Chairmanship(s) of Committees of the Board</b> Nil <b>Membership(s) of Committees of the Board</b> Purearth Infrastructure Limited - Nomination & Remuneration Committee - Corporate Social Responsibility Committee	<b>Chairmanship(s) of Committees of the Board</b> Nil <b>Membership(s) of Committees of the Board</b> DCM Limited - Corporate Social Responsibility Committee - Share Transfer, Finance Facilities and Stakeholders Relationship Committee <b>DCM Nouvelle Limited</b> - Stakeholder & Finance Facilitation Committee	<b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Nomination & Remuneration Committee <b>Membership(s) of Committees of the Board</b> DCM Limited - Corporate Social Responsibility Committee - Audit Committee - Share Transfer, Finance Facilities and Stakeholders Relationship Committee <b>DCM Nouvelle Limited</b> - Nomination & Remuneration Committee
Name of the Director	Mr. Bipin Meira	Mr. Sudhir Kumar Jain	Dr. Meenakshi Nayyar	Mr. Sushil Kapoor
Director Identification Number (DIN)	05127804	06419514	06866236	02481289
Date of Birth	07.11.1939	21.09.1951	09/04.1953	11.09.1959
Date of Appointment	24.11.2011 (Appointed as Additional Director of the Company) 04.08.2014 (Appointed as Independent Director of the Company) 04.08.2019 (Re-appointed as Independent Director of the Company)	09.11.2012 (Appointed as Additional Director of the Company) 04.08.2014 (Appointed as Independent Director of the Company) 04.08.2019 (Re-appointed as Independent Director of the Company)	28.05.2014 (Appointed as Additional Director of the Company) 04.08.2014 (Appointed as Independent Director of the Company) 04.08.2019 (Re-appointed as Independent Director of the Company)	Appointed as an Additional Director on the Board of Directors of the Company w.e.f. 15.01.2018. Further, appointed as whole-time Director designated as Executive Director-Engineering business for 1 year w.e.f. 15.01.2018. Re-appointed as Whole-Time Director designated as Executive Director w.e.f. 15.01.2019 for a period of three years, subject to the approval of shareholders of the Company.
Qualification	Senior Cambridge from the Premier Public School Sherwood College, Nainital; 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)	MA (Psychology) from M S University, Vadodara; PPM (Ph.D) from IIM Ahmedabad in Organizational Behaviour	B. Tech in Mechanical Engineering from IIT, Delhi and has also completed Professional course on Strategy & Organization from Stanford University
Experience & Expertise in specific functional area	He has around 54 years of experience in Textile Operations and Management Consultancy & HR	He has around 39 years of experience in the areas of Managerial Economics, Entrepreneurship Management and Intellectual Property Rights.	She has experience of over more than two decades years in Management of Social Enterprises and Human Resources	He has experience of over 36 years across Engineering, Chemical and Textiles Business segments.

<p><b>Profile of the Director</b></p>	<p>Mr. Bipin Maïra started his career with Delhi Cloth &amp; General Mills Co. Ltd. as Senior Management Trainee in 1962 &amp; grew to the position of General Manager of DCM before leaving in 1982. He has 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 &amp; Partner with Resource Management Associates overseeing the International assignments in Management Consultation &amp; H R. Currently since 2007 as Group H R Advisor, to the Singapore-based Kewalram Chanrai Group.</p>	<p>Prof. Sudhir K. Jain is Professor, ABV School of Management &amp; Entrepreneurship, Jawaharlal Nehru University and Former Head of the Department of Management Studies, I.I.T. Delhi. Other important positions he has held include: Executive Director (DG), National Institute for Entrepreneurship &amp; Small Business Development (NIESBUD), Goa, and Vice Chancellor, Shri Mata Vaishno Devi University, Katra (J&amp;K) during 2013-16.</p>	<p>Dr. Meenakshi Nayyar is the Founder Chairperson of ETASHA Society, a not-for-profit organization that skills low-income communities for employment &amp; income generation, for which she has received several recognitions including the following:</p> <ul style="list-style-type: none"> <li>Recognised on "World CSR Day" in February 2017 among "50 Most Impactful Social Innovators (Global Listing)</li> <li>Recognised by Niti Aayog &amp; UNDP among 12 Women Transforming India in Sept. 2016</li> <li>Recognised by the PVR Group in March, 2016 among five Women for Purpose for contribution &amp; commitment towards creating real &amp; lasting change &amp; empowerment.</li> <li>Included in 40 extraordinary women from rural and urban India by Vodafone in a book showcasing stories of Women of Pure Strength in February 2015.</li> </ul> <p>She is also the Founder- Partner of EduServe Consultants, which works with Adolescents in schools in the areas of Career Guidance, Life Skills Development and Sexuality Education. Prior to this, Dr. Meenakshi Nayyar had worked for more than two decades in Human Resource Management and Development in the corporate sector, and for 4 years in Training &amp; Consultancy for Public sector organisations.</p>	<p>Mr. Sushil Kapoor had joined DCM Group as Management Trainee in 1982 and has work experience of over 35 years at various positions with the SRF Limited across Engineering, Chemical and Textiles business segments.</p> <p>Mr. Sushil Kapoor was CEO of Technical Textiles Business of SRF Ltd. from June 2005 till Sep 2017, comprising of 6 business segments, 7/8 manufacturing units, 3500 employees with a revenue in the range of 2000-2200 crores.</p> <p>He has well-rounded experience with:</p> <ul style="list-style-type: none"> <li>Multiple function exposure (purchasing, marketing, plant operations, projects etc.);</li> <li>Expertise in growing business segments organically and inorganically;</li> <li>Successful track record of turning around acquirers, in India and overseas;</li> <li>Experience in running plants across multiple geographies (India, Dubai, South Africa, and Thailand);</li> <li>End to end experience of setting up plants, running them, acquiring them and turning them around, Profit Generation and Relocation etc.</li> </ul>	<p>Mr. Sushil Kapoor had joined DCM Group as Management Trainee in 1982 and has work experience of over 35 years at various positions with the SRF Limited across Engineering, Chemical and Textiles business segments.</p> <p>Mr. Sushil Kapoor was CEO of Technical Textiles Business of SRF Ltd. from June 2005 till Sep 2017, comprising of 6 business segments, 7/8 manufacturing units, 3500 employees with a revenue in the range of 2000-2200 crores.</p> <p>He has well-rounded experience with:</p> <ul style="list-style-type: none"> <li>Multiple function exposure (purchasing, marketing, plant operations, projects etc.);</li> <li>Expertise in growing business segments organically and inorganically;</li> <li>Successful track record of turning around acquirers, in India and overseas;</li> <li>Experience in running plants across multiple geographies (India, Dubai, South Africa, and Thailand);</li> <li>End to end experience of setting up plants, running them, acquiring them and turning them around, Profit Generation and Relocation etc.</li> </ul>	<p>Mr. Sushil Kapoor had joined DCM Group as Management Trainee in 1982 and has work experience of over 35 years at various positions with the SRF Limited across Engineering, Chemical and Textiles business segments.</p> <p>Mr. Sushil Kapoor was CEO of Technical Textiles Business of SRF Ltd. from June 2005 till Sep 2017, comprising of 6 business segments, 7/8 manufacturing units, 3500 employees with a revenue in the range of 2000-2200 crores.</p> <p>He has well-rounded experience with:</p> <ul style="list-style-type: none"> <li>Multiple function exposure (purchasing, marketing, plant operations, projects etc.);</li> <li>Expertise in growing business segments organically and inorganically;</li> <li>Successful track record of turning around acquirers, in India and overseas;</li> <li>Experience in running plants across multiple geographies (India, Dubai, South Africa, and Thailand);</li> <li>End to end experience of setting up plants, running them, acquiring them and turning them around, Profit Generation and Relocation etc.</li> </ul>
<p><b>Terms &amp; Conditions of re-appointment along with details of remuneration sought to be paid and last drawn by him</b></p>	<p>Mr. Bipin Maïra is Non-Executive Independent Director of the Company. Please refer resolution no. - 6 and explanatory statement in respect of Resolution No.- 6 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.</p>	<p>Prof. Sudhir Kumar Jain is Non-Executive Independent Director of the Company. Please refer resolution no.-7 and explanatory statement in respect of Resolution No.- 7 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.</p>	<p>Dr. Meenakshi Nayyar is Non-Executive Independent Director of the Company. Please refer resolution no. - 8 and explanatory statement in respect of Resolution No.- 8 for terms and conditions of her re-appointment. She is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.</p>	<p>100 Equity Shares</p>	<p>Nil</p>	<p>Nil</p>
<p><b>Shareholding in the Company as on 31.03.2019</b></p>	<p>Nil</p>	<p>Nil</p>	<p>100 Equity Shares</p>	<p>Nil</p>	<p>Nil</p>	<p>Nil</p>
<p><b>Relationship with other directors and KMPs of the Company</b></p>	<p>Nil</p>	<p>Nil</p>	<p>Nil</p>	<p>Nil</p>	<p>Nil</p>	<p>Nil</p>
<p><b>No. of Meetings of Board attended during the year</b></p>	<p>6 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)</p>	<p>6 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)</p>	<p>4 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)</p>	<p>5 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)</p>	<p>5 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)</p>	<p>5 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)</p>
<p><b>List of Companies in which outside directorship held</b></p>	<p>DCM Nouvelle Limited</p>	<p>DCM Nouvelle Limited</p>	<p>DCM Nouvelle Limited</p>	<p>DCM Nouvelle Limited</p>	<p>DCM Nouvelle Limited</p>	<p>DCM Nouvelle Limited</p>
<p><b>Chairman/Member of Committees of Board of Directors of Indian Companies</b></p>	<p><b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Audit Committee DCM Nouvelle Limited - Audit Committee - Nomination &amp; Remuneration Committee - Stakeholder &amp; Finance Facilitation Committee</p>	<p><b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Share Transfer, Finance Facilities and Stakeholders Relationship Committee DCM Limited - Audit Committee - Nomination &amp; Remuneration Committee</p>	<p><b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Share Transfer, Finance Facilities and Stakeholders Relationship Committee DCM Limited - Audit Committee - Nomination &amp; Remuneration Committee</p>	<p><b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Audit Committee DCM Nouvelle Limited - Audit Committee - Nomination &amp; Remuneration Committee - Corporate Social Responsibility Committee</p>	<p><b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Audit Committee DCM Nouvelle Limited - Audit Committee - Nomination &amp; Remuneration Committee - Corporate Social Responsibility Committee</p>	<p><b>Chairmanship(s) of Committees of the Board</b> DCM Limited - Audit Committee DCM Nouvelle Limited - Audit Committee - Nomination &amp; Remuneration Committee - Corporate Social Responsibility Committee</p>



## DIRECTORS' REPORT

Your directors have pleasure in presenting this 129<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

### ECONOMIC SCENARIO

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US-China trade tensions, disruptions to the auto sector in Germany and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. While 2019 started out on a weak footing, a pickup is expected in the second half of the year with the support of significant policy accommodation by major economies.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

Indian Economy started the fiscal year 2018-19 with a healthy 8.2 percent growth in the first quarter. Growth eased to 7.3 percent in the subsequent quarters. The country was confronted with the cumulative impact of a strengthening US Dollar and rising crude oil prices. This resulted in a sharp adjustment in Rupee amidst volatile trading in emerging market currencies. Further recovery in some advanced economies also caused faster investment outflows.

The interim Union Budget for 2019-20 announced by the Government of India on February 01, 2019 focused on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Building on the interim Budget, the finance minister presented the final Budget for FY 2019-20. The Budget can be seen as an inclusive and pragmatic approach to help the nation move from the current \$2.7 trillion economy to a \$5 trillion one over the next 5 years.

The Finance Minister unleashed a pro-development budget which aims at inclusive development in economy, infrastructure, environment, education, affordable housing, electric vehicles with focus on revitalizing Micro, Small & Medium Enterprises (MSME), startup ecosystem and rural India to provide ease of living, improve inclusive growth, reduce income inequality, build digital ecosystem, create a cashless economy and bring about a transparent and honest regime.

### FINANCIAL DATA

Particulars	Financial Year ended March 31, 2019 (Rs. in Lakhs)	Financial Year ended March 31, 2018 (Rs. in Lakhs)
Profit before Interest, Depreciation and Tax	6,479.20	2,682.35
Less: -Finance Cost	2,755.20	2,613.03
-Depreciation	3,443.82	3,624.32
Profit before Tax	280.18	(3,555.00)
Less -Provision for tax	80.55	(0.074)
Profit after tax	199.63	(3,554.26)
Other Compressive income	28.16	46.76
Total Compressive income	227.79	3,507.50

Particulars	Financial Year ended March 31, 2019 (Rs. in Lakhs)	Financial Year ended March 31, 2018 (Rs. in Lakhs)
Add - Profit brought forward	9,841.97	13,349.47
Add - Transferred from Crescita Enterprises Pvt. Ltd. as Amalgamation	0.07	-
Profit available for appropriation	10,069.69	9,841.97
Appropriations:		
Interim Dividend on equity shares	-	-
Proposed Final Dividend on equity shares	-	-
Corporate Dividend Tax	-	-
General Reserves	-	-
Balance Profit carried forward	10,069.69	9,841.97

The Company has adopted Indian Accounting Standard (Ind AS) with effect from 1<sup>st</sup> April, 2017. Accordingly, financial statements for the year ended 31<sup>st</sup> March 2019 have been prepared in accordance with Indian Accounting Standard (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act, 2013.

### TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve out of the amount available for appropriation.

### DIVIDEND

Your directors do not recommend any dividend for the financial year 2018-19.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with provisions of the Ind AS as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act, 2013 and form part of this Annual Report.

### OPERATIONS OVERVIEW

#### Textile Division

The Textile Division of the Company is located at Hisar in Haryana with a capacity of 1,14,096 Spindles. During the year under review, the Profit Before Tax (PBT) increased to Rs. 38.66 crores in financial Year 2018-19 as compared to Rs. 15.51 crores in the previous financial year 2017-18. During the year, the profitability of the Textile Division was higher primarily due to increase in margin on account of increase in yarn prices, higher export market demand and rupee depreciation etc. The said Textile Division of the Company has been demerged as going concern with effect from appointed date of April 1, 2019 into DCM Nouvelle Limited. (Please refer below para on 'Schemes of Arrangements/ Amalgamations and Slump Sale' for further details).

#### Engineering Division

The Engineering Division is supplying castings across all segments in the automotive market: cars, multi-utility vehicles, tractors, light commercial vehicles, heavy commercial vehicles and earth moving equipment.

During the year, the Division achieved total dispatch of 46,615 MT (previous year 40,957 MT). The Engineering Division continued to make losses because of lower volume due to production constraints primarily on account of IR

issues, besides low demand in the last quarter of the year, and decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads.

The increased level of interaction by officers at different levels have resulted in improved morale of workmen and cordial relations with them. The Division continue to focus for cost optimization and better productivity across all areas of operations.

#### IT Division

The IT Division of the Company is an established service provider for managed IT Services globally. The Division has over a decade's experience in IT Infrastructure services specializing in networking, analytics, cloud, and digital technologies.

During the year under review, the sales and other income of the Division was Rs. 44.27 crores (previous year Rs. 44.98 crores) and Profit before Tax (PBT) was Rs 2.25 crores (Previous year Rs. 1.63 crores).

During the year the operations were stable after the cut backs by some of Division's primary customers in the previous year pursuant to downturn in their business. The full impact of order cancellations and drop in volumes was absorbed during the current year.

The Division expect the position to improve next year with stabilization of the onsite business and new export order booking in the managed services business. Fresh investments have been made in building sales bandwidth and acquiring tools for further growing the services business. This should help to provide the desired impetus, especially to the offshore business in future.

#### SCHEMES OF ARRANGEMENT/AMALGMATION AND SLUMP SALE

1. The Board of Directors of the Company in its meeting held on February 11, 2019, has withdrawn the following composite scheme of Arrangement for the:
  - a. Amalgamation of Tiara Investment Holdings Limited into Purearth Infrastructure Limited, a joint venture company with effect from December 31, 2016;
  - b. Demerger of the Real Estate Undertaking of DCM Limited into DCM Realty and Infrastructure Limited, on a going concern basis with effect from January 1, 2017; and
  - c. Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Purearth into the Resulting DCM Realty leading to Amalgamated DCM Realty, with effect from January 1, 2017.
2. NCLT vide its Order dated May 01, 2019 has sanctioned the Scheme of Arrangement between the Company and DCM Nouvelle Limited, a wholly owned subsidiary of the Company ('Resulting Company') and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013, for the demerger of the cotton textile business undertaking of the Company and vesting of the same with Resulting Company, on a going concern basis with effect from appointed date of April 1, 2019. The said scheme has become effective on May 13, 2019.

Further, pursuant to the said scheme becoming effective 50,000 (100%) equity shares held by the Company and its nominees in the Resulting Company stand cancelled with effect from May 13, 2019.

The Resulting Company has issued and allotted its 1,86,77,749 equity shares of Rs.10/- each fully paid-up to the shareholders of Demerged Company, whose names appears in the Register of Members and in the statement of beneficial position furnished by the depositories as at close of business hours on Friday, May 31, 2019, in terms of the following Shares Entitlement Ratio stated in the Scheme of Arrangement:

"1(one) equity share of Rs.10/- each of Resulting Company, credited as fully paid-up, for every 1 (one) equity share of Rs.10/- each, fully paid-up held in the Demerged Company."

In terms of said Scheme of Arrangement, the aforesaid equity shares of Resulting Company have been listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) under securities code 542729 (BSE) and DCMNVL (NSE).

3. NCLT vide its Order dated January 8, 2019 has sanctioned the Scheme of Amalgamation of Crescita Enterprises Private Limited ('Transferor Company') into & with the Company and their respective shareholders and creditors under sections 230-232 other applicable provisions of the Companies Act, 2013, with effect from appointed date of March 31, 2017 for the purpose of restructuring of shareholding of 'Promoters and Promoter group' of the Company. The said scheme has become effective on January 30, 2019.

Transferor Company ceased to exist from the said effective date and the entire business of the Transferor Company has got vested/transferred with the Company as a going concern along with all assets and liabilities from the appointed dated of 31.03.2017 in terms of aforesaid scheme of amalgamation.

Further, pursuant to the aforesaid scheme of amalgamation becoming effective 90,30,495 (48.35%) equity shares held by the Transferor Company in the DCM Limited stand cancelled with effect from effective date of January 30, 2019. Thereafter in terms of the aforesaid Scheme of Amalgamation, the Company has issued and allotted 90,30,495 equity shares to the shareholders of the Transferor Company in proportion to the equity shares held by them in the Transferor Company.

4. The Board of Directors in its meeting held on May 29, 2019 have decided subject to approval of shareholders and Financial Institution/Banks, wherever necessary, for slump sale of the Engineering Business Undertaking (i.e. DCM Engineering Products) into DCM Tools & Dyes Limited, a wholly owned subsidiary of the Company, at such value and with effect from such date as may be decided by the Board of Directors of the Company after seeking approvals of Shareholders, Banks and Financial Institutions. A resolution in this respect has been included in the Notice of forthcoming 129<sup>th</sup> AGM of the Company for seeking approval of members of the Company.

#### MATERIAL CHANGES AND COMMITMENTS

The cotton textile business undertaking of the Company stand transferred and vested in the DCM Nouvelle Limited with effect from Appointed date of April 1, 2019 under Scheme of Arrangement between the Company and DCM Nouvelle Limited ('Resulting Company') sanctioned by Hon'ble National Company Law Tribunal, Principal Bench, New Delhi (NCLT) vide its order dated May 1, 2019 and its becoming effective from May 13, 2019.

Except as stated above, there was no change in the nature of the business of the Company. Further, there were no other material changes and commitments affecting the financial position of the Company occurring between March 31, 2019 and the date of this Report except as stated above.

#### CHANGES IN SHARE CAPITAL

Crescita Enterprises Private Limited was holding 90,30,495 equity shares of the Company as a part of 'Promoters and Promoter group' of the Company. Pursuant to the Scheme of Amalgamation of Crescita Enterprises Private Limited ('Transferor Company') into and with DCM Limited (Transferee Company/ Company) becoming effective, 90,30,495 (48.35%) equity shares held by the Transferor Company in the Company stand cancelled and same number

of equity shares (i.e. 90,30,495) were issued and allotted by the Company to the shareholders of the Transferor Company (i.e. 90,28,689 numbers of equity shares to Dr. Vinay Bharat Ram and 1,806 equity shares to Mr. Sumant Bharat Ram) in proportion to the shares held by them in the Transferor Company. Dr. Vinay Bharat Ram and Mr. Sumant Bharat Ram forms part of 'Promoters and Promoter Group' of the Company.

As a result the pre and post scheme shareholding of 'Promoters and Promoters Group' as well as issued and subscribed capital of the Company remained the same.

Further, the Company has adjusted the amount of calls in arrear amounting to Rs. 31,175/- with effect from appointed date of April 1, 2019 in the reserves and surplus as provided in the Scheme of Arrangement between the Company and DCM Nouvelle Limited ('Resulting Company'), for the demerger of the cotton textile business undertaking of the Company sanctioned by NCLT vide its order dated May 1, 2019.

#### **SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

As on April 1, 2018, the Company had seven subsidiaries and one associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively.

During the year under review, no company has become or ceased to be Company's subsidiary, joint venture or associate company.

However pursuant to the Scheme of Arrangement between Company and DCM Nouvelle Limited ('Resulting Company') becoming effective on May 13, 2019, 50,000 (100%) equity shares held by the Company and its nominees in the Resulting Company stand cancelled with effect from May 13, 2019. Accordingly, DCM Nouvelle Limited ceased to be wholly owned subsidiary of the Company with effect from May 13, 2019.

At present, the Company has six subsidiaries and one associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively. There has been no material change in the nature of the business of the subsidiaries and associate company.

Pursuant to provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 read with Rules made there under, a statement containing salient features of the financial statements, performance and financial position of each of the subsidiaries, associates and joint venture companies in Form AOC-1 is provided as part of the standalone financial statements of the Company at page no. 170 and hence not repeated here for the sake of brevity.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements, consolidated financial statements of the Company along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

#### **DIRECTORS**

Dr. Vinay Bharat Ram, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as a director of the Company. Accordingly, a resolution is included in the Notice of forthcoming 129<sup>th</sup> Annual General Meeting (AGM) of the Company for seeking approval of members for his appointment as a director of the Company.

Further, Dr. Vinay Bharat Ram is more than 75 years of age. Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), suitable resolution for continuation of appointment of Dr. Vinay Bharat Ram in his capacity as director of the Company, liable to retire by rotation w.e.f. date of 129<sup>th</sup> AGM, has also been included in the Notice of forthcoming 129<sup>th</sup> AGM of the Company for seeking approval of members of the Company by special resolution.

During the year under review, Mr. Sushil Kapoor was re-appointed as Whole-Time Director and designated as Executive Director (Engineering Business) of the Company for a further period of 3 year with effect from January 15, 2019 to January 14, 2022. His re-appointment is subject to approval of members of the Company. Accordingly, a suitable resolution for seeking approval of members of the Company for his re-appointment as Whole-Time Director, designated as Executive Director (Engineering Business) of the Company has been included in the Notice of ensuing 129<sup>th</sup> AGM of the Company.

Mr. Sumant Bharat Ram, Chief Executive & Financial Officer (CE&FO) of the Company has resigned and ceased to be CE&FO of the Company with effect from March 31, 2019. The Board of Directors of the Company have appointed him as an additional director of the Company with effect from April 1, 2019 and as such he holds office upto the date of ensuing 129<sup>th</sup> AGM of the Company. Accordingly, a resolution for his appointment as director of the Company, liable to retire by rotation, has been included in the Notice of ensuing 129<sup>th</sup> AGM of the Company for seeking approval of members of the Company.

Due to the old age and difficulties to travel outside Chandigarh, Mr. Chandra Mohan, Independent Director of the Company has resigned from the Board of Directors of the Company on August 07, 2018 before the expiry of his term as Independent Director of the company. Requirement as specified under SEBI Listing Regulations in respect of providing necessary confirmation that there is no other material reasons for his resignation other than those provided was not applicable at the time of resignation of Mr. Chandra Mohan.

Mr. Narendra Pal Chawla, Nominee Director of Life Insurance Corporation of India (LIC) has resigned from the directorship of the Company with effect from December 11, 2018. Further Mr. K S Nangyal has been nominated as its Nominee Director by LIC on the Board of the Company w.e.f. January 11, 2019.

Due to his various other professional obligations and arduous travelling requirements, Mr. L Lakshman, Independent Director of the Company has resigned on June 29, 2019 from the Board of Directors of the Company before the expiry of his term as Independent Director of the company. In terms of SEBI Listing Regulations, Mr. L Lakshman has provided necessary confirmation that there is no other material reasons for his resignation other than those provided.

Due to his increasing other commitments, Dr. Raghupati Singhania, Independent Director of the Company has resigned on July 10, 2019 from the Board of Directors of the Company before the expiry of his term as Independent Director of the company. In terms of SEBI Listing Regulations, Dr. Raghupati Singhania has also provided necessary confirmation that there is no other material reasons for his resignation other than those provided.

The Board placed on record its sincere appreciation and thanks for the valuable contributions made by Mr. Narendra Pal Chawla as Nominee Director and Mr. Chandra Mohan, Mr. L Lakshman and Dr. Raghupati Singhania as Independent Directors of the Company.

Mr. Jitendra Tuli, Non-Executive Director of the Company has been appointed as Independent Director of the Company for a period of five (5) years with effect from August 12, 2019 upto August 11, 2024, subject to approval of shareholders of the Company. Mr. Jitendra Tuli is more than 75 years of age, accordingly in terms of regulation 17(1A) of SEBI Listing Regulations approval of members is required by way of Special Resolution. Therefore, suitable resolution for approval of shareholders of the Company for appointment of Mr. Jitendra Tuli as Independent Director has been included in the notice of ensuing 129<sup>th</sup> Annual General Meeting of the Company.

Mr. Ravi Vira Gupta, Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Dr. Meenakshi Nayar were appointed as an independent director(s) of the Company for a period of five (5) years with effect from August 4, 2014 upto August 3, 2019. The Board of Directors of the Company in their meeting held on May 29, 2019 have re-appointed them as independent directors of the Company for a

second term of five (5) years with effect from August 4, 2019 subject to approval of shareholders of the Company by special resolution.

Accordingly, suitable resolution(s) for seeking approval of shareholders of the Company for re-appointments of Mr. Ravi Vira Gupta, Mr. Bipin Maira, Prof. Sudhir Kumar Jain and Dr. Meenakshi Nayar as Independent Directors of the Company by special resolution have been included in the Notice of ensuing 129<sup>th</sup> AGM of the Company. Further Mr. Ravi Vira Gupta and Mr. Bipin Maira are more than 75 years of age, therefor, approval of members by special resolution is also being taken under regulation 17(1A) of the SEBI Listing Regulations for re-appointment of Mr. Ravi Vira Gupta and Mr. Bipin Maira as Independent Directors of the Company.

However due to pre occupation with other professional activities related to non-for-profit venture, Dr. Meenakshi Nayar, Independent Director of the Company has resigned on August 6, 2019 from the Board of the Directors of the Company before the expiry of her term as Independent Director of the Company. In terms of SEBI Listing Regulations, Dr. Meenakshi Nayar. has provided necessary confirmation that there is no other material reasons for her resignation other than those provided. Accordingly members approval is sought for re-appointment of Dr. Meenakshi Nayar as Independent Director of Company for the period from August 4, 2019 to August 6, 2019.

The Board placed on record its sincere appreciation and thanks for the valuable contributions made by Dr. Meenakshi Nayar as Independent Director of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances affecting their status as independent directors of the Company. In terms of regulation 25(8) of SEBI Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to their duties.

#### DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your directors state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis (Please refer to the auditor's opinion in their report on standalone and consolidated financial statements of the Company with regard to material uncertainty related to going concern.);
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### KEY MANAGERIAL PERSONNEL

Pursuant to sanction of Scheme of Arrangement between the Company and DCM Nouvelle Limited ('Resulting Company') by NCLT and its becoming effective from May 13, 2019, the Textile Division of the Company stand transferred and vested in the Resulting Company. Pursuant to same Mr. Hemant Bharat Ram, President (Textiles) and Mr. Rakesh Goel, CEO Textile Division ceased to be employees of Company and were deemed to become employees of Resulting Company with effect from appointed date of April 1, 2019.

Mr. Sumant Bharat Ram, Chief Executive & Financial Officer (CE&FO) of the Company has resigned and ceased to be CE&FO of the Company with effect from March 31, 2019. Mr. Ashwani Kumar Singhal, Executive Vice President (Finance & Accounts) of the Company has been appointed as Chief Financial Officer (CFO) of the Company w.e.f. April 01, 2019.

Accordingly, as on date, the following persons are Whole-Time Key Managerial Personnel ('KMP') of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

- Dr. Vinay Bharat Ram – Chairman & Managing Director
- Mr. Sushil Kapoor - Executive Director (Engineering Business)
- Mr. Dinesh Dhiman- Executive Director (Engineering Operation)
- Mr. Varun Sarin – Chief of Operations & Finance, IT Division
- Mr. Ashwani Singhal - Chief Financial Officer
- Mr. Yadvinder Goyal – Company Secretary

#### NUMBER OF BOARD MEETINGS

(Six) meetings of the Board of Directors of your Company were held during the year under review (for further details please refer to the Corporate Governance Report, forming part of this Annual Report).

#### EVALUATION OF BOARD PERFORMANCE

The Board of Directors has carried out an Annual Performance Evaluation of its own, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board, after seeking inputs from all Directors on the basis of the criteria such as Board composition and structures, effectiveness of Board processes, information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge, competency, availability, attendance, commitment and contribution of the Individual Director to the Board and Committee meetings. Further performance of Independent directors evaluated on additional criteria such as fulfillment of independence criteria by them and their independence from the management. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

Also in a separate meeting of Independent Directors, performance of Non-Independent Directors, Board as a whole and the Chairman were evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Directors expressed their satisfaction with the evaluation process

## INTERNAL FINANCIAL CONTROL

The Company has a well-placed, proper and adequate Internal Financial Control (IFC) system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and supported by internal audit from reputed audit firms.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board.

All Internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on Internal Controls.

## STATUTORY AUDITORS

M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of 125<sup>th</sup> Annual General Meeting (AGM) held on August 18, 2015 till the conclusion of 130<sup>th</sup> Annual General Meeting of the Company, subject to annual ratification of their appointment by the members at every intermittent AGM of the Company, on such remuneration as may be decided by the Audit Committee of the Board.

Pursuant to amendment to Section 139 of the Companies Act, 2013, which became effective from May 7, 2018, the annual ratification of statutory auditors is no longer required. Accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking shareholders' approval for ratification of appointment of Statutory Auditors of the company.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

## DIRECTORS' VIEW ON AUDITORS' OBSERVATIONS/OPINION

Management response to the observations / opinion of the statutory auditors even though explained, wherever necessary, through appropriate notes to the Accounts is reproduced hereunder in compliance with the relevant requirements.

### Refer 'Material Uncertainty Related to Going concern' in auditors report on standalone and consolidated financial statements.

The management believes that the Company will be able to continue its operations on a going concern basis, by infusing liquidity in the system by monetizing other surplus assets and also focusing on the business strategy and future operating plans of the existing businesses, including proposal of strategic partnership for "capital and technology", which would help sustain the business operations and its growth.

### Refer 'Basis for Qualified Opinion' in Auditors report on consolidated financial statement

Purearth Infrastructure Limited, a jointly controlled entity (PIL) has received advances Rs. 2,110.83 lacs (31 March 2018: Rs. 3,196.19 lacs) for sale bookings

of units in Plaza 4 of Central Square project. These advances have been presented as 'Contract liabilities-advances from customers' under other current liabilities in the financial statements of PIL (share of Group in these advances of joint venture are amounting to Rs. 349.55 lacs (31 March 2018: Rs. 529.29 lacs)). During the current year, PIL, based on its best estimates of the cost to compete and revenue to be earned, has made a provision of Rs 342.15 lacs (31 March 2018: Nil) towards foreseeable losses for such bookings in Plaza 4 (share of Group in this provision of foreseeable losses of joint venture is Rs. 56.66 lacs (31 March 2018: Rs. Nil)). The estimates involve certain assumptions and significant judgement and hence may undergo a change based on further execution of the project, the effects of which, if any, would be accounted for as change in estimates in the year of change. (Refer Note 56(c) of the consolidated financial statement annexed)

## FIXED DEPOSIT / DEBT REPAYMENT

The Company has complied with its debt repayment obligation under Scheme of Restructuring and Arrangement (SORA) approved by the Hon'ble Delhi High Court vide its order dated October 29, 2003 under sections 391 – 394 of the Companies Act, 1956 and subsequently modified vide Hon'ble Delhi High Court order dated April 28, 2011, including in respect of fixed deposits, debentures, 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.

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 (IEPF) established by the Central Govt.

Your Company has uploaded the relevant details of amount lying unclaimed /unencashed, as on the date of last Annual General Meeting, on account of matured Fixed Deposits and Debentures on the website of Ministry of Corporate Affairs (MCA) as well as on its website www.dcm.in. Deposit-holders/Debenture-holders may kindly check the said information and if any amount on account of matured deposits, matured debentures, or interest thereon is appearing as unclaimed / un-encashed against their name, they may lodge their claim, duly supported by relevant documents to the Company.

Any person whose unclaimed/un-encashed matured fixed deposits, matured debentures, or interest thereon, have been transferred to the IEPF, can apply for refund, as the case may be, by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Deposit-holders/ Debenture-holders can file only one consolidated claim in a financial year as per the IEPF Rules. Therefore, it is in the interest of deposit-holders/debenture-holders to claim the unclaimed / un-encashed amount of matured fixed deposits, matured debentures or interest thereon with in scheduled time.

No disclosure or reporting is required in respect of deposits covered under Chapter V of the Companies Act, 2013, as the Company has not accepted any deposit after the commencement of the Companies Act, 2013.

## TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS AND RELEVANT EQUITY SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also require to be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are available on the Company's website ([www.dcm.in](http://www.dcm.in)).

Accordingly, during the year, the Company has transferred the unclaimed final dividend amount of Rs. 13,16,915.50/- for FY 2010-11, which was outstanding for 7 consecutive years. Further, 2,32,621 equity shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred by the Company to the demat account of IEPF Authority.

Any shareholder whose shares, unclaimed/un-encashed dividend have been transferred to the IEPFA, can claim back the shares or apply for refund from IEPFA, as the case may be, by making an application to the IEPFA, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. Therefore, it is in the interest of shareholders to claim the unclaimed amount of dividend, with in scheduled time.

The following tables give information relating to total amount lying in the Unpaid Dividend Accounts of the company in respect of the last seven years and when such unclaimed Dividend is due for transfer to the IEPF :

Sr. No.	Financial Year	Type of Dividend	Due date of transfer to IEPF	Amount Outstanding as on 31.03.2019 (Rs. in Lakhs)
1	2011-12	Final Dividend	19.09.2019	14.21
2	2012-13	Interim Dividend	15.01.2020	9.34
3	2012-13	Final Dividend	24.09.2020	8.87
4	2013-14	Interim Dividend	19.01.2021	9.71
5	2013-14	Final Dividend	10.10.2021	9.04
6	2014-15	Interim Dividend	20.01.2022	9.68
7	2014-15	Final Dividend	24.10.2022	9.55
8	2015-16	Interim Dividend	15.01.2023	9.37
	<b>Total</b>			79.77

#### RISK MANAGEMENT

The Company has in place Risk Management Process for identifying / managing risks. The Company's Risk Management Framework helps in identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The risk management process consists of risk identification, risk assessment, risk monitoring & risk mitigation. During the year, the Board was informed about measures taken for minimization of risks. The Board provides oversight and reviews the Risk Management framework. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

#### AUDIT COMMITTEE

As on March 31, 2019, the Audit Committee of the Company consist of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Prof. Sudhir Kumar Jain, Mr. L Lakshman and Dr. Meenakshi Nayar, as members of the Audit Committee.

At present, the Audit Committee of the Company consists of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta and Prof. Sudhir Kumar Jain as members of the Audit Committee. The terms of reference of the Audit Committee are in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As on March 31, 2019, the CSR Committee of the Company consists of Dr. Vinay Bharat Ram, Chairman, Mr. Ravi Vira Gupta, Mr. Jitendra Tuli and Dr. Meenakshi Nayar, as members of the CSR Committee.

At present, the CSR Committee of the Company consists of Dr. Vinay Bharat Ram, Chairman, Mr. Ravi Vira Gupta and Mr. Jitendra Tuli as members of the Committee.

This Committee is responsible for formulating and monitoring the CSR Policy of the Company. The Company's CSR Policy is available on the Company's website [www.dcm.in](http://www.dcm.in)

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure – I, and forms part of this Report.

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement showing the names and other particulars of the top ten employees and employees drawing remuneration in excess of the limits set out in the said rules is enclosed as Annexure - II and forms part of this report.

A statement showing details pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is enclosed as Annexure - IIA and forms part of this Report.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

Particulars of investments made and loans given are provided in the standalone financial statements. (Please refer to Note Nos. 5, 6, 9, 14 and 16 of the standalone financial statements).

Further, pursuant to the approval given by the members, the Company in its capacity as title holder of land at Bara Hindu Rao / Kishanganj, Delhi (Project land), in respect of which the development rights were vested with joint venture company in terms of SORA, has mortgaged the said land for loans availed in connection with development of real estate project on the said land by joint venture company and also by a body corporate who has been developing the real estate project along with the said joint venture company. The outstanding amount of loans, on which mortgage was created, as on 31.03.2019 was Rs. 354.21 crores (previous year Rs. 334.62 crores).

#### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

The prescribed Form AOC-2 is enclosed as Annexure - III, and forms part of this Report. Your directors draw attention of members of the Company to Note No. 49 to the standalone financial statements which sets out related party disclosures.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of Extract of Annual Return in prescribed form MGT-9 is enclosed as Annexure- IV and forms part of this Report and also available on website of the Company i.e. [www.dcm.in](http://www.dcm.in)

The Annual Return of the Company has been placed on the website of the company and can be accessed at [www.dcm.in](http://www.dcm.in)

#### **SECRETARIAL AUDIT**

The Board has appointed Mrs. Pragnya Parimita Pradhan (M.No. A32778 and CP No.12030), Company Secretary in whole time practice, Proprietor of M/s. Pragnya Pradhan & Associates, Company Secretaries, to conduct Secretarial Audit for financial year 2018-19.

The Secretarial Audit Report for the financial year 2018-19 under the Companies Act, 2013, read with Rules made thereunder and Regulation 24A of the SEBI Listing Regulations is enclosed herewith as Annexure - V and forms part of this Report.

The Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2019, in relation to compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder, pursuant to requirement of Regulation 24A of SEBI Listing Regulations read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019 is enclosed herewith as Annexure - V-1 and forms part of this Report. The Secretarial Compliance Report has been voluntarily enclosed as part of Annual Report as good disclosure practice.

The Secretarial Audit Report and Secretarial Compliance Report does not contain any qualifications, reservation or adverse remark.

#### **NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Policy was approved by the Board of Directors of the Company. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior Management employees. The remuneration involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The salient features of Nomination and Remuneration Policy are as stated below:

##### **Appointment Criteria and Qualifications**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

##### **Remuneration to Managing Director(s)/Whole Time Director(s)**

The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.

The compliance of the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to from time to time regarding the limits of remuneration will be ensured.

The remuneration to include basic salary, commission/variable component, if any, perquisites and allowances, contribution to provident, superannuation fund and gratuity etc.

In the event, the remuneration payable to Managing Director/Whole-Time Director exceed the limits laid down under Section 197 and 198 read with Schedule V of the Companies Act, 2013, the same shall be subject to such approvals, as may be necessary.

##### **Remuneration to Non Executive and Independent Directors**

The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as may be recommended by the Committee and approved by the Board of Directors and Shareholders of the Company.

The amount of such fees and commissions shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

##### **Key Managerial Personnel (KMP)/Senior Management Personnel/ other Officers and Staff**

The Remuneration to be paid to KMP's/ Senior Management Personnel/ other officers & staff is based on the role and responsibilities in the Company, the experience, qualification, skills and competencies of the related personnel / employees, the market trends, practices and benchmarks.

The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

The remuneration is subject to review on the basis of individual and business performance and inflation/market trends. The performance of employees is reviewed based on competency assessment and key results delivered. The performance assessment, more specifically, is used as an input to determine merit/special increments, performance bonus, rewards, incentives (short term and long term) and other recognitions/promotions.

The objective is to ensure that the compensation engage the employees to give their best performance.

The Nomination and Remuneration Policy is enclosed herewith as Annexure - VI, which form part of this Report and is also available on website of the company at weblink <http://dcm.in/wp-content/uploads/2016/10/DCM-Limited-Remuneration-Policy.pdf>

During the year, changes were made in the said Nomination and Remuneration Policy to make it align with the amendments to the Companies Act, 2013 and the SEBI Listing Regulations.

##### **COST AUDIT**

During the financial year 2018-19, the Company was required to maintain cost records as specified by Central Government under section 148(1) of the Companies Act, 2013 in respect of 'Cotton Textiles' at Textile Division of Company at Hissar; and for 'Cast Iron Unit' of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab. Accordingly such accounts and records are maintained.

After the demerger of Textile division of the Company with effect from appointed date of April 1, 2019, the Company is required to maintain cost

records as specified by Central Government under section 148(1) of the Companies Act, 2013 only in respect of Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab. Accordingly such accounts and records are maintained.

Accordingly, the Board of Directors in its meeting held on August 12, 2019 have approved the appointment of M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2019-20, for audit of Cost Accounts pertaining to Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab at a remuneration of Rs. 1,25,000/- (Rupees one lac and twenty five thousand only) plus GST & out-of-pocket expenses, if any.

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder, remuneration of Cost Auditor as stated above is to be ratified by members of the Company. Accordingly, suitable resolution has been included in the Notice of forthcoming 129<sup>th</sup> Annual General Meeting for ratification of remuneration payable to Cost Auditor, for financial years 2019-20, by members of the Company.

#### **CORPORATE GOVERNANCE**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time Corporate Governance Report along with Auditors' certificate thereon and Management Discussion and Analysis Report are enclosed, and form part of this report.

#### **DISCLOSURE REQUIREMENTS**

1. Details of the familiarization programme of the independent directors are available on the website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Familiarisation-Program-for-Independent-Directors.pdf>
2. Policy for determining material subsidiaries of the Company is available on the website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/DCM-Limited-Policy-for-determining-Material-Subsidiaries.pdf>
3. Policy on materiality of related party transactions and dealing with related party transactions is available on the website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Policy-on-related-party-transactions.pdf>

4. The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns, which is available on Company's website [www.dcm.in](http://www.dcm.in). The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
5. Annual Report on CSR Activities is enclosed as Annexure - VII and forms part of this Report.
6. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. The Company has constituted Internal Complaints Committee(s) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were no cases reported under the said Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
8. During the year under review, the Company has complied with mandatory applicable Secretarial Standards issued by Institute of Company Secretaries of India (ICSI).

#### **ACKNOWLEDGEMENT**

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 of Directors  
For DCM Limited**

**Sd/-**

**Dr. Vinay Bharat Ram  
Chairman and Managing Director**

**Place : New Delhi  
Date : August 12, 2019**

## ANNEXURE – I

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended from time to time and forming part of the Directors' Report for the year ended March 31, 2019

## (A) CONSERVATION OF ENERGY

## (i) The steps taken or impact on conservation of energy

**Textile Division:**

Conservation of energy is an essential step towards overcoming energy crisis, environmental degradation and global competitiveness. The Company is giving due importance to conservation of energy and makes continuous efforts to conserve energy by effecting process and machinery modifications, implementation of technological advancements, development of newer methods, energy audit, proper and timely maintenance etc., amongst others. These measures lead to savings in terms of energy, money and time.

Besides continuing the measures taken in earlier years, following additional steps were taken during the year 2018-19 with a view to reduce cost of energy and consequently, the cost of production:

- Installed Remote switch at Bale Press of Unit-1 to avoid idle running;
- Replaced 300 Nos of 36w LED Tube with 13w LED in Unit-1;
- Installation of new efficient compressor DSD-205 in Unit-2;
- Installation of inverter on Ring Frame machines to control frequency to save energy of Pneuma fans and main drive.

**Engineering Division:**

The Division has taken various steps by process improvement on conservation of energy including:

- Yield improvement and weight reduction;
- Conversion of Water jacket core to cold box technology from electrical heating;
- More energy efficient Transformer installed.

**IT Division:**

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

## (ii) The steps taken by the Company for utilizing alternate sources of energy

**Textile Division** - The Division has installed a 1.0 MWp solar power plant during financial year 2018-19

**Engineering Division** - Nil

**IT Division** - Nil

## (iii) The capital investment on energy conservation equipment's

**Textile Division** - Nil

**Engineering Division** - Nil

**IT Division** - Nil

## (B) TECHNOLOGY ABSORPTION

## (i) The efforts made towards technology absorption

**Textile Division** - Nil

**Engineering Division** - Nil

**IT Division** - Nil

## (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

**Textile Division** - NA

**Engineering Division** - Quality improvement & technology upgradations towards the new generations' castings

**IT Division** - NA

## (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

**Textile Division** - Nil

(a) The details of technology imported – N.A.

(b) The year of import – N.A.

(c) Whether the technology been fully absorbed – N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of – N.A.

**Engineering Division**

(a) The details of technology imported:

Loramendi Sand Mixer

Boroscope

Accumulator

Carbon/Sulphur element analyser

Sand Mixer Gear Box

(b) The year of import:-

Boroscope- FY 2016-17

Accumulator- FY 2016-17

Carbon/Sulphur element analyser – FY 2017-18

Sand Mixer Gear Box – FY 2017-18

(c) Whether the technology been fully absorbed: Yes

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

**IT Division – Nil**

(a) The details of technology imported – N.A.

(b) The year of import – N.A.

(c) Whether the technology been fully absorbed – N.A.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

## (iv) The expenditure incurred on Research and Development

**Textile Division** - Nil

**Engineering Division**

The Department of Scientific & Industrial Research, Ministry of Science and Technology, Delhi has given its approval for Recognition of In house R&D Unit for the period from 01.04.2018 to 31.03.2021.

In pursuit of R & D endeavors, the Division is regularly incurring the expenditure on R&D. The expenditure incurred on Research and Development during the year:

**Rs. In Lacs**

Particulars	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
Capital expenditure	0.83	7.13
Revenue expenditure	148.29	152.90
Development expenditure	64.74	138.56
<b>Total</b>	<b>213.86</b>	<b>298.59</b>

R & D activities has resulted in new product development, continuous improvement of existing products for enhanced durability & performance, upgradation of products to the new requirements, reduced operation cost and new business opportunities because of cost, quality and latest technology.

**IT Division** – Nil

## (C) FOREIGN EXCHANGE EARNINGS &amp; OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

**Rs. In Lacs**

Particulars	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
Foreign Exchange Earned	44248.31	33439.00
Foreign Exchange Used	3365.82	3393.44

For and on behalf of the Board of Directors  
For DCM Limited

Sd/-

Dr. Vinay Bharat Ram

Chairman and Managing Director

Place : New Delhi

Date : August 12, 2019

Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and forming part of the Directors' Report.

i. Details of top ten employees in terms of remuneration drawn during the year under review including details of employees employed throughout the year under review and who are in receipt of remuneration for that year, which in aggregate was not less than Rs. 1.02 crores per annum:

Sr. No.	Name	Age (Year)	Designation	Qualification	Total Experience (Year)	Date of Commencement of employment	Remuneration received (Rs. In lacs)	Particulars of last Employment	% age of Equity Shares held in the Company	Whether relative of Director or manager, if yes, then Name of Director or manager
1	Mr. Hemant Bharat Ram	53	President (Textiles)	B.S. (Math & Comp. Sc.), MS (IA)	28	August 1, 1991	442.84	DCM Technologies Ltd.	NIL	Yes, Dr. Vinay Bharat Ram, (Chairman & Managing Director)
2	Dr. Vinay Bharat Ram	83	Chairman & Managing Director	B.A. (Hons.) Economics, University of Delhi, MBA, Michigan University (Ann Arbor), Management Development Programme, Harvard University, Ph.D. in Economics from University of Delhi	57	January 30, 2016	150.04#	DCM Engineering Ltd.	48.417%	No
3	Mr. Sumant Bharat Ram*	52	Chief Executive & Financial Officer	B.A. (Hons) Economics, MBA	27	March 1, 2013	205.56	DCM Engineering Ltd.	0.075%	Yes, Dr. Vinay Bharat Ram, (Chairman & Managing Director)
4	Mr. Sushil Kapoor	59	Executive Director – Engineering Business	B. Tech Mechanical Engineering, IIT Delhi; Professional Course on Strategy & Organization from Stanford University	36	January 15, 2018	132.24	SRF Limited	Nil	No
5	Mr. Rakesh Kumar Goel	62	CEO- Textile Division, Hisar	M.B.A.	39	November 23, 1990	123.00	Hafed Spinning Mills	Nil	No
6	Mr. Varun Sarin	57	Chief of Operations & Finance-IT Division	B. Com, CA	32	March 8, 1999	66.85	PT Indorama, Indonesia	Nil	No
7	Mr. Ashwani Kumar Singhal**	62	Executive Vice President (Finance & Accounts)	B. Com. (H), FCA, Ph.D.	39	February 5, 1993	57.31	Modi Rubbers Ltd.	Nil	No
8	Mr. Dinesh Dhiman	52	Executive Directors- Engineering Operation	B.E.	26	June 30, 2008	37.98	Amtek India Limited	Nil	No
9	Mr. Sudip Nandy	49	Sr. General Manager (Prodn.)	B. Tech. (Textiles)	25	February 28, 2008	35.47	Arihant Spinning Mill, Malerkotda	Nil	No
10	Mr. Sandeep Kumar Jain	46	Sr. General Manager (Finance & Accounts)	M. Com., Chartered Accountant, L.L.B.	22	January 15, 2007	34.42	S.A.P. Ltd. Meerut.	NIL	No

\* Mr. Sumant Bharat Ram, Chief Executive & Financial Officer (CE&FO) of the Company has resigned and ceased to be CE&FO of the Company with effect from March 31, 2019. The Board of Directors have appointed him as an Additional Director of the Company with effect from April 01, 2019.

# Remuneration paid to him in his capacity as Managing Director of the Company.

\*\* appointed as Chief Financial Officer of the Company with effect from April 01, 2019.

**Note:**

- The employment are contractual.
- Remuneration include basic salary, contribution to provident and superannuation funds, allowances and taxable value of perquisites.
- Pursuant to proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month have not been included in this statement.

For and on behalf of the Board of Directors  
For DCM Limited

Sd/-

Dr. Vinay Bharat Ram

Chairman and Managing Director

Place : New Delhi

Date : August 12, 2019

**DCM**

## ANNEXURE – IIA

Statement of Particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(A) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Particulars	Ratio to median remuneration
<b>Non-Executive Director(s)<sup>#</sup></b>	
Mr. Bipin Maira	NA
Mr. Chandra Mohan*	NA
Mr. Jitendra Tuli	NA
Mr. K S Nangyal**	NA
Mr. L Lakshman	NA
Dr. Meenakshi Nayar	NA
Mr. Narendra Pal Chawla*	NA
Mr. Ravi Vira Gupta	NA
Dr. Raghupati Singhanian	NA
Prof. Sudhir Kumar Jain	NA
<b>Executive Director(s)</b>	
Dr. Vinay Bharat Ram	90.9308
Mr. Sushil Kapoor	80.1447
Mr. Dinesh Dhiman	23.0200

<sup>#</sup>All the Non-Executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending meetings of the Board/Committees of directors. Therefore, the said ratio of remuneration of each Non-Executive Director to median remuneration of the employees of the company is not applicable.

\*Mr. Chandra Mohan and Mr. Narendra Pal Chawla ceased to be directors of the company w.e.f. August 07, 2018 & December 11, 2018 respectively.

\*\* Mr. K S Nangyal was appointed as Nominee Director of Life Insurance Corporation of India w.e.f. January 11, 2019.

(B) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year

## Directors

Particulars	% increase in remuneration in the financial year
<b>Non-Executive Director(s)<sup>#</sup></b>	
Mr. Bipin Maira	NA
Mr. Chandra Mohan*	NA
Mr. Jitendra Tuli	NA
Mr. L Lakshman	NA
Dr. Meenakshi Nayar	NA
Mr. Narendra Pal Chawla*	NA
Mr. Ravi Vira Gupta	NA
Mr. Raghupati Singhanian	NA
Prof. Sudhir Kumar Jain	NA
Mr. K S Nangyal**	NA

Particulars	% increase in remuneration in the financial year
<b>Executive Director(s)</b>	
Dr. Vinay Bharat Ram	1.4782
Mr. Sushil Kapoor	29.4689
Mr. Dinesh Dhiman	6.8421

<sup>#</sup>All the Non-Executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending meetings of the Board/Committees of Directors. Therefore, the said percentage increase in remuneration of Directors is not applicable.

\*Mr. Chandra Mohan and Mr. Narendra Pal Chawla ceased to be directors of the company w.e.f. August 07, 2018 & December 11, 2018 respectively.

\*\* Appointed as Nominee Director of Life Insurance Corporation of India on the Board of Company w.e.f. January 11, 2019

## Chief Executive Officer, Chief Financial Officer and Company Secretary

Particulars	% increase in remuneration in the financial year
Mr. Sumant Bharat Ram,* Chief Executive & Financial Officer	6.4022
Mr. Hemant Bharat Ram, President (Textiles)	84.4721
Mr. Rakesh Kumar Goel, CEO, Textile Division	3.8886
Mr. Varun Sarin, Chief of Operations & Finance- IT Division	3.9452
Mr. Yadvinder Goyal, Company Secretary	12.0185

\* Mr. Sumant Bharat Ram, Chief Executive & Financial Officer (CE&FO) of the Company has resigned and ceased to be CE&FO of the Company with effect from March 31, 2019. The Board of Directors have appointed him as an Additional Director of the Company with effect from April 01, 2019.

(C) The percentage increase in the median remuneration of employees in the financial year: 2.71%.

(D) The number of permanent employees on the rolls of Company: 3488

(E) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual percentile increase in the salaries of employees other than the managerial personnel during the FY 2018-19 over FY 2017-18 was around 12.8462%. Non-Executive Directors of the company were not paid any managerial remuneration in the financial year 2018-19. The average annual percentile increase in managerial remuneration during the FY 2018-19 over FY 2017-18 was around 12.1585.

(F) Affirmation that the remuneration is as per the remuneration policy of the Company

The Company affirms that remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors  
For DCM Limited

Sd/-

Place : New Delhi

Dr. Vinay Bharat Ram

Date : August 12, 2019

Chairman and Managing Director

Form No. AOC-2

[Pursuant to Clause (b) of sub-section (3) of Section 134 the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis entered into during the financial year 2018-19: NIL**

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Justification for entering into such contracts or arrangements or transactions: N.A.
- (f) Date(s) of approval by the Board: N.A.
- (g) Amount paid as advances, if any: N.A.
- (h) Date on which the resolution was passed in general meeting as required under first proviso to section 188: N.A.

**2. Details of material contracts or arrangements or transactions at arm's length basis entered into during the financial year 2018-19: NIL**

- (a) Name of related party and Nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Date of approval by the Board/Committee: N.A.
- (f) Amount paid as advances, if any: N.A.

For and on behalf of the Boards Directors  
For DCM Limited

Sd/-

Dr. Vinay Bharat Ram  
Chairman and Managing Director

Place : New Delhi  
Date : August 12, 2019

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN	:	L74899DL1889PLC000004
Registration Date	:	26 <sup>th</sup> March, 1889
Name of the Company	:	DCM Limited
Category / Sub - Category of the Company	:	Company limited by shares/ Indian Non-Government Company
Address of the Registered office and Contact details	:	DCM Limited, Vikrant Tower, 4, Rajendra Place, New Delhi - 110008, Ph. No. - 011-25719967, Fax: 011-25765214
Whether Listed Company Yes / No	:	Yes
Name, Address and Contact Details of Registrar and Transfer Agents	:	MCS Share Transfer Agent Limited, F- 65, Okhla Industrial Area, Phase - I, New Delhi - 110020, Ph. : - 011-41406149-52

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are given below:

S. No.	Name and Description of main products /services	NIC Code of the Product/service*	% to total turnover of the company
1	Manufacture of cotton yarn	13111	58.87
2	Manufacture of other iron and steel casting and products	24319	36.95

\* As per National Industrial Classification – Ministry of Statistics & Programme Implementation

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	DCM Finance & Leasing Limited 606, 6 <sup>th</sup> Floor, Vikrant Tower, 4, Rajendra Place, New Delhi -110008	U74899DL1990PLC041440	Subsidiary Company	99.99	2(87)(ii)
2	DCM Textiles Limited 606, 6 <sup>th</sup> Floor, Vikrant Tower, 4, Rajendra Place, New Delhi -110008	U74899DL1996PLC076626	Subsidiary Company	100.00	2(87)(ii)
3	DCM Tools & Dies Limited 606, 6 <sup>th</sup> Floor, Vikrant Tower, 4, Rajendra Place, New Delhi -110008	U29223DL1998PLC097618	Subsidiary Company	100.00	2(87)(ii)
4	DCM Realty Investment & Consulting Limited Vikrant Tower, 4, Rajendra Place, New Delhi -110008	U65992DL1992PLC047018	Subsidiary Company	99.99	2(87)(ii)
5	DCM Data Systems Limited 606, 6 <sup>th</sup> Floor, Vikrant Tower, 4, Rajendra Place, New Delhi -110008	U72900DL2012PLC234007	Subsidiary Company	100.00	2(87)(ii)
6-	DCM Realty and Infrastructure Limited 601, 6 <sup>th</sup> Floor Vikrant Tower 4, Rajendra Place New Delhi 110008	U70109DL2016PLC306870	Subsidiary Company	100.00	2(87)(ii)
7-	DCM Nouvelle Limited* 601, 6 <sup>th</sup> Floor Vikrant Tower 4, Rajendra Place, New Delhi 110008	U17309DL2016PLC307204	Subsidiary Company	100.00	2(87)(ii)
8	Purearth Infrastructure Limited Vikrant Tower, 4, Rajendra Place, New Delhi-110008	U45202DL1991PLC046111	Associate Company	16.41	2(6)

\* Pursuant to the Scheme of Arrangement between the Company and DCM Nouvelle Limited becoming effective on May 13, 2019, 100% equity shares held by the Company and its nominees in the DCM Nouvelle Limited stand cancelled with effect from May 13, 2019. Accordingly DCM Nouvelle Limited ceased to be subsidiary of the Company w.e.f. May 13, 2019.

Annexure - IV to the Directors' Report continued

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	36,089	-	36,089	0.19	90,66,584	-	90,66,584	48.54	48.35
b) Central Govt.									
c) State Govt. (s)									
d) Bodies Corp.	90,30,495	-	90,30,495	48.35	-	-	-	-	(48.35)
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4,389	67,465	71,854	0.38	18	65,265	65,283	0.35	(0.03)
b) Banks/ FI	16,636	4,234	20,870	0.11	2,000	3,847	5,847	0.03	(0.08)
c) Central Govt.	-	2,964	2,964	0.02	-	-	-	-	(0.02)
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	11,48,512	-	11,48,512	6.15	11,48,512	-	11,48,512	6.15	(0.00)
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1):-</b>	<b>11,69,537</b>	<b>74,663</b>	<b>12,44,200</b>	<b>6.66</b>	<b>11,50,530</b>	<b>69,112</b>	<b>12,19,642</b>	<b>6.53</b>	<b>(0.13)</b>
<b>2. Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	13,62,778	20,812	13,83,590	7.41	13,29,702	14,571	13,44,273	7.20	(0.21)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs. 1 Lakh	29,04,738	7,78,054	36,82,792	19.72	29,21,752	5,07,805	34,29,557	18.36	(1.36)
ii) Individual Shareholders holding nominal Share capital in excess of Rs. 1 Lakh	25,74,845	-	25,74,845	13.79	26,26,274	-	26,26,274	14.06	0.27
c) Others	-	-	-	-	-	-	-	-	-
c-i) Trust and Foundation	1,386	959	2,345	0.01	1,365	775	2,140	0.01	0.00
c-ii) Non Resident Individual	673,484	5,631	679,115	3.64	7,26,838	2,616	7,29,454	3.91	0.27
c-iii) NBFC registered with RBI	-	-	-	-	1,000	-	1,000	0.01	0.01
c-iv) NBFC registered with SEBI	-	-	-	-	-	-	-	-	-
c-v) Custodian of Enemy Property for India	43,113	1,165	44,278	0.24	25,039	1,165	26,204	0.14	(0.10)
c-vi) Investor Education & Protection Fund**	-	-	-	-	2,32,621	-	2,32,621	1.25	1.25
<b>Sub -total (B)(2):-</b>	<b>75,60,344</b>	<b>8,06,621</b>	<b>83,66,965</b>	<b>44.80</b>	<b>78,64,591</b>	<b>5,26,932</b>	<b>83,91,523</b>	<b>44.93</b>	<b>0.13</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>87,29,881</b>	<b>8,81,284</b>	<b>96,11,165</b>	<b>51.46</b>	<b>90,15,121</b>	<b>5,96,044</b>	<b>96,11,165</b>	<b>51.46</b>	<b>(0.00)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,77,96,465</b>	<b>8,81,284</b>	<b>1,86,77,749</b>	<b>100.00</b>	<b>1,80,81,705</b>	<b>5,96,044</b>	<b>1,86,77,749</b>	<b>100.00</b>	<b>-</b>

\* Shares held by Custodian of Enemy Property for India, in demat as well as physical form, represent shareholding of various Pakistani shareholders.

## (ii) Shareholding of Promoters

S. No.	Name	Shareholding at the beginning of the Year i.e. 01.04.2018			Shareholding at the end of the year i.e. 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	CRESCITA ENTERPRISES PRIVATE LIMITED**	90,30,495	48.35	15.84	-	-	-	(48.35)
2	MR. SUMANT BHARAT RAM**	12,000	0.06	-	13,806	0.07	-	0.01
3	MRS. PANNA BHARAT RAM (Deceased)*	7,912	0.04	-	-	-	-	(0.04)
4	DR. VINAY BHARAT RAM**	6,525	0.04	-	90,43,126	48.42	-	48.38
5	MR. RAHIL BHARAT RAM	4,852	0.03	-	4,852	0.03	-	-
6	MR. YUV BHARAT RAM	4,800	0.03	-	4,800	0.03	-	-
	<b>TOTAL</b>	<b>90,66,584</b>	<b>48.54</b>	<b>15.84</b>	<b>90,66,584</b>	<b>48.54</b>	-	-

\* 7,912 equity shares of late Mrs. Panna Bharat Ram have been transmitted in the name of Dr. Vinay Bharat Ram on April 28, 2018.

\*\*Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide its order dated January 8, 2019, which became effective from January 30, 2019 has sanctioned Scheme of Amalgamation of Crescita Enterprises Private Limited ("Transferor Company") into and with DCM Limited (Transferee Company / Company). Transferor Company was holding 90,30,495 equity shares of Transferee Company. Pursuant to the aforesaid scheme of Amalgamation becoming effective 90,30,495 (48.35%) equity shares held by the Transferor Company in the Transferee Company stand cancelled and in terms of aforesaid Scheme, the Company has issued & allotted same number of equity shares (i.e. 90,30,495) to the shareholders of the Transferor Company (i.e. 90,28,689 numbers of equity shares to Dr. Vinay Bharat Ram and 1,806 equity shares to Mr. Sumant Bharat Ram) in proportion to the shares held by them in the Transferor Company.

## (iii) Change in Promoters Shareholding

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2019		
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	CRESCITA ENTERPRISES PRIVATE LIMITED**	90,30,495	48.35	01.04.2018							
				30.01.2019	-90,30,495	Cancellation of shares pursuant to Scheme of Amalgamation	-	-			
				31.03.2019					NA	NA	
2	MR. SUMANT BHARAT RAM**	12,000	0.06	01.04.2018							
				11.02.2019	1,806	Allotment of shares pursuant to Scheme of Amalgamation	13,806	0.07			
				31.03.2019					13,806	0.07	
3	MRS. PANNA BHARAT RAM (Deceased)*	7,912	0.04	01.04.2018							
				28.04.2018	-7,912	Transmission	-	-			
				31.03.2019					NA	NA	
4	DR. VINAY BHARAT RAM**	6,525	0.04	01.04.2018							
				28.04.2018	7,912	Transmission	14,437	0.07			
				11.02.2019	90,28,689	Allotment of shares pursuant to Scheme of Amalgamation	90,43,126	48.42			
		31.03.2019						90,43,126	48.42		
5	MR. RAHIL BHARAT RAM	4,852	0.03	01.04.2018							
				31.03.2019		No Change in shareholding during the year					
				31.03.2019					4,852	0.03	
6	MR. YUV BHARAT RAM	4,800	0.03	01.04.2018							
				31.03.2019		No Change in shareholding during the year					
				31.03.2019					4,800	0.03	

\*7,912 equity shares of late Mrs. Panna Bharat Ram have been transmitted in the name of Dr. Vinay Bharat Ram on April 28, 2018.

\*\*Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide its order dated January 8, 2019, which became effective from January 30, 2019 has sanctioned Scheme of Amalgamation of Crescita Enterprises Private Limited ("Transferor Company") into and with DCM Limited (Transferee Company / Company). Transferor Company was holding 90,30,495 equity shares of Transferee Company. Pursuant to the aforesaid scheme of Amalgamation becoming effective 90,30,495 (48.35%) equity shares held by the Transferor Company in the Transferee Company stand cancelled and in terms of aforesaid Scheme, the Company has issued & allotted same number of equity shares (i.e. 90,30,495) to the shareholders of the Transferor Company (i.e. 90,28,689 numbers of equity shares to Dr. Vinay Bharat Ram and 1,806 equity shares to Mr. Sumant Bharat Ram) in proportion to the shares held by them in the Transferor Company.

Annexure - IV to the Directors' Report continued

(iv) Shareholding Pattern of top 10 shareholders (other than directors, promoters and holders of ADRs and GDRs)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	1148512	6.15	01.04.2018						
						No change in shareholding during the year				
				31.03.2019					1148512	6.15
2	KANWALJEET SINGH DHILLON	410000	2.20	01.04.2018						
						No change in shareholding during the year				
				31.03.2019			410000	2.20	410000	2.20
3	SATPAL KHATTAR	200000	1.07	01.04.2018						
						No change in shareholding during the year				
				31.03.2019			200000	1.07	200000	1.07
4	ANIL KUMAR GOEL	175000	0.94	01.04.2018						
						No change in shareholding during the year				
				31.03.2019			175000	0.94	175000	0.94
5	G SHANKAR	108845	0.58	01.04.2018						
				31.08.2018	200	transfer	109045	0.58		
				14.09.2018	3500	transfer	112545	0.60		
				12.10.2018	2060	transfer	114605	0.61		
				19.10.2018	2900	transfer	117505	0.63		
				21.12.2018	1545	transfer	119050	0.64		
				25.01.2019	2000	transfer	121050	0.65		
				01.02.2019	500	transfer	121550	0.65		
				09.02.2019	1000	transfer	122550	0.66		
				08.03.2019	900	transfer	123450	0.66		
				15.03.2019	900	transfer	124350	0.67		
				22.03.2019	200	transfer	124550	0.67		
		31.03.2019	2000	transfer	126550	0.68	126550	0.68		
6	VINODCHANDRA MANSUKHLAL PAREKH/ SANJEEV VINODCHANDRA PAREKH	99213	0.53	01.04.2018						
				14.09.2018#	-	transfer	99213	0.53		
				22.03.2019##	-	transfer	99213	0.53		
				31.03.2019					99213	0.53

#Ceased to be part of top 10 shareholders on 14.09.2018

## Re-entered in top 10 Shareholders on March 22, 2019

7	APARNA JAIN	98000	0.52	01.04.2018						
				25.05.2018	-5000	transfer	93000	0.50		
				01.06.2018*	-22717	transfer	70283	0.38		
				31.03.2019					NA	NA

\*ceased to be part of top 10 Shareholders on June 01, 2018

8	INNOVATE SECURITIES PRIVATE LIMITED	96070	0.51	01.04.2018						
				06.04.2018	-400	transfer	95670	0.51		
				13.04.2018^^	-18924	transfer	76746	0.41		
				31.03.2019					NA	NA

^^ Ceased to be part of top 10 shareholders on April 13,2018

Annexure - IV to the Directors' Report continued

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	BHARAT JAMNADAS DATTANI	95368	0.51	01.04.2018						
				27.07.2018###			95368	0.51		
				10.08.2018^			95368	0.51		
				31.08.2018	6000	transfer	101368	0.54		
				22.03.2019###	-50000	transfer	51368	0.28		
				31.03.2019					NA	NA

###ceased to be part of top 10 shareholders on July 27, 2018 and March 22, 2019

^ Re- Entered in top 10 Shareholders on August 10, 2018

10	M.G. SHARES AND STOCKS PVT. LTD.	90000	0.48	01.04.2018						
				20.04.2018	15000	transfer	105000	0.56		
				27.04.2018	49000	transfer	154000	0.82		
				11.05.2018^^^	-123500	transfer	30500	0.16		
				31.03.2019					NA	NA

^^^Ceased to be part of top 10 shareholders on May 11, 2018

11	IL AND FS SECURITIES SERVICES PVT. Ltd.	NA	NA	1.04.2018						
				13.04.2018*^	82182	transfer	104882	0.56		
				20.04.2018	9500	transfer	114382	0.61		
				27.04.2018*#	-80000	transfer	34382	0.18		
				31.03.2019					NA	NA

\*^first time entered in top 10 shareholders on April 13, 2018

\*#Ceased to be part of top 10 shareholders on April 27, 2018

12	ASHLAR SECURITIES PRIVATE LIMITED	NA	NA	01.04.2018	-	-	-			
				27.04.2018**	5500	transfer	87585	0.47		
				04.05.2018	19540	transfer	107125	0.57		
				11.05.2018	5400	transfer	112525	0.60		
				06.07.2018	-1200	transfer	111325	0.60		
				13.07.2018	-1000	transfer	110325	0.59		
				07.09.2018	3000	transfer	113325	0.61		
				14.09.2018	-1902	transfer	111423	0.60		
				12.10.2018	30	transfer	111453	0.60		
				19.10.2018	-30	transfer	111423	0.60		
				16.11.2018	-8800	transfer	102623	0.55		
				31.12.2018***	-17500	transfer	85123	0.46		
				31.03.2019					NA	NA

\*\*New Entered in top 10 Shareholders on April 27, 2018

\*\*\* Ceased to be part of top 10 shareholders on December 31, 2018

13	NIRMAL BANG SECURITIES PVT LTD	NA	NA	1.04.2018						
				11.05.2018*^^	123500	transfer	123500	0.66		
				25.05.2018	10	transfer	123510	0.66		
				08.06.2018	30000	transfer	153510	0.82		
				21.07.2018	-53500	transfer	100010	0.54		
				03.08.2018	-4588	transfer	95422	0.51		
				10.08.2018*^^^	-5412	transfer	90010	0.48		
				31.03.2019					NA	NA

\*^^ first time entered in top 10 shareholders on May 11, 2018

\*^^^Ceased to be part of top 10 shareholders on August 10, 2018

Annexure - IV to the Directors' Report continued

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14	ANAND RATHI GLOBAL FINANCE LIMITED	NA	NA	1.04.2018						
				01.06.2018#^	77590	transfer	106449	0.57		
				13.07.2018	-6426	transfer	100023	0.54		
				04.01.2019	8200	transfer	108223	0.58		
				11.01.2019	15048	transfer	123271	0.66		
				31.03.2019			123271	0.66	123271	0.66

#^ first time entered in top 10 shareholders on June 01, 2018

15	JAYASHREE IYER	NA	NA	1.04.2018						
				27.07.2018*##	18958	transfer	98855	0.53		
				10.08.2018	1145	transfer	100000	0.54		
				29.09.2018**##	-	-	100000	0.54		
				31.12.2018***##	-	-	100000	0.54		
				15.02.2019**##	-100000	transfer	0	0.00		
				31.03.2019					NA	NA

\*## first time entered in top 10 shareholders on July 27, 2018

\*\*## Ceased to be part of top 10 shareholders on September 29, 2018 and February 15, 2019

\*\*\*## Re-entered in the top 10 shareholders on December 31, 2018

16	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	NA	NA	1.04.2018						
				14.09.2018*&	228026	transfer	228026	1.22		
				21.09.2018	4595	transfer	232621	1.25		
				31.03.2019			232621	1.25	232621	1.25

\*& first time entered in top 10 shareholders on September 14, 2018

17	SMS HOLDINGS PVT. LTD. '1201060003221718	NA	NA	1.04.2018						
				29.09.2018#^*	23397	transfer	123363	0.66		
				19.10.2018	2012	transfer	125375	0.67		
				31.03.2019##^	-125375	transfer	0	0.00	NA	NA

#^\* first time entered in top 10 shareholders on September 29, 2018

##^ ceased to be part of top 10 shareholders on March 31, 2019

18	DIVYAA HIRAWT	NA	NA	1.04.2018						
				15.02.2019^#^	100000	transfer	100000	0.54		
				31.03.2019			100000	0.54	100000	0.54

^#^ first time entered in top 10 shareholders on February 15, 2019

19	SMS HOLDINGS PVT LTD. '1201060003219164	NA	NA	1.04.2018						
				31.03.2019^^#	125375	transfer	125375	0.67	125375	0.67

^^# First time entered in top 10 shareholders on March 31, 2019

Annexure - IV to the Directors' Report continued

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. Vinay Bharat Ram (Chairman & Managing Director - KMP)	6,525	0.03	01.04.2018						
				28.04.2018	7,912	Transmission	14,437	0.07		
				11.02.2019	90,28,689	Allotment of shares pursuant to Scheme of Amalgamation	90,43,126	48.42		
				31.03.2019					90,43,126	48.42
2	Mr. Bipin Maira (Independent - Non-Executive Director)	0	0	01.04.2018						
				31.03.2019		No change in shareholding during the year			0	0
3	Mr. Chandra Mohan (Independent - Non-Executive Director)*	0	0	01.04.2018						
				31.03.2019		No change in shareholding during the period			NA	NA
4	Mr. Dinesh Dhiman [Executive Director (Engineering Operation) (KMP)]	0	0	01.04.2018						
				31.03.2019		No change in shareholding during the year			0	0
5	Mr. Jitendra Tuli (Non- Independent - Non Executive Director)	0	0	01.04.2018						
				31.03.2019		No change in shareholding during the year			0	0
6	Mr. K S Nangyal**	NA	NA	01.04.2018						
		0	0	11.01.2019		No change in shareholding during the period				
				31.03.2019					0	0
7	Mr. L Lakshman (Independent - Non-Executive Director)	0	0	01.04.2018						
				31.03.2019		No change in shareholding during the year			0	0
8	Dr. Meenakshi Nayar (Independent - Non-Executive Director)	100	0.0005	01.04.2018						
				31.03.2019		No change in shareholding during the year			100	0.0005
9	Mr. Narendra Pal Chawla (Non-Independent - Non Executive Director)*	0	0	01.04.2018						
				31.03.2019		No change in shareholding during the period			NA	NA

Annexure - IV to the Directors' Report continued

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10	Mr. Ravi Vira Gupta (Independent - Non-Executive Director)	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
11	Dr. Raghupati Singhania (Independent - Non-Executive Director)	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
12	Prof. Sudhir Kumar Jain (Independent - Non-Executive Director)	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
13	Mr. Sushil Kapoor [Executive Director (Engineering Business) (KMP)]	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
14	Mr. Hemant Bharat Ram [President (Textiles) - KMP]	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
15	Mr. Sumant Bharat Ram (Chief Executive & Financial Officer - KMP)*	12,000	0.06	01.04.2018		Allotment of shares pursuant to Scheme of Amalgamation				
				11.02.2019	1,806		13,806	0.07		
				31.03.2019					13,806	0.07
16	Mr. Rakesh Kumar Goel (CEO-Textile Division - KMP)	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
17	Mr. Varun Sarin (Chief of Operations & Finance -IT Division - KMP)	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0
18	Mr. Yadvinder Goyal (Company Secretary - KMP)	0	0	01.04.2018		No change in shareholding during the year				
				31.03.2019					0	0

\*Mr. Chandra Mohan and Mr. Narendra Pal Chawla ceased to be directors of the company w.e.f. August 07, 2018 & December 11, 2018 respectively.

\*\* Mr. K S Nangyal was appointed as Nominee Director of Life Insurance Corporation of India w.e.f. January 11, 2019.

\* Mr. Sumant Bharat Ram, Chief Executive & Financial Officer (CE&FO) of the Company has resigned and ceased to be CE&FO of the Company with effect from March 31, 2019. The Board of Directors have appointed him as an Additional Director of the Company with effect from April 01, 2019.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs. Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2018</b>				
i) Principal Amount	26,817.94	2,000	-	28,817.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	87.75	-	-	87.75
iv) Impact of Ind AS	107.95	(12.42)	-	95.53
<b>Total (i+ii+iii+iv)</b>	<b>27,013.64</b>	<b>1,987.58</b>	-	<b>29,001.22</b>
<b>Change in indebtedness during the financial year</b>				
Addition	227.36	2311.35	-	2,538.71
Reduction	4,404.00	2,000.00	-	6,404.00
Change in interest accrued but not due	11.49	-	-	11.49
Impact of Ind AS	(120.51)	12.42	-	(108.09)
<b>Net Change</b>	<b>(4,285.66)</b>	<b>(1,776.23)</b>	-	<b>(3,961.89)</b>
<b>Indebtedness at the end of the financial year i.e. 31.03.2019</b>				
i) Principal Amount	22,641.30	2,311.35	-	24,952.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	99.24	-	-	99.24
iv) Impact of Ind AS	(12.56)	-	-	(12.56)
<b>Total (i+ii+iii+iv)</b>	<b>22,727.98</b>	<b>2,311.35</b>	-	<b>25,039.33</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time director and / or Manager:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Dr. Vinay Bharat Ram Chairman and Managing Director	Mr. Dinesh Dhiman (Executive Director – Engineering Operation)	Mr. Sushil Kapoor (Executive Director – Engineering Business)	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	66,60,000	36,34,138	1,02,23,870	2,05,18,008
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	83,43,572	32,400	-	83,75,972
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify....	-	-	-	-
5.	Others				
	- Bonus	-	-	30,00,000	30,00,000
	- PF Contribution	-	1,31,768	-	1,31,768
	<b>Total (A)</b>	<b>1,50,03,572</b>	<b>37,98,306</b>	<b>1,32,23,870</b>	<b>3,20,25,748</b>
	<b>Annual Ceiling as per the Act (10 % of the profits calculated u/s 198 of the Companies Act, 2013)</b>				<b>20,70,161</b>

Annexure - IV to the Directors' Report continued

B. Remuneration to other Directors:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Director							Total Amount
		Mr. Bipin Maira	Mr. Chandra Mohan*	Mr. L Lakshman	Dr. Meenakshi Nayar	Dr. Raghupati Singhania	Mr. Ravi Vira Gupta	Prof. Sudhir Kumar Jain	
<b>1</b>	<b>Independent Directors</b>								
	-Fee for attending board and committee meetings	3,10,000	20,000	1,30,000	2,00,000	40,000	2,50,000	3,70,000	13,20,000
	- Commission	-	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>3,10,000</b>	<b>20,000</b>	<b>1,30,000</b>	<b>2,00,000</b>	<b>40,000</b>	<b>2,50,000</b>	<b>3,70,000</b>	<b>13,20,000</b>

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Jitendra Tuli	Mr. Narendra Pal Chawla (Nominee of LIC)*	Mr. K S Nangyal (Nominee of LIC)**	
<b>2</b>	<b>Other Non-Executive Directors</b>				
	-Fee for attending board and committee meetings	2,20,000	40,000	40,000	3,00,000
	- Commission	-	-	-	-
	-Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>2,20,000</b>	<b>40,000</b>	<b>40,000</b>	<b>3,00,000</b>
	<b>Total (B) = (1+2)</b>				<b>16,20,000</b>
	Overall Annual Ceiling as per the Act (1% of the profits calculated u/s 198 of the Companies Act, 2013)				2,07,016

\*Mr. Chandra Mohan and Mr. Narendra Pal Chawla ceased to be directors of the company w.e.f. August 07, 2018 & December 11, 2018 respectively.

\*\* Mr. K S Nangyal was appointed as Nominee Director of Life Insurance Corporation of India w.e.f. January 11, 2019.

-Sittings fees paid to directors has not been considered as part of their respective remuneration in terms of relevant provisions of the Companies Act, 2013. However, the same has been disclosed in the above table for the purpose of limited compliance under above head.

	Total Managerial Remuneration (A+B)				3,36,45,748
	Overall Annual Ceiling as per the Act (11% of the profits calculated u/s 198 of the Companies Act, 2013)				22,77,177

Annexure - IV to the Directors' Report continued

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		Mr. Hemant Bharat Ram President (Textiles)	Mr. Sumant Bharat Ram Chief Executive & Financial Officer	Mr. Rakesh Kumar Goel CEO-Textile Division, Hisar	Mr. Varun Sarin- Chief of Operation & Finance- IT Division	Mr. Yadvinder Goyal - Company Secretary	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	1,91,84,670	1,67,37,578	87,41,563	56,84,592	20,46,847	5,23,95,250
	(b) Value of perquisites u/s 17(2) of the Income - tax Act, 1961	27,39,600	19,70,076	8,53,007	21,600	Nil	55,84,283
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify....	-	-	-	-	-	-
5	Others, please specify						
	- Bonus	2,00,00,000	-	12,00,000	2,00,000	-	2,14,00,000
	- PF and Superannuation Contribution	23,59,500	18,48,000	15,06,000	7,79,100	2,10,750	67,03,350
	<b>Total</b>	<b>4,42,83,770</b>	<b>2,05,55,654</b>	<b>1,23,00,570</b>	<b>66,85,292</b>	<b>22,57,597</b>	<b>8,60,82,883</b>

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors  
For DCM Limited

Place : New Delhi  
Date : August 12, 2019

Sd/-  
Dr. Vinay Bharat Ram  
Chairman and Managing Director

## ANNEXURE - V

Form No. MR-3  
SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule

No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015, as amended]

To,  
The Members,  
DCM Limited  
Vikrant Tower,  
4, Rajendra Place,  
New Delhi-110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCM Limited, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DCM Limited ("the Company") for the financial year ended 31<sup>st</sup> March, 2019 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the listed entity during the review period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the listed entity during the review period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the listed entity during the review period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the listed entity during the review period);
- VI. We have relied on the systems/mechanism formed by the Company for compliances under other Applicable Acts, laws and regulations applicable to the Company and the management explanation in this regard. The list of major Acts, Laws and Regulations as applicable to the Company is given in Annexure -A

We have not examined compliance with applicable financial laws like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and tax audit.

We have also examined compliance with the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

We have examined compliances of the Secretarial Standards issued by the Institute of Company Secretaries of India. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the year under review following specific events having a major bearing on the Company's affairs have may be occurred:**

1. Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ('NCLT') vide its Order dated January 8, 2019 has sanctioned the Scheme of Amalgamation of Crescita Enterprises Private Limited ('Transferor Company') into & with the Company with effect from appointed date of March 31, 2017 for the purpose of restructuring of shareholding of 'Promoters and Promoter group' of the Company. The said scheme has become effective on January 30, 2019.
2. NCLT vide its Order dated May 01, 2019 has sanctioned the Scheme of Arrangement between the Company and DCM Nouvelle Limited, a wholly owned subsidiary of the Company ('Resulting Company') and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013, for the demerger of the cotton textile business undertaking of the Company and vesting of the same with Resulting Company, on a going concern basis with effect from appointed date of April 1, 2019. The said scheme has become effective on May 13, 2019.
3. The Board of Directors of the Company in its meeting held on February 11, 2019, has withdrawn the following composite scheme of Arrangement for the:
  - a. Amalgamation of Tiara Investment Holdings Limited into Purearth Infrastructure Limited, a joint venture company with effect from December 31, 2016;
  - b. Demerger of the Real Estate Undertaking of DCM Limited into DCM Realty and Infrastructure Limited, on a going concern basis with effect from January 1, 2017; and
  - c. Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Purearth into the Resulting DCM Realty leading to Amalgamated DCM Realty, with effect from January 1, 2017.

For Pragnya Pradhan & Associates  
Company Secretaries

Sd/-  
Pragnya Parimita Pradhan  
ACS No. 32778  
C P No.: 12030

Place : New Delhi  
Date : 18 July, 2019

**DCM**

This report is to be read with our letter of even date which is annexed as Annexure B and forms an integral part of this report.

ANNEXURE – V-1

**Annexure A**

1. Factories Act, 1948;
2. Industries (Development and Regulation) Act 1951;
3. Minimum Wage Act, 1948;
4. Employees Provident Fund & Miscellaneous Provisions Act, 1952;
5. Industrial Employment (Standing Orders) Act, 1946;
6. Inter –State Migrant Workman (Regulation of Employment and Condition of Services) Act, 1979;
7. Maternity Benefit Act, 1961;
8. Payment of Gratuity Act, 1972;
9. Payment of Wage Act, 1936;
10. Environment (Protection) Act, 1986;
11. Water (Prevention and Control of Pollution) Act, 1974;
12. The Legal Metrology Act, 2009.

**Annexure B**

To  
The Members,  
DCM Limited  
Vikrant Tower,  
4, Rajendra Place,  
New Delhi-110008

Our report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- (4) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Pragnya Pradhan & Associates  
Company Secretaries**

**Sd/-  
Pragnya Parimita Pradhan  
ACS No. 32778  
C P No.: 12030**

**Place :** New Delhi  
**Date :** 18 July, 2019

**Secretarial compliance report of DCM LIMITED for the year ended 31.03.2019**

I, Pragnya Parimita Pradhan, Proprietor of Pragnya Pradhan & Associates, Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by the **DCM Limited** (‘the listed entity’);
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other documents/ filings, as may be relevant, which has been relied upon to make this certification.

for the year ended 31.03.2019 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993;
- (f) Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (*Not Applicable to the listed entity during the review period*);
- (g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*Not Applicable to the listed entity during the review period*);
- (h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not Applicable to the listed entity during the review period*);
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (*Not Applicable to the listed entity during the review period*);
- (j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not Applicable to the listed entity during the review period*).

and circulars/guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below :

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- (b) The listed entity has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL	NIL	NIL	NIL

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NA	NA	NA	NA

For Pragnya Pradhan & Associates

Sd/-  
Pragnya Parimita Pradhan  
(Company Secretary)  
ACS No. -32778  
CP No: 12030

Place: New Delhi  
Date: 24 May, 2019

## ANNEXURE – VI

### NOMINATION AND REMUNERATION POLICY

#### 1 PREAMBLE

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This Policy was approved by the Board of Directors of the Company.

#### 2 OBJECTIVE

The Policy relates to appointment and designing the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company.

#### 3 DEFINITIONS

- a) **“Board”**:- Board means Board of Directors of the Company
- b) **“Director”**:- Directors means Directors of the Company.
- c) **“Committee”**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- d) **“Company”**:- Company means DCM Limited
- e) **“Independent Director”**:- As provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and/ or under the Companies Act, 2013 and relevant rules thereto.
- f) **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
  - (i) the Chairman and Managing Director;
  - (ii) the Chief Executive Officer;
  - (iii) the manager;
  - (iv) the Whole-time Director;
  - (v) the Chief Financial Officer;
  - (vi) the Company Secretary; and
  - (vii) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - (viii) such other officer as may be prescribed.
- g) **“Senior Management”**:- shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, shall have the meaning respectively assigned to them therein.

#### 4 KEY PRINCIPLES

The following principles guide the design of remuneration under this Policy:

- (i) Attract, retain and motivate the right talent, including the directors, KMP and employees, required to meet the goals of the Company.
- (ii) Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.

- (iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual and overall Company's performance.
- (iv) Reflect market trends and practices, competitive positions to attract the required talent.

**5 APPOINTMENT CRITERIA AND QUALIFICATIONS**

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
- (ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

**6 REMUNERATION TO MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)**

- (i) The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.
- (ii) The compliance of the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time regarding the limits of remuneration will be ensured.
- (iii) The remuneration to include the following components:
  - a) **Basic Salary**
    - Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
    - Subject to such annual increment as per the recommendations of the Committee and the approval of the Board of Directors.
  - b) **Commission / Variable Component**
    - Commission/Variable Component, if any, as per the recommendations of the Committee and the approval of the Board of Directors in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.
  - c) **Perquisites and Allowances**
    - Perquisites and Allowances commensurate to the position of Executive Directors, as per the recommendations of the Committee and the approval of the Board of Directors
  - d) **Contribution to Provident, Superannuation fund and Gratuity etc.**

In the event, the remuneration payable to Managing Director/ Whole-Time Director exceed the limits laid down under Section 197 and 198 read with Schedule V of the Companies Act, 2013, the same shall be subject to such approvals, as may be necessary.

**7 REMUNERATION TO NON EXECUTIVE AND INDEPENDENT DIRECTORS**

The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as may be recommended by the Committee

and approved by the Board of Directors and Shareholders of the Company. The amount of such fees and commissions shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**8 KEY MANAGERIAL PERSONNEL (KMP)/SENIOR MANAGEMENT PERSONNEL /OTHER OFFICERS AND STAFF**

The Remuneration to be paid to KMP's/ Senior Management Personnel/ other officers & staff is based on the role and responsibilities in the Company, the experience, qualification, skills and competencies of the related personnel / employees, the market trends, practices and benchmarks.

The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

The remuneration is subject to review on the basis of individual and business performance and inflation/market trends. The performance of employees is reviewed based on competency assessment and key results delivered. The performance assessment, more specifically, is used as an input to determine merit/special increments, performance bonus, rewards, incentives (short term and long term) and other recognitions/promotions.

The objective is to ensure that the compensation engage the employees to give their best performance.

**9 EVALUATION**

The Committee shall carry out evaluation of performance of every Director of the Company.

**10 RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board and / or Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**11 WORKMEN COMPENSATION**

Workmen are paid wages in accordance to the settlement with the recognized union of the workers, as applicable. Where there is no union, workmen wages are as per the best industry practice and applicable law. All remuneration components will be in accordance with applicable statutory compliances.

**12 DIRECTORS' AND OFFICERS' INSURANCE**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**13 AMENDMENTS**

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of this Policy and related matters shall be implemented by the Company. The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

**14 DISCLOSURE**

The Policy shall be disclosed as required by the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

## ANNUAL REPORT ON CSR ACTIVITIES

1.	<b>A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.</b>	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://dcm.in/wp-content/uploads/2016/10/CSR-Policy-DCM-Ltd-1.pdf">http://dcm.in/wp-content/uploads/2016/10/CSR-Policy-DCM-Ltd-1.pdf</a>
2.	<b>The Composition of the CSR Committee.</b>	1) Dr. Vinay Bharat Ram – Chairman 2) Mr. Ravi Vira Gupta - Member 3) Dr. Meenakshi Nayar – Member 4) Mr. Jitendra Tuli - Member
3.	<b>Average net profit / (loss) of the company for last three financial years (Rs. in Lakhs)</b>	(1252.62)
4.	<b>Prescribed CSR Expenditure (two percent, of the amount as in item 3 above)</b>	Nil
5.	<b>Details of CSR spent during the financial year 2018-19.</b> (1) Total amount to be spent for the F. Y. (2) Amount unspent, if any : (3) Manner in which the amount spent during the financial year:	(1) Nil (2) Nil (3) Necessary details are provided in the table given below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Contribution for running of School at Hissar up to Class 10 <sup>th</sup>	Promoting of education	Hissar in the state of Haryana	Rs. 15.00 lacs	Rs. 12.17 lacs	Rs. 12.17 lacs	Direct
	<b>Total</b>			<b>Rs. 15.00 Lacs</b>	<b>Rs. 12.17 Lacs</b>	<b>Rs. 12.17 Lacs</b>	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

N.A.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

I hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors  
For DCM Limited

Sd/-

Dr. Vinay Bharat Ram  
Chairman and Managing Director  
Chairman, CSR Committee

Place : New Delhi

Date : August 12, 2019

## CORPORATE GOVERNANCE REPORT

## 1. 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 Company. Our Corporate governance policy has been based on professionalism, honesty, integrity and ethical behaviour.

Through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play 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, 2018 to March 31, 2019 on the practices followed at DCM Limited towards achievement of good Corporate Governance.

## 2. BOARD OF DIRECTORS

**Composition and Category of Directors, attendance of the Directors at the Board Meetings and the last Annual General Meeting, Outside Directorship(s) and Membership(s) or Chairmanship(s) of Board Committees, name of the Listed entities wherein directorship held along with category of Directorship held in that listed Company and numbers of shares or convertible instruments held**

Above information as on March 31, 2019, as applicable, is tabulated hereunder:

**Composition of the Board**

As at March 31, 2019, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), the Company's Board of Directors comprised of total Eleven directors namely, Dr. Vinay Bharat Ram, Chairman and Managing Director, Mr. Bipin Maira, Mr. Dinesh Dhiman, Mr. Jitendra Tuli, Mr. Krishna Singh Nangyal, Mr. Lakshman Lakshminarayan, Dr. Meenakshi Nayar, Dr. Raghupati Singhanian, Mr. Ravi Vira Gupta, Prof. Sudhir Kumar Jain and Mr. Sushil Kapoor .

The Board of Directors of the Company consists of appropriate number of Executive Director(s), Independent Director(s) and Non-Executive Director(s) in conformity with the provisions of SEBI Listing Regulations. Dr. Vinay Bharat Ram is Chairman & Managing Director of the Company. Mr. Sushil Kapoor is Executive Director (Engineering Business) and Mr. Dinesh Dhiman is Executive Director (Engineering Operations) of the Company. Mr. Bipin Maira, Mr. Lakshman Lakshminarayan, Dr. Meenakshi Nayar, Dr. Raghupati Singhanian, Mr. Ravi Vira Gupta and Prof. Sudhir Kumar Jain are Independent Directors. Mr. Jitendra Tuli and Mr. Krishna Singh Nangyal are Non-Independent Non- Executive Directors. Further, Mr. Krishna Singh Nangyal is nominated by Life Insurance Corporation of India (LIC).

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.

Name of Director	DIN	Category of Director*	Number of equity shares of the Company held	No. of Board meetings held during FY 2018-19	No. of Board meetings attended	Attendance at last AGM held on 24.09.2018	No. of outside Directorships held#	No. of membership(s) / Chairmanship(s) in Board Committees ##		Name of Listed entities in which the outside directorships held (category of Directorship)
								Member	Chairman	
Dr. Vinay Bharat Ram	00052826	ED/PD	90,43,126	6	6	Yes	2	0	0	-
Mr. Bipin Maira	05127804	I-NED	-	6	6	Yes	-	1	1	-
Mr. Chandra Mohan**	00017621	I-NED	-	1	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Dinesh Dhiman	08021624	ED	-	6	5	No	-	-	-	-
Mr. Jitendra Tuli	00272930	NI-NED	-	6	6	Yes	-	1	-	-
Mr. Krishna Singh Nangyal Nominee Director (LIC)***	06857451	NI-NED	-	2	2	N.A.	-	-	-	-
Mr. L Lakshman**	00012554	I-NED	-	6	4	No	7	6	1	SRF Limited (I - NED) Rane Holdings Limited (NI-NED) Rane Brake Lining Limited (NI-NED) Rane Madras Limited (NI-NED) Rane Engine Valve Limited (NI-NED)
Dr. Meenakshi Nayar**	06866256	I-NED	100	6	4	Yes	-	1	-	-
Mr. N P Chawla Nominee Director (LIC)***	06412645	NI-NED	-	3	2	No	N.A.	N.A.	N.A.	N.A.

## Corporate Governance continued

Name of Director	DIN	Category of Director*	Number of equity shares of the Company held	No. of Board meetings held during FY 2018-19	No. of Board meetings attended	Attendance at last AGM held on 24.09.2018	No. of outside Directorships held#	No. of membership(s) / Chairmanship(s) in Board Committees ##		Name of Listed entities in which the outside directorships held (category of Directorship)
								Member	Chairman	
Dr. Raghupati Singhania**	00036129	I-NED	-	6	2	No	17	2	2	JK Agri Genetics Limited (NI-NED)
										Radico Khaitan Limited (I-NED)
										Bengal & Assam Company Limited (NI-NED)
										JK Tyre & Industries Limited (ED)
										JK Laxmi Cement Limited (NI-NED)
Mr. Ravi Vira Gupta	00017410	I-NED	-	6	5	Yes	4	3	1	Seshasayee Paper & Board Limited (I-NED)
										Honda Stiel Power Product Limited (I-NED)
										The Delhi Safe Deposit Co. Limited (I-NED)
Prof. Sudhir Kumar Jain	06419514	I-NED	-	6	6	Yes	-	1	1	-
Mr. Sushil Kapoor	02481289	ED	-	6	5	No	-	-	-	-

ED – Executive Director; PD - Promoter Director; I-NED- Independent –Non Executive Director; NED –Non Executive Director; NI-NED- Non-Independent –Non Executive Director.

\*Category of Directors is as on March 31, 2019.

#Directorships held in all other companies (including Section 8 company & foreign companies) are considered except Directorship held in DCM limited.

##Membership(s)/Chairmanship(s) of only Audit Committee and Share Transfer, Finance facilities and Stakeholders Relationship Committee (i.e. Stakeholder Relationship Committees) held by Directors in all the companies including DCM limited have been considered.

\*\*Mr. Chandra Mohan, Mr. L Lakshman, Dr. Raghupati Singhania and Dr. Meenakshi Nayar ceased to be Independent Directors of the Company w.e.f August 07, 2018, June 29, 2019, July 10, 2019 and August 6, 2019 respectively.

\*\*\* Mr. Narendra Pal Chawla ceased as Nominee Director of Life Insurance Corporation of India on the Board of the Company w.e.f. December 11, 2018. Mr. K S Nangyal was appointed as Nominee Director of Life Insurance Corporation of India on the Board of the Company w.e.f. January 11, 2019.

None of the Independent Directors of the Company served as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

During the year, the Board met six (6) times on May 30, 2018, August 10, 2018, November 13, 2018, January 11, 2019, February 11, 2019 and March 25, 2019. The maximum time gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the SEBI Listing Regulations.

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

### Skills/Expertise/Competence of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses, policies and major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;
2. Behavioral skills- attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;
3. Business Strategy, Corporate Governance, Administration, Decision Making;
4. Financial and Management skills;
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

All the Independent Directors of the Company have given declaration(s) and have confirmed that they meet the criteria of independence as provided in the Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI Listing Regulations and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their liability to discharge their duties with an objective independent judgement and without any external influence.

Due to the old age and difficulties to travel outside Chandigarh, Mr. Chandra Mohan, Independent Director of the Company has resigned from the Board of Directors of the Company on August 07, 2018 before the expiry of his term as Independent Director of the company. Requirement as specified under SEBI Listing Regulations in respect of providing necessary confirmation that there is no other material reasons for his resignation other than those provided was not applicable at the time of resignation of Mr. Chandra Mohan.

Due to his various other professional obligations and arduous travelling requirements, Mr. L Lakshman, Independent Director of the Company has resigned on June 29, 2019 from the Board of Directors of the Company before the expiry of his term as Independent Director of the Company. In terms of SEBI Listing Regulations, Mr. L Lakshman has provided necessary confirmation that there is no other material reasons for his resignation other than those provided.

Due to his increasing other commitments, Dr. Raghupati Singhania, Independent Director of the Company has resigned on July 10, 2019 from the Board of Directors of the Company before the expiry of his term as Independent Director of the company. In terms of SEBI Listing Regulations, Dr. Raghupati Singhania has also provided necessary confirmation that there is no other material reasons for his resignation other than those provided.

Due to pre occupation with other professional activities related to not-for-profit venture, Dr. Meenakshi Nayar, Independent Director of the Company has resigned on August 6, 2019 from the Board of the Directors of the Company before the expiry of her term as Independent Director of the Company. In

terms of SEBI Listing Regulations, Dr. Meenakshi Nayar has provided necessary confirmation that there is no other material reasons for her resignation other than those provided.

### 3. Compliance with the 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. The updated Code incorporate the duties of Independent Directors. The Code of Conduct is available on the website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Directors-senior-management.pdf>

All Board members and designated Senior Management Personnel have affirmed compliance with the Code of conduct. A declaration signed by the Chairman & Managing Director of the Company is enclosed as **Annexure -A** and forms part of this report.

### 4. Audit Committee

As on March 31, 2019, the Audit Committee of the Company consists of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Mr. L Lakshman, Prof. Sudhir Kumar Jain and Dr. Meenakshi Nayar as members. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

All members of Audit Committee are independent directors.

The terms of reference of Audit Committee covers all areas mentioned under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as applicable. The broad terms of reference of Audit committee as on March 31, 2019, include, *inter-alia*, systematic review of Accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function and quarterly/half-yearly financial statements. It also recommends appointment of Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and fixation of their audit fees. Mr. Bipin Maira, Mr. L Lakshman, Mr. Ravi Vira Gupta and Dr. Meenakshi Nayar 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 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, 2018 to March 31, 2019, Five (5) Audit Committee meetings have taken place on May 30, 2018, August 10, 2018, November 13, 2018, February 11, 2019 and March 25, 2019. The attendance of each director at these meetings was as under:

S. No.	Name	Designation	No. of meetings held during FY 2018-19	No. of meetings attended
1.	Mr. Bipin Maira	Chairman	5	5
2.	Prof. Sudhir Kumar Jain	Member	5	5
3.	Mr. Ravi Vira Gupta	Member	5	5
4.	Mr. L Lakshman	Member	5	4
5.	Dr. Meenakshi Nayar	Member	5	3

The composition and terms of reference of the Audit Committee are in conformity with the relevant provisions of SEBI Listing Regulations and the Companies Act, 2013. The minutes of the meetings of the Audit Committee were placed before the Board for its information.

### 5. Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under

Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. As on March 31, 2019, the 'Nomination and Remuneration Committee' comprised of Mr. Ravi Vira Gupta, Chairman, Prof. Sudhir Kumar Jain, Mr. Bipin Maira and Dr. Meenakshi Nayar as members of the Committee.

#### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee cover all areas mentioned under Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee *inter-alia* include recommending a policy relating to remuneration of directors and senior management personnel, formulation of criteria and identify persons who may be appointed as directors or senior management of the Company, Board diversity and any other matters which the Board of Directors may direct from time to time.

During the year April 01, 2018 to March 31, 2019, three (3) meetings of the 'Nomination and Remuneration Committee' have taken place on May 30, 2018, January 11, 2019 and March 25, 2019. The attendance of each director at these meetings was as under:

S. No.	Name	Designation	No. of meetings held during FY 2018-19	No. of meetings attended
1.	Mr. Ravi Vira Gupta	Chairman	3	2
2.	Prof. Sudhir Kumar Jain	Member	3	3
3.	Mr. Bipin Maira	Member	3	3
4.	Dr. Meenakshi Nayar	Member	3	3

#### Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors was such as qualification, experience, knowledge, competency, availability, attendance, commitment, contribution of the individual directors to the Board and Committee meetings and fulfillment of independence criteria by them and their independence from the management. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

### 6. Remuneration of Directors

During the year under review, there was no pecuniary relationship or transactions of the non-executive directors' vis-à-vis the Company. Non-Executive Directors were only paid sitting fees for attending the meetings of Board of Directors and Committees thereof.

The details of sitting fee & remuneration paid to directors of the Company during the year April 01, 2018 to March 31, 2019 are as under:

S. No.	Name	Sitting Fees # (Rs. /lacs)	Salary & Allowances (Rs. / lacs)	Perquisites	Contribution to PF etc.	Commission and performance linked Incentive	Total
1.	Dr. Vinay Bharat Ram	-	66,60,000	83,43,572	-	-	1,50,03,572
2.	Mr. Bipin Maira	3,10,000	-	-	-	-	3,10,000
3.	Mr. Chandra Mohan*	20,000	-	-	-	-	20,000
4.	Mr. Jitendra Tuli	2,20,000	-	-	-	-	2,20,000
5.	Mr. L Lakshman*	1,30,000	-	-	-	-	1,30,000

S. No.	Name	Sitting Fees # (Rs. /lacs)	Salary & Allowances (Rs. / lacs)	Perquisites	Contribution to PF etc.	Commission and performance linked Incentive	Total
6.	Dr. Meenakshi Nayar*	2,00,000	-	-	-	-	2,00,000
7.	Mr. Narendra Pal Chawla (Nominee-LIC)**	40,000	-	-	-	-	40,000
8.	Dr. Raghupati Singhania*	40,000	-	-	-	-	40,000
9.	Mr. Ravi Vira Gupta	2,50,000	-	-	-	-	2,50,000
10.	Prof. Sudhir Kumar Jain	3,70,000	-	-	-	-	3,70,000
11.	Mr. Sushil Kapoor	NA	1,02,23,870	-	-	30,00,000	1,32,23,870
12.	Mr. Dinesh Dhiman	NA	36,34,138	32,400	1,31,768	-	37,98,306
13.	Mr. Krishna Singh Nangyal (Nominee – LIC)**	40,000	-	-	-	-	40,000
	<b>TOTAL</b>	<b>16,20,000</b>	<b>2,05,18,008</b>	<b>83,75,972</b>	<b>1,31,768</b>	<b>30,00,000</b>	<b>33,645,748</b>

\*Amount of sitting fee mentioned above exclude service tax / GST, as applicable. Further sitting fee paid to directors not to be considered as part of their respective remuneration in terms of relevant provisions of the Companies Act, 2013.

\*Mr. Chandra Mohan, Mr. L. Lakshman, Dr. Raghupati Singhania and Dr. Meenakshi Nayar ceased to be Independent Directors of the Company w.e.f August 07, 2018, June 29, 2019, July 10, 2019 and August 6, 2019 respectively.

\*\* Mr. Narendra Pal Chawla ceased to as Nominee Director of Life Insurance Corporation of India on the Board of the Company w.e.f. December 11, 2018. Mr. K S Nangyal was appointed as Nominee Director of Life Insurance Corporation of India on the Board of the Company w.e.f. January 11, 2019.

#### Service Contract and Severance Fees

- The remuneration of Dr. Vinay Bharat Ram, Chairman and Managing Director, Mr. Dinesh Dhiman, Executive Director (Engineering Operation) and Mr. Sushil Kapoor, Executive Director (Engineering Business) of the Company, was fixed by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee. The remuneration of Dr. Vinay Bharat Ram and Mr. Dinesh Dhiman has already been approved by shareholders of the Company. The remuneration of Mr. Sushil Kapoor is subject to approval of the shareholders of the Company. Dr. Vinay Bharat Ram, Mr. Dinesh Dhiman and Mr. Sushil Kapoor can terminate their respective appointment by giving to the Company, three calendar months' notice in writing or company can terminate their appointments by giving to them, three calendar months' notice in writing. The appointments of Dr. Vinay Bharat Ram, Mr. Dinesh Dhiman, and Mr. Sushil Kapoor are governed by the resolution(s) of the Board of Directors and shareholders of the Company for their respective appointment/re-appointment which covers the terms & conditions of their appointment/re-appointment .
- Non- Executive Directors are paid sitting fees for attending the meetings of Board of Directors and Committees thereof.

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

#### 7. Share Transfer, Finance Facilities and Stakeholders' Relationship Committee

The powers, role and terms of reference of the Share Transfer, Finance Facilities and Stakeholders' Relationship Committee covers the areas

as contemplated under Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. As on March 31, 2019, 'Share Transfer, Finance Facilities and Stakeholders' Relationship Committee comprised of Prof. Sudhir Kumar Jain, Chairman, Mr. Jitendra Tuli, Mr. Ravi Vira Gupta and Mr. Bipin Maira, members of committee.

The attendance of directors at meetings of 'Share Transfer, Finance Facilities and Stakeholders' Relationship Committee was as follows:

S. No.	Name	Designation	No. of meetings held during FY 2018-19	No. of Committee meetings attended
1.	Prof. Sudhir Kumar Jain	Chairman	10	9
2.	Mr. Jitendra Tuli	Member	10	2
3.	Bipin Maira	Member	10	3
4.	Mr. Ravi Vira Gupta	Member	10	6

The status of complaints received, disposed off & pending during the year ended March 31, 2019 is as under:

No. of Complaints Received	No. of Complaints not solved to the satisfaction of shareholders' / Investors'	No. of Complaints pending at end of year
24	0	0

The minutes of Share Transfer, Finance Facilities & Stakeholders' Relationship Committee are placed before the Board for its information. Mr. Yadvinder Goyal, Company Secretary of the Company acts as Compliance Officer of the Company.

#### 8. GENERAL BODY MEETINGS

##### Details of last three Annual General Meeting(s) (AGMs)

Year	Location	Date	Time	Details of Special Resolutions passed
2018	128 <sup>th</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110054	24.09.2018	11.30 A. M	<ol style="list-style-type: none"> <li>Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Mr. Ravi Vira Gupta (DIN: 00017410), as a Non-Executive Independent Director of the Company w.e.f. 1<sup>st</sup> April, 2019 upto August 3, 2019.</li> <li>Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Mr. Bipin Maira, (DIN: 05127804), as a Non-Executive Independent Director of the Company 1<sup>st</sup> April, 2019 upto August 3, 2019.</li> <li>Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Mr. Jitendra Tuli, (DIN: 00272930), as Director of the Company, liable to retire by rotation, for his remaining term of office w.e.f. 1<sup>st</sup> April, 2019 upto the period he retires by rotation or ceased to be director of the Company.</li> <li>Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Dr. Vinay Bharat Ram, as director of the Company, liable to retire by rotation, for his remaining term of office w.e.f. 1<sup>st</sup> April, 2019 upto the period he retires by rotation or ceased to be director of the Company.</li> </ol>

Year	Location	Date	Time	Details of Special Resolutions passed
				5. Approval of appointment of Dr. Vinay Bharat Ram as Managing Director of the Company, for a period of three years w.e.f. January 30, 2019. 6. Approval of appointment of Mr. Sushil Kapoor (DIN: 02481289) as Whole-Time Director designated as Executive Director (Engineering Business) of the Company, for a period of one year w.e.f. January 15, 2018.
2017	127 <sup>th</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110054	22.09.2017	11.00 A.M	Nil
2016	126 <sup>th</sup> AGM Shankar Lal Murlidhar Auditorium (Shri Ram Centre - Auditorium), 4, Safdar Hashmi Marg, Mandi House, New Delhi - 110001	14.09.2016	11.00 A.M.	Nil

**POSTAL BALLOTS****A. Details of Special Resolution(s) passed through Postal ballot last year :**

During the last year 2017-18, the Company had conducted Postal Ballot process (including e-voting), for obtaining the approval of members of the Company for following Special Resolution, prescribed under Section 108 & 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendment Rules, 2015 and other applicable provisions, if any of the Companies Act, 2013. The results of said postal ballot process was declared on September, 27, 2017.

Special Resolution authorising Board of Directors of the Company or any committee constituted by the Board to mortgage/pledge/hypothecate and/or create charge etc. on whole or part of land of the company including the land converted / to be converted into freehold from leasehold at Bara Hindu Rao/Kishan Ganj, Delhi ('Project Land') to secure any loan raised /to be raised by Purearth Infrastructure Ltd. (PIL) and/or other company/firm and /or body corporate engaged/to be engaged in joint development of Real Estate Project at Project Land along with PIL, not exceeding Rs. 1000 Crores (Rupees one thousand Crores).

The Company had appointed Kapoor Chand Garg, Proprietor of M/s KCG & Associate, Company Secretary in whole time Practice as Scrutinizer for conducting the Postal Ballot process (including e-voting) in a fair and transparent manner. The voting period for e-voting and Postal Ballot was commenced on August 27, 2017 (9.00 Hours IST). The voting period for e-voting ended on September 25, 2017 (17.00 Hours IST) and the NSDL e – voting platform was blocked thereafter. The last date for the receipt of Postal Ballot Forms by the Scrutinizer was September 25, 2017. The result of Postal Ballot (including e-voting) was declared on September 27, 2017.

The details of Postal Ballot (including e-voting) Results are as under:

S. No	Particulars	Through Physical Postal Ballot forms	Through e- voting	Total
	Special Resolution authorising the Board of Directors of the Company or any committee constituted by the Board ('hereinafter referred to as Board') to mortgage/pledge/hypothecate and/or create charge etc. on whole or part of land of the company including the land converted / to be converted into freehold from leasehold at Bara Hindu Rao/Kishan Ganj, Delhi ('Project Land') to secure any loan raised /to be raised by Purearth Infrastructure Ltd. (PIL) and/or other company/firm and /or body corporate engaged/to be engaged in joint development of Real Estate Project at Project Land along with PIL, not exceeding Rs. 1000 Crores (Rupees one thousand Crores).			

S. No	Particulars	Through Physical Postal Ballot forms	Through e- voting	Total
1.	Total Valid Votes* casted in favour of the Resolution	4,14,610	17,10,044	21,24,654
2.	Total Valid Votes* casted against the Resolution	16	10,416	10,432
3.	Invalid Votes*	7	0	7
4.	Valid Votes* casted in favour as percentage of total valid votes polled	99.9961%	99.3946%	99.5114%

\*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.

**B. Whether any Special resolution is proposed to be conducted through Postal ballot : –NIL****9. 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 requirements of SEBI Listing Regulations. The results are put up on their website(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, 2019.

**10. GENERAL SHAREHOLDER INFORMATION****i. Annual General Meeting**

Day & Date : Monday, September 30, 2019  
Time : 11.00 A.M  
Place : MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Line, New Delhi - 110054

**ii. Book Closure Date :** Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive)**iii. Financial Year** : April 01 to March 31**iv. Dividend Payment :** Not Applicable  
**Date****v. Listing** : Shares of Company are listed on following stock exchanges :  
Name : BSE Limited  
Address : Phiroje Jeejeebhoy Towers, Dalal Street, Mumbai-400001  
Name : National Stock Exchange of India Limited  
Address : Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051  
Listing fee up to financial year 2018-19 has been paid to both of above Stock Exchanges.**vi. Securities code** : Securities code for Company's equity shares on the Stock Exchanges are as follows:  
BSE Limited : 502820  
National Stock Exchange of India Limited : DCM

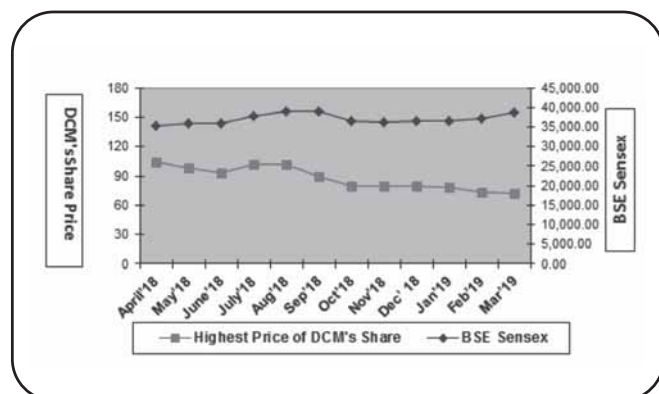
vii. Stock Market Data and Share price performance in comparison to broad base indices

a) DCM LIMITED vs BSE SENSEX

	DCM LIMITED		BSE SENSEX	
	High	Low	High	Low
April-18	104.30	88.60	35213.30	32972.56
May-18	97.85	86.05	35993.53	34302.89
June-18	93.30	81.20	35877.41	34784.68
July-18	101.50	85.55	37644.59	35106.57
August-18	101.70	85.10	38989.65	37128.99
September-18	89.95	75.20	38934.35	35985.63
October-18	79.40	69.00	36616.64	33291.58
November-18	79.65	71.25	36389.22	34303.38
December-18	79.40	67.00	36554.99	34426.29
January-19	77.90	66.05	36701.03	35375.51
February-19	73.95	60.20	37172.18	35287.16
March-19	71.90	56.70	38748.54	35926.94

Source: BSE website

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

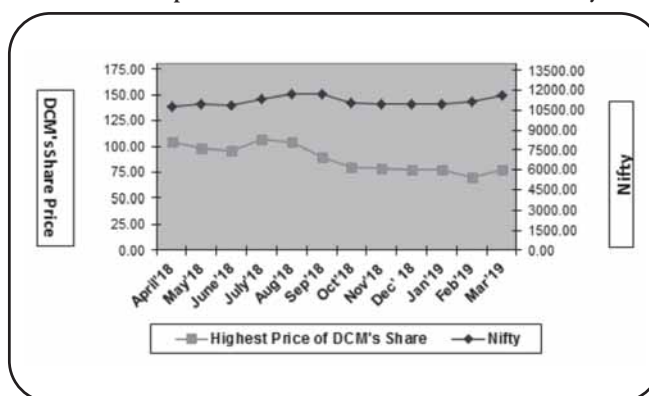


b) DCM LIMITED vs. NIFTY

	DCM LIMITED		NIFTY	
	High	Low	High	Low
April-18	104.50	88.30	10759.00	10111.30
May-18	98.80	86.25	10929.20	10417.80
June-18	95.40	80.80	10893.25	10550.90
July-18	107.00	86.65	11366.00	10604.65
August-18	104.90	86.00	11760.20	11234.95
September-18	89.70	76.70	11751.80	10850.30
October-18	79.85	70.10	11035.65	10004.55
November-18	78.75	70.10	10922.45	10341.90
December-18	76.95	69.05	10985.15	10333.85
January-19	77.60	66.60	10987.45	10583.65
February-19	70.00	60.65	11118.10	10585.65
March-19	77.75	55.25	11630.35	10817.00

Source: NSE website

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



viii. Registrar & Share Transfer Agent

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

ix. Share Transfer System

The Company's Shares are traded in the Stock Exchanges in compulsorily Demat mode as per Stock Exchanges Regulations. Power of share transfer has been delegated to Registrar & Share Transfer Agents for expediting share transfers. Physical Shares, which were lodged for transfer on or before 31.03.2019, are processed at MCS Share Transfer Agent Limited and returned to the Shareholders within 15 days from the date of receipt subject to documents being valid and complete in all respects.

Further, pursuant to the amendment in Regulation 40 of SEBI Listing Regulations w.e.f. 01.04.2019, request for effecting transfer of physical Shares, except in case of Transmission or Transposition of Shares, shall not be processed by the RTA unless the shares are held in the dematerialized form with the depository.

x. Distribution of shareholding as on March 31, 2019

Category	No. of Equity Shares	% of Shareholding
Promoters and Promoters group	90,66,584	48.54
Mutual fund, FIs, Banks, Insurance Companies, Central Govt. and State Govt.(s)	12,19,642	6.53
Bodies Corporates	13,44,273	7.20
NRIs, Trusts and NBFC's	7,58,798	4.06
Individuals	60,55,831	32.42
Investor Education and Protection Fund (IEPF)	2,32,621	1.25
<b>TOTAL</b>	<b>1,86,77,749</b>	<b>100%</b>

Shareholdings	No. of folios	No. of Equity Shares	% of Shareholding
Up to 5,000	31,026	31,29,641	16.76
5,001-10,000	93	6,80,915	3.65
10,001 – 50,000	104	21,34,480	11.43
50,001-1,00,000	17	11,60,889	6.21
Above 1,00,000	9	1,15,71,824	61.95
<b>Total</b>	<b>31,249</b>	<b>1,86,77,749</b>	<b>100</b>

**xi. Dematerialization of Shares and liquidity**

The Equity Shares of the Company are compulsorily tradable in Dematerialized form by all categories of investors and placed under rolling settlement by SEBI. The Company has signed agreement with National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL) for dematerialization of shares. ISIN of the Company for dematerialization of equity shares is INE 498A01018. As on March 31, 2019, 96.81% of paid-up share capital of the Company has been dematerialized.

The Equity Shares of the Company are frequently traded at BSE Limited and National Stock Exchange of India Limited.

**xii. Outstanding ADRs/ GDRs / Warrants / Convertible Instruments**

The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2018-19.

**xiii. Location of Works:**

Textile Division\* : Hisar (Haryana)

Engineering Division : Shahed Bhagat Singh Nagar (Punjab)

IT Division : Gurugram (Haryana)

\* The Textile Division of the Company stand transferred and vested in the DCM Nouvelle Limited with effect from Appointed date of April 1, 2019 pursuant to sanction of Scheme of Arrangement between the Company and DCM Nouvelle Limited ('Resulting Company') by Hon'ble National Company Law Tribunal, Principal Bench, New Delhi (NCLT) vide its order dated May 1, 2019 and its becoming effective from May 13, 2019.

**xiv.** Company has not obtained any credit rating in respect of its debts instruments, fixed deposit programme, or any scheme or proposal involving mobilization of funds whether in India or abroad.

**xv. Address for Correspondence**

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

**11. Disclosures**

i. All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. During the year, there are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Related party transactions have been dealt with in note no. 49 to the Standalone Financial Statements annexed. These transactions are not in conflict with the interest of the Company.

The Board of Directors of the Company has formulated 'Related Party Transaction Policy', which is available on website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Policy-on-related-party-transactions.pdf>

ii. 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.

iii. The Company has a separate Legal Department, 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.

iv. The Company has in place Vigil Mechanism/Whistle Blower policy

which is also available on Company's website [www.dcm.in](http://www.dcm.in). No personnel has been denied access to the audit committee.

v. All mandatory requirements as specified under SEBI Listing Regulations have been appropriately complied with. However, the Company has not adopted the non-mandatory requirements as specified in Part-E of Schedule II of SEBI Listing Regulations.

vi. Management Discussion and Analysis report forming part of the Annual Report is enclosed.

**vii. Disclosure regarding appointment or re-appointment of directors**

Pursuant to the Regulation 36 of SEBI Listing Regulations, the information required to be given, in case of the appointment of a new director or reappointment of a director, is given in at page nos 13-15 of this annual report.

**viii. Risk Management**

The Company has systems in place to inform the Board members about the Risk Assessment and Risk Minimization. These are being revised from time to time to ensure appropriate Risk Management and control.

**ix. 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.

During the year under review, the Company had no material subsidiary. Accordingly the following requirements of SEBI Listing Regulations are not applicable:

- Composition of Board of Directors of unlisted material subsidiary as specified under Regulation 24(1); and
- requirement of obtaining Annual Secretarial Compliance report for material subsidiary as specified under Regulation 24A read with SEBI Circular no. CIF/CFD/CMD1/27/2019 dated February 08, 2019.

All minutes of the Board meetings of unlisted subsidiary companies are placed before the Company's Board. All significant transactions and arrangements entered into by the unlisted subsidiary company are brought to the attention of Company's Board.

The Board of Directors of the Company has formulated 'Material Subsidiary Policy', which is available on website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/DCM-Limited-Policy-for-determining-Material-Subsidiaries.pdf>

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](http://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.

**x. CEO/CFO Certification**

The certificate in compliance with Regulation 17(8) of SEBI Listing Regulations was placed before the Board of Directors in its meeting.

**xi.** The details of familiarization programme for Independent Directors is available on website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Familiarisation-Program-for-Independent-Directors.pdf>

**xii. Commodity price risk or foreign exchange risk and hedging activities**

**1. Risk management policy of the Company with respect to commodities including through hedging**

The year under review saw firming up of commodity prices led by increase in crude oil, on the back of benign commodity prices in the previous year.

The prices of commodities like cotton were higher on account of lower cotton crop produced in India supported by better export of cotton from India. Cotton prices are expected to be lower in the Financial Year-2019-20 due to expected higher cotton produce in India.

The commodities like Steel saw sharp increases on account of rise in international prices, supported by antidumping and safeguard measures. The uptrend in commodities is expected to moderate in the Financial Year 2019-20.

The Company is subject to market risk with respect to commodities price fluctuations in 'Cotton', which are drawn from agriculture in its Textile Division\*. The Company manages exposure to commodity risk through close monitoring of cotton price movements and strategic buying initiatives in the cotton season.

In the Engineering Division, availability of consistent quality iron scrap get affected during monsoon season. However, it does not have much impact as the Division manage the exposure by close monitoring of commodity price movements and ensuring the availability of iron scrap during this period to meet its production requirement by increasing its vendor base and/or stocking etc.

During the year 2018-19, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 53 to the standalone financial statement.

2. details of exposure of the Company to material commodities and risks faced by it throughout the year as mandated by Regulation 34(3) read with clause 9(n) of Part C of Schedule V of the SEBI Listing Regulations and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15<sup>th</sup> November, 2018, is as follows:

a. Total exposure of the Company to commodities in INR: Rs. 5,67,83,30,339

b. Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity (In Rs.)	Exposure in Quantity terms towards the particular commodity (In MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Cotton*	4,48,98,00,896	37386.63	Nil	0.25	Nil	Nil	Nil
Iron Scrap	1,18,85,29,443	38333.00	Nil	Nil	Nil	Nil	Nil

c. Commodity risks faced by the listed entity during the year and how they have been managed:

The commodity risks on above commodities are mitigated through close monitoring of these commodity prices movements and:

- i. in respect of 'Cotton\*', through strategic buying initiatives in the cotton season;
- ii. in respect of iron scrap, by ensuring the availability of iron scrap during this period to meet its production requirement by increasing its vendor base and/or stocking etc.

\*The Textile Division of the Company stand transferred and vested in the DCM Nouvelle Limited with effect from Appointed date of April 1, 2019 pursuant to sanction of Scheme of Arrangement between the Company and DCM Nouvelle Limited ('Resulting Company') by Hon'ble National Company Law Tribunal, Principal Bench, New Delhi (NCLT) vide its order dated May 1, 2019 and its becoming effective from May 13, 2019. Accordingly the Company is no more subject to market risk with respect to commodities price fluctuations in 'Cotton' with effect from May 13, 2019.

xiii. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI Listing Regulations.

xiv. The Company during the year under review has not utilize any funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

xv. A certificate has been received from Ms. Pragnya Parimita Pradhan, Practicing Company Secretaries (ACS 32778 and CP No. 12030), that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

xvi. There was no occasion of non-acceptance of any recommendation of any committee by the Board of Directors.

xvii. Total fees of Rs. 50.72 Lakhs has been paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor (B S R & Co. LLP) (Firm Registration No. 101248W/W – 100022) and all entities in the network firm/network entity of which the statutory auditor is a part, for all services rendered by them.

xviii. Status of complaints received, disposed off & pending during the year ended March 31, 2019 under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

- (a) number of complaints filed during the financial year – Nil
- (b) number of complaints disposed of during the financial year – Nil
- (c) number of complaints pending as on end of the financial year – Nil

**For and on behalf of the Board of Directors  
For DCM Limited**

Sd/-

Place : New Delhi  
Date : August 12, 2019

**Dr. Vinay Bharat Ram  
Chairman & Managing Director**

**ANNEXURE – A**

**DECLARATION UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015**

**CHAIRMAN & MANAGING DIRECTOR DECLARATION**

I, Dr. Vinay Bharat Ram, Chairman & Managing Director of DCM Limited, certify based on annual disclosures received, that all Board members and senior management personnel have abided by the code of Conduct for Directors & Senior Management laid down by the Company.

**For and on behalf of the Board of Directors  
For DCM Limited**

Sd/-

Place : New Delhi  
Date : August 12, 2019

**Dr. Vinay Bharat Ram  
Chairman & Managing Director**

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of **DCM Limited**

1. This report is issued in accordance with the terms of our agreement dated 20 May 2019.
2. We have examined the compliance of conditions of Corporate Governance by DCM Limited ('the Company') for the year ended 31 March 2019, as per regulations 17 to 27, clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') pursuant to the Listing Agreement of the Company with stock exchanges.

### Management's Responsibility

3. The preparation of the Corporate Governance Report is the responsibility of the Management including the preparation and maintenance of all the relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
4. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of the Corporate Governance and provides all relevant information to Securities and Exchange Board of India. The management shall comply with the corporate governance provisions which shall be implemented in a manner so as to achieve the objectives of the principles

### Auditor's responsibility

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31 March 2019.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter stated in the above paragraph. The procedures selected, including procedures for assessment of the risk associated with the subject matter, depends on the auditor's judgment.
7. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, ("the Guidance Note"), issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

### Opinion

10. In our opinion, and to the best of our information and according to the explanation and representations given to us, we are of the opinion that the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations, as applicable as at 31 March 2019, referred to in paragraph 2 above.
11. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restrictions on use

12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with the obligations under the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of report.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

UDIN No.: 19090075AAAAAK7451

Place: New Delhi  
Date: 12 August 2019

**DCM**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### TEXTILE DIVISION\*

#### Industry Structure and Developments

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country

On April 1, 2020, India will transit from BS IV straight to BS VI emission norms, skipping the BS V stage. These norms are expected to impact the whole automobile industry barring the tractor segment.

It is expected that the BS VI emission norms to affect the auto-casting industry only slightly. While two-wheelers will feel the brunt, the net value of auto castings within this segment is expected to remain largely unchanged.

Cars and utility vehicles do not envisage a significant change because of low share of diesel vehicles. In commercial vehicles, changes are expected in engine components and the exhaust management system, which have a low impact on auto-casting.

Nevertheless, BS VI norms will lead to addition of both non-casted components and more electricals/sensors and changes in electronic control unit (ECU), which will push up prices across vehicle segments. Therefore, advancement in sales, particularly in the commercial vehicle segment is anticipated.

With environmental pollution concerns mounting across the world, the push for vehicles running on alternative fuel sources has gained momentum. With battery costs plunging in last few years, EVs are fast emerging as a desirable option.

**Financial and Operational Performance**

The performance of the Engineering Division for the year ended March 31, 2018 is as follows:

S. No.	Particulars	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
1.	Gross Sales in Quantity (MT)	46,615	40,957
2.	Gross Production (MT)	51,273	44,428
3.	Sales & other Income (Rs. in lacs)	38,950	33,138
4.	Total Expenditure (Rs. in lacs)	(39,046)	(34,200)
5.	Profit before finance cost, Depreciation, Amortization & Tax (Rs. in lacs)	(96)	(1,062)
6.	Finance Cost (Rs. in lacs)	(1,294)	(1,257)
7.	Depreciation (Rs. in lacs)	(1,671)	(1,667)
8.	Profit before Tax (Rs. in lacs)	(3,061)	(3,986)

During the year, the Division achieved total dispatch of 46,615 MT (previous year 40,957 MT). The Engineering Division continued to make losses because of lower volume due to production constraints primarily on account of IR issues, besides low demand in the last quarter of the year, and decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads.

The increased level of interaction by officers at different levels have resulted in improved morale of workmen and cordial relations with them. The Division continue to focus for cost optimization and better productivity across all areas of operations.

**Risk & Concerns**

The Company’s success depends on its ability to offer products as per customers’ requirements in a timely manner and maintaining competitiveness/quality. In the short run, the need to established a high productivity environment through appropriate collaboration with workmen is key to established competitiveness. Intensifying competition and volatility in input cost could materially and adversely affect the Company’s sales, financial conditions and results of operations.

Further, many proposals announced by the Government to boost electric vehicles in the Union Budget 2019-20 , is a major risk for casting industry as a whole.

**Internal Controls**

The Division maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. Further, the internal control systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information. The Audit Committee reviews the adequacy and effectiveness of the Company’s internal control environment and monitors the implementation of audit recommendations.

**Manpower Development**

The company has continued its efforts and focus on capability and skill upgradation through structured training and development in the Division. The division has established a fully functional training centre called “Gurukul” and a dedicated team for training and development activities. The training team is not only concentrating on regular classroom trainings but also OJTs (On the Job trainings) which will result in more skilled manpower. The TQM activities were on top priority and focus was on strengthening the processes to achieve quality and customer satisfaction. The division has also focused on employee engagement activities such as one to one informal meetings with workers at shop floors and interaction with workers on ‘Chai pe-Charcha’, as the company has firm belief that happy employees are the biggest asset to the organisation. The division is working to make the company a “Great Place to Work Company”. The total number of people on the rolls of the Engineering Division is 1494.

**IT DIVISION**

**Industry Structure and Developments**

The global scenario in the developed world is right now a little uncertain. Britain has become a laughing stock and there is uncertainty on how the whole Brexit story will play out. USA has been threatening sanctions against all the major trading countries/blocks and there is general linked uncertainty. While both China and the European Union have agreed to get into a dialogue with the US and both sides do recognize the need for restraint, the final outcome is a concern area.

On the positive side at the moment however the US economy is doing very well and throwing up a lot of opportunities. There is a shortage of general skills and labor in the US because the Trump administration has made it difficult to get work permits. While the H1B visa numbers have still not been changed, but the gradual tightening of regulations has started impacting the Indian IT companies. Other initiatives on saving jobs in US and on immigration reforms have the potential of hurting the Indian IT companies and stemming the growth rates. Even Singapore & Australia have brought in their own version of immigration control for the Indian technical workforce.

As per Gartner the worldwide IT spending is projected to total \$3.8 trillion in 2019, an increase of 3.2 percent from 2018. The North American market is estimated to be \$1.5 trillion. Middle East and North Africa (MENA) IT spending is expected to be \$160 billion in 2019. While the overall global market is expected to grow at 3.2%, the Indian IT market is expected to grow at 6.7% and reach a size of \$ 89.2 Billion.

Internet of Things (IoT) combined with smart-machine technologies, will continue to be one of the top drivers in shaping the future of IT service Industry. It is expected that the number of IoT devices in use would be more than 50 billion in the next few years. With cloud becoming more mainstream the growth in IT will be predominantly because of increased usage of software via the consumption model by enterprises.

**Opportunities and Outlook**

The return of the Modi government to power in the recently held general elections has sent a new wave of euphoria and enthusiasm. The new government

will hit the ground running as it looks to get economic growth back on track by simplifying taxes, easing compliance and spurring demand.

In USA, the rhetoric linked with the “America First Policy”, “buy American”, “hire American” & “retain jobs in America” policies has started having an indirect impact on Indian IT companies. While there is no specific law yet on this issue, a lot of customers have started insisting on taking only citizens.

India had been a slow adopter for the cloud technologies. However over the last year we have started seeing action in requirements for the cloud. As per a Nasscom study over the next 3 years the market for cloud related services will boom in India.

The Division has invested now in technical skills for being able to sell and implement cloud related services on Microsoft (Azure & Office 365), Amazon (AWS) and IBM (Public Cloud and ICP). The Division is building relationships across USA and Middle East to be able to sell these services through partners in these geographies. The Division also sees an opportunity to partner with companies who operate as diversity companies in the US. The Division hope to augment their capability to pick up more business from their customers.

Based on market conditions and the growth prospects both in India and the USA, the Division is consistently investing to build capabilities in new areas in the IT infrastructure domain, which will help us grow faster.

**Financial and Operational Performance:**

The financial performance of the IT Division for the year ended March 31, 2019 is as follows:

(Rs. in Lacs)

S. No.	Particulars	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
1.	Sales & Other Income	4,412	4,500
2.	Total Expenditure	(4,206)	(4,308)
3.	Profit before finance cost, Depreciation, Amortization & Tax	206	192
4.	Finance Cost	(4)	(4)
5.	Depreciation & Amortizations	(25)	(29)
6.	Profit Before Tax	177	159

During the year the operations were stable after the cut backs at some of Division’s primary customers in the previous year pursuant to downturn in their businesses. The full impact of Orders cancellation, drop in volumes and profitability was absorbed during the year. This was partly offset with business from new customers acquired during the year. The Division expect the position to improve from next year.

The year has also seen increased focus on the IT Services business with investments in the identified newer technology areas viz. Cloud, digital services, application and performance management. The Division expect to retrain its employees and reorient its marketing engine in line with the revised Services portfolio. The

manpower availability and quality is a major concern for us both in India and the US. The number of instances of fake candidates that we encounter is only growing year-on-year. Being in services which accrue over time, this has a direct impact on our revenue.

Over the last year the Division also commenced activity in the Middle East with some orders and business opportunities that we further hope to capitalize on in the subsequent years. There are other proposals in the pipeline and we hope to ramp up business from this geography.

**Risks and Concerns**

As a major portion of the Division’s business is linked to US –based companies, any turbulence in the US economy could lead to an adverse impact on the Division’s financials.

The impact of the America First Policy of the Trump administration is still not clear, especially with respect to immigration, manpower movement, off-shoring of jobs, etc.

Buying in India is primarily government driven. Since the division has a large exposure in the managed services implementation business to government orders, there can be delays in order closure.

The Division’s business is concentrated with a few Customers. Any change in our customers’ business / preferences will have a large impact on our revenue. Given this fact, over the last few years the Division has consciously been working on building new customers.

Manpower sourcing, on time and of the desired quantity is one of the biggest challenges for future growth and customer satisfaction.

Since a major part of the transaction 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.

**Internal Controls**

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, accounting, maintenance services and security systems to safeguard its IT infrastructure.

**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 USA and 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 Centre to impart hands-on training to employees in various IT Infrastructure skills. This in-house capability is the backbone of our operations. The total number of people on the rolls of the IT Division is 209.

**DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN FOLLOWING KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE :**

Sr. No.	Particulars	On Standalone Basis				On Consolidated Basis			
		For Year 2018-19	For Year 2017-18	% Change	Explanation	For Year 2018-19	For Year 2017-18	% Change	Explanation
1	Debtors Turnover Ratio	9.67	8.20	18.02	NA	9.67	8.20	18.02	NA
2	Inventory Turnover Ratio	4.92	4.56	7.80	NA	4.92	4.56	7.80	NA
3	Interest Coverage Ratio	2.35	1.03	128.16	Higher Profit before interest, depreciation and tax (EBIDT) during the FY 2018-19 due to significant increase in profitability of textile business.	2.27	0.85	167.06	Higher Profit before interest, depreciation and tax (EBIDT) during the FY 2018-19 due to significant increase in profitability of textile business.
4	Current Ratio	1.12	1.12	0.00	NA	1.13	1.13	0.00	NA
5	Debt Equity Ratio	1.28	1.50	(14.67)	NA	1.41	1.64	(14.02)	NA
6	Operating Profit Margin	2.76	(0.97)	384.54	Higher Operating Profit margin in textile business of the Company.	2.55	(1.45)	275.86	Higher Operating Profit margin in textile business of the Company.
7	Net Profit Margin	0.21	(3.61)	105.82	Higher Net Profit Margin in textile business of the Company.	0.00	(4.10)	100.00	Higher Net Profit Margin in textile business of the Company.

**DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

Sr. No.	Particulars	On Standalone Basis				On Consolidated Basis			
		For Year 2018-19	For Year 2017-18	% Change	Explanation	For Year 2018-19	For Year 2017-18	% Change	Explanation
1	Return on net worth	1.17	(18.24)	106.41	Higher Profit before interest and tax due to significant increase in profitability of textile business during the Financial Year 2018-19.	0.01	(22.52)	100.04	Higher Profit before interest and tax due to significant increase in profitability of textile business during the Financial Year 2018-19.

**Cautionary Note**

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

**For and on behalf of the Board of Directors  
For DCM Limited**

Place : New Delhi  
Date : August 12, 2019

**Sd/-  
Dr. Vinay Bharat Ram  
Chairman and Managing Director**

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of DCM Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of DCM Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and the profit and other comprehensive income, changes in equity and its cash flows, for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to note 55 of the standalone financial statements which indicates that pursuant to approval of demerger of the Textile Division with effect from 1 April 2019 by the National Company Law Tribunal ("NCLT"), vide its order dated 1 May 2019, the Company's net worth will be substantially reduced and the current liabilities will exceed current assets by Rs. 6,739.35 lacs as at the beginning of 1 April 2019. The Company is facing liquidity issues and there are certain delays in making the statutory dues and vendor payments and subsequent to the year end, the Company has also defaulted on its scheduled repayment of loans and interest payments aggregating Rs. 749.22 lacs to a bank and a financial institution. Above financial position, post demerger, and the continuing losses in one of the remaining businesses of the Company indicate material uncertainty as to the Company's ability to continue as a going concern, which would be dependent upon realization of the Company's future plans as indicated in the note.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of

the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

Description of Key Audit Matter

<b>Impairment of property, plant and equipment of Engineering division</b>	
<b>See note 3 to the standalone financial statements</b>	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As at 31 March 2019, the Company's balance sheet includes property, plant and equipment amounting to Rs. 17,217.15 lacs.</p> <p>The Company has three cash-generating units ('CGU') – Engineering division, Textile division and Data System division, out of these units, the Engineering division has continuous losses and accordingly, the management has assessed it for impairment.</p> <p>The assessment of the recoverable value of the assets of the Engineering division aggregating Rs. 6113.03 lacs, incorporates significant judgement in respect of factors such as valuation of land, future production levels, sales prices, operating/capital costs and economic assumptions such as discount rates, inflation rates etc.</p> <p>We identified assessing impairment of property, plant and equipment of Engineering division as a key audit matter, considering it to be significant to the Company's total assets, involving significant judgement and estimation in determining the recoverable value.</p>	<p>Our procedures in relation to management's impairment assessment included, but not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>• testing the design and implementation of controls in place;</li> <li>• obtaining and reviewing management assessment whether there were any indicators of impairment of property, plant and equipment as at 31 March 2019;</li> <li>• obtaining valuation report in respect of land carried out by external valuer;</li> <li>• assessing appropriateness of impairment assessment and methodologies used;</li> <li>• evaluating reasonableness of key assumptions used in the valuation;</li> <li>• assessing the adequacy of disclosures in the financial statements, in respect of the property, plant and equipment.</li> </ul>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by Section 143(3) of the Act, we report that:
    - a) We have sought and 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows, dealt with by this Report are in agreement with the books of account;
    - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
    - e) On the basis of the written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2)

of the Act;

- f) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company; and
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 47 (b) to the standalone financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain

**Annexure A referred to in our Independent Auditor's Report to the members of DCM Limited on the Standalone Financial Statements for the year ended 31 March 2019**

- According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties, as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company.
- According to the information and explanations given to us, the inventories, except good-in-transit, have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.
- According to the information and explanations given to us, the Company

to the financial year ended 31 March 2019.

- (C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

*For B S R & Co. LLP*  
*Chartered Accountants*

Firm's registration number: 101248W / W-100022

**Kaushal Kishore**

*Partner*

Membership number: 090075

UDIN: 19090075AAAAAL6131

Place: New Delhi  
Date: 12 August 2019

has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Further, there are no limited liability partnerships covered in the register required under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.

- According to the information and explanations given to us, the Company has not granted any loans and advances covered under the provisions of Section 185 and Section 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable.
- As per the information and explanations given to us, during the year, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable
- The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for certain activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government for the maintenance of cost records under Section 148 of the Act, 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 cost records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts

deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee' state insurance, Income-tax, Cess and Other material statutory dues have generally been regularly deposited with the appropriate authorities. Further, there have been delays in large number of cases in deposit of Goods and Services Tax ("GST") at one of the divisions of the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Also refer to Note 47 (d) of the Standalone Financial Statements wherein it has been explained that the Company has not recognised any additional Provident Fund liability with respect to recent Hon'ble Supreme Court's judgement dated 28 February 2019 in this regard. While the Company is in the process of assessing its impact, if any, for the past years, the relatable impact on the current year is not expected to be significant.

(b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales-tax, GST, Service tax, Duty of custom, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Rs. in Lacs)

Name of the Statute	Nature of dues	Amount involved *	Amount paid under protest	Financial year to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	39.54	39.54	2015-16	Commissioner of Income tax (Appeals)
Customs Act, 1962	Customs duty	12.55	-	1988-89	Assistant Commissioner of customs (Appeals)
Central Excise Act, 1944	Excise duty	0.50	-	2002-03, 2003-04	Supreme court
Punjab VAT Act, 2005	Sales tax	146.96	36.75	2010-11	Punjab VAT Appellate Tribunal
		130.25	35.09	2009-10	
		218.17	15.50	2012-13	

\* amounts 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:

(Rs. in Lacs)

Name of the Statute	Nature of dues	Amount	Financial year to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	442.48	1982-83 to 1989-90	High Court
		48.74	2010-11	High Court
		66.08	2011-12	High Court
		51.37	2012-13	Income tax appellate tribunal
		48.33	2013-14	Income tax appellate tribunal

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or debenture holder during the year. The Company has not availed any loan or borrowings from government.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanation given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company and neither any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP  
Chartered Accountants

Firm's registration number: 101248W / W-100022

Kaushal Kishore  
Partner

Place: New Delhi  
Date: August 12, 2019

Membership number: 090075  
UDIN: 19090075AAAAAL6131

**Annexure B to the Independent Auditor's report on the standalone financial statements of DCM Limited for the year ended 31 March 2019.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of DCM Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm's registration number: 101248W / W-100022

**Kaushal Kishore**

*Partner*

Place: New Delhi

Date: August 12, 2019

Membership number: 090075

UDIN: 19090075AAAAAL6131

Standalone Balance Sheet as at March 31, 2019

Particulars	Note	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	17,217.15	19,621.50
Capital work-in progress	3	86.34	205.60
Intangible assets	4	39.39	58.32
Financial assets			
(i) Investments	5	3,356.10	3,347.60
(ii) Loans	6	1,030.93	955.33
(iii) Other financial assets	7	140.60	242.32
Deferred tax assets (net)	36	-	-
Non-current tax assets (net)	8	630.90	1,015.83
Other non-current assets	9	1,932.86	1,834.67
<b>Total non-current assets</b>		<b>24,434.27</b>	<b>27,281.17</b>
<b>Current assets</b>			
Inventories	10	21,153.67	21,124.94
Financial assets			
(i) Trade receivables	11	9,823.05	11,840.89
(ii) Cash and cash equivalents	12	1,362.95	749.17
(iii) Bank balances other than (ii) above	13	246.96	464.04
(iv) Loans	14	48.47	57.39
(v) Other financial assets	15	191.94	661.67
Current tax assets (net)		16.81	13.58
Other current assets	16	1,406.39	1,895.69
Assets held for sale	51	212.53	212.53
<b>Total current assets</b>		<b>34,462.77</b>	<b>37,019.90</b>
<b>Total assets</b>		<b>58,897.04</b>	<b>64,301.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,867.46	1,867.46
Other equity	18	17,592.19	17,363.97
<b>Total equity</b>		<b>19,459.65</b>	<b>19,231.43</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	5,994.00	9,349.14
(ii) Other financial liabilities	20	654.28	647.33
Provisions	21	1,932.62	1,944.14
<b>Total non-current liabilities</b>		<b>8,580.90</b>	<b>11,940.61</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	22	15,236.95	16,948.81
(ii) Trade payables	23		
Dues to micro and small enterprises		2,085.44	1,087.78
Dues to others		5,926.71	9,418.85
(iii) Other financial liabilities	24	5,739.69	4,199.60
Other current liabilities	25	1,352.74	822.53
Provisions	26	389.89	469.99
Current tax liabilities (net)	27	125.07	181.47
<b>Total current liabilities</b>		<b>30,856.49</b>	<b>33,129.03</b>
<b>Total equity and liabilities</b>		<b>58,897.04</b>	<b>64,301.07</b>

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>Income</b>			
Revenue from operations	28	110,004.08	97,058.03
Other income	29	1,134.06	896.46
<b>Total income</b>		<b>111,138.14</b>	<b>97,954.49</b>
<b>Expenses</b>			
Cost of materials consumed	30	62,246.73	54,945.92
Changes in inventories of finished goods and work in progress	31	(1,185.22)	(321.12)
Excise duty on sales		-	1,125.99
Employee benefits expense	32	14,365.77	13,213.39
Finance costs	33	2,755.20	2,613.03
Depreciation and amortisation expense	34	3,443.82	3,624.32
Other expenses	35	29,231.66	26,307.96
<b>Total expenses</b>		<b>110,857.96</b>	<b>101,509.49</b>
<b>Profit/ (loss) before tax</b>		<b>280.18</b>	<b>(3,555.00)</b>
<b>Tax expense</b>			
Current tax expense	36	80.55	-
Tax adjustment relating to prior years	36	-	(0.74)
Deferred tax charge/(benefit)	36	-	-
		<b>80.55</b>	<b>(0.74)</b>
<b>Profit/ (loss) for the year</b>		<b>199.63</b>	<b>(3,554.26)</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement (loss) / gain of defined benefit obligations		(20.47)	48.41
Income tax relating to remeasurement of defined benefit obligations		(4.21)	-
<i>Net other comprehensive (expense) / income not to be reclassified subsequently to profit or loss</i>		<b>(16.26)</b>	<b>48.41</b>
<i>Items that will be reclassified to profit or loss (net of tax)</i>			
Exchange difference in translating financial statements of foreign operations		55.93	(1.65)
Income tax relating to items that will be reclassified to profit or loss		11.51	-
<i>Net other comprehensive income/(expense) to be reclassified subsequently to profit or loss</i>		<b>44.42</b>	<b>(1.65)</b>
<b>Total other comprehensive income, net of tax</b>		<b>28.16</b>	<b>46.76</b>
<b>Total comprehensive income for the year</b>		<b>227.79</b>	<b>(3,507.50)</b>
<b>Earnings / (loss) per equity share</b>			
Basic and diluted earnings / (loss) per equity share of Rs. 10 each	39	1.07	(19.03)

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

Statement of Standalone changes in equity for the year ended March 31, 2019

Statement of Standalone changes in equity for the year ended March 31, 2019

A. Equity share capital

(Rupees in lacs)

Particulars	Note	Amount
Balance as at April 1, 2017	17	1,867.46
Changes in equity share capital during 2017-18	17	-
<b>Balance as at March 31, 2018</b>		<b>1,867.46</b>
Changes in equity share capital during 2018-19	17	-
<b>Balance as at March 31, 2019</b>		<b>1,867.46</b>

B. Other equity

(Rupees in lacs)

Particulars	Reserve and surplus				Items of OCI	Total
	Securities premium account	Capital redemption reserve	Capital reserves	Surplus in Statement of Profit or loss	Exchange difference on translation of foreign operation	
Balance as at April 1, 2017	7,367.00	130.10	24.90	13,372.33	(22.86)	20,871.47
<b>Total comprehensive income for the year ended March 31, 2018</b>						
Loss for the year	-	-	-	(3,554.26)	-	(3,554.26)
Other comprehensive income / (expense) for the year	-	-	-	48.41	(1.65)	46.76
<b>Total comprehensive income for the year</b>	-	-	-	<b>(3,505.85)</b>	<b>(1.65)</b>	<b>(3,507.50)</b>
<b>Balance as at March 31, 2018</b>	<b>7,367.00</b>	<b>130.10</b>	<b>24.90</b>	<b>9,866.48</b>	<b>(24.51)</b>	<b>17,363.97</b>
Balance as at April 1, 2018	7,367.00	130.10	24.90	9,866.48	(24.51)	17,363.97
<b>Total comprehensive income for the year ended March 31, 2019</b>						
Transferred from Crescita enterprises Private Limited on amalgamation (refer note 42)	-	-	1,723.18	(0.07)	-	1,723.11
Adjustment on cancellation of shares acquired on amalgamation (refer note 42)	-	-	(1,722.68)	-	-	(1,722.68)
Profit for the year	-	-	-	199.63	-	199.63
Other comprehensive income / (expense) for the year	-	-	-	(16.26)	44.42	28.16
<b>Total comprehensive income for the year</b>	-	-	-	<b>183.37</b>	<b>44.42</b>	<b>227.79</b>
<b>Balance as at March 31, 2019</b>	<b>7,367.00</b>	<b>130.10</b>	<b>25.40</b>	<b>10,049.78</b>	<b>19.91</b>	<b>17,592.19</b>

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

## Standalone Cash flow statement for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>Cash flow from operating activities</b>		
Profit before taxation	280.18	(3,555.00)
Adjustments for :		
Depreciation and amortisation expense	3,443.82	3,624.32
(Profit)/ loss on sale of property, plant and equipment (net)	(5.24)	5.21
Liabilities no longer required written back	(162.11)	(67.03)
Unrealised foreign exchange difference	22.94	(19.63)
Interest income	(276.04)	(406.15)
Unwinding of discount on security deposits	(0.14)	(0.39)
Inventory of store and spares written off	292.89	-
Finance cost	2,755.20	2,613.03
Finance lease income	(17.02)	(24.70)
Allowance/ (reversal) of expected credit loss	107.49	18.28
Loss on finance lease cancellation	14.24	19.64
Remeasurement of revenue to finance income and lease receivable	111.95	160.83
<b>Operating cash flow before working capital changes</b>	<b>6,568.16</b>	<b>2,368.41</b>
<b>Changes in assets and liabilities</b>		
(Increase) in inventories	(321.62)	(1,018.94)
Decrease/(increase) in trade receivables	1,928.68	(1,198.40)
(Increase)/decrease in loans	(79.33)	7.71
Decrease/(increase) in other financial assets	456.69	(223.62)
Decrease in other assets	627.37	1,584.25
Decrease/(increase) in trade payable	(2,471.89)	6,609.03
(Decrease) in provisions	(112.09)	(67.00)
Increase in financial liabilities	328.05	141.26
Increase in other liabilities	530.21	407.33
Cash generated from operations	7,454.23	8,610.03
Income-taxes (paid)/ refund	237.45	193.43
<b>Net cash generated from operating activities (A)</b>	<b>7,691.68</b>	<b>8,803.46</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(902.86)	(570.54)
Refund of advance given for property, plant and equipment	-	867.07
Purchase of intangible assets	(2.12)	(19.43)
Net proceeds of property, plant and equipment	26.27	31.18
Interest received	272.39	393.00
Deposits (made)/ matured not considered as cash and cash equivalents	203.23	(119.01)
<b>Net cash generated (used)/ made in investing activities (B)</b>	<b>(403.09)</b>	<b>582.27</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings	(2,619.95)	(2,575.17)
Net Proceeds from borrowings	339.47	761.01
Changes in working capital borrowings (net)	(1,711.86)	(5,476.76)
Interest paid	(2,716.61)	(2,625.61)
<b>Net cash (used) in financing activities (C)</b>	<b>(6,708.95)</b>	<b>(9,916.53)</b>
<b>Net cash flows [increase/(decrease)] during the year (A+B+C)</b>	<b>579.64</b>	<b>(530.80)</b>
Impact of exchange rate change on cash and cash equivalent	19.19	(0.07)
Cash and cash equivalents at the beginning of the year	849.03	1,379.90
Cash and cash equivalents received on amalgamation of Crescita Enterprises Private Limited	0.37	-
Cash and cash equivalents at the end of the year	<b>1,448.23</b>	<b>849.03</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	13.05	12.40
Balances with scheduled banks:		
- Current accounts *	1,335.45	368.29
- Deposit accounts	99.73	468.34
<b>Cash and cash equivalents at the end of the year</b>	<b>1,448.23</b>	<b>849.03</b>

\* Refer note 12 and 13

Note: Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

**DCM**

## **1. Company overview and basis of preparation and presentation**

### **1.1. Company overview**

DCM Limited (the 'Company') is a public limited company incorporated in India in the name and style of Delhi Cloth & General Mills Co. Limited with registered office at Vikrant Tower, 4, Rajendra Place, New Delhi, India (CIN number L74899DL1889PLC000004). The Company is listed on two stock exchanges in India namely National Stock Exchange of India Ltd. and BSE Ltd. The Company is engaged in the business of Textiles, Grey iron casting, IT Infrastructure Services and Real Estate.

### **1.2. Basis of preparation and presentation**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on August 12, 2019.

Details of the Company's accounting policies are included in Note 2.

#### **a. Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### Changes in significant accounting policies

The Company has initially applied Ind AS 115 from 1 April 2018.

Due to the transition methods chosen by the Company in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of new standard.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 in recognizing revenue by the Company.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 Revenue Recognition, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017-18 has not been restated - i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

The Company has also applied Appendix B "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" which does not have any significant impact on the financial position or performance of the Company.

### a. Current and non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 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 equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### b. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the corporate finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the board of directors.

The corporate finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**c. Property, Plant and equipment**

*Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

All spare parts which are expected to be used for more than one accounting period are capitalised as property, plant and equipment.

Capital work-in-progress is stated at cost, net of impairment loss, if any. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the assets to a working condition and location for their intended use, the initial estimate of dismantling and removing the items and restoring the site on which they are located.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives.

- (i) The Company follows straight-line method of depreciation in respect of buildings, plant and machinery, all assets of IT Division, all assets of Engineering Division and written down value method in respect of other assets.
- (ii) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
- (iii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
- (iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
- (v) Leasehold improvements are amortised over the balance of the primary lease period or the useful lives of assets, whichever is shorter.
- (vi) Freehold land is not depreciated

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

**d. Intangible assets**

*Recognition and measurement*

Intangible assets comprise computer software. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

*Amortisation*

The management's estimates of the useful lives of the Software are 3-5 years.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**e. 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 in textiles division and moving weighted average basis in engineering division. 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.

**f. Financial instruments**

*Recognition and initial measurement*

**(i) Financial assets**

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). The election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Impairment**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

**(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**(iv) Investment in Subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

*Derecognition*

**(i) Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**(ii) Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**g. Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**h. Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**i. Employee benefits**

***Short-term employee benefits:***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, casual leave allowance and bonus, etc. that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

***Defined contribution plans***

Provident Fund: A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Company makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

The Company makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company has following defined benefit plans:

**Gratuity:** The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises 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. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

**Other long-term employee benefits**

Benefits under the Company's compensated absences are other long term employee benefits. The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

**j. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

**k. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

**i. Sale of goods**

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

**ii. Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### iii. Other income

- a. Dividend income is recognised in statement of profit or loss on the date on which the Company's right to receive payment is established.
- b. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

## I. Leases

### i. *Determining whether an arrangement contains a lease*

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

### ii. *Assets held under leases*

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

### iii. *Lease payments*

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### iv. *Assets given on lease*

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**m. Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ("MAT") expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

**n. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

In addition to the significant accounting policies applicable to the segments as set out in note 2 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

**i) Segment assets and liabilities**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work in progress, inventories, trade receivables, other financial and non-financials assets and loans. Segment assets do not include unallocated corporate assets, investments, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

**ii) Segment revenue and expenses**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expenses in respect of non-segmental activities.

**iii) Inter segment sales**

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

**o. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**p. Earnings per share**

Basic earnings per equity share is computed by dividing:

- the net profit attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**q. Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**r. Finance expense**

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**s. Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**t. Research and development expenses**

Expenditure on research is expensed off under the respective heads of account in the period in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and right to use the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit or loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Property, plant and equipment used for research and development are depreciated in accordance with the Company's policy as stated above.

Materials identified for use in research and development process are carried as inventories and charged to the statement of profit or loss on consumption of such materials for research and development activities.

**u. Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

**v. Foreign operations**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Company has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 1, 2016, in respect of all foreign operations to be nil at the date of transition. From April 1, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

**w. Recent accounting pronouncements****Standards issued but not yet effective**

The Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following changes effective from accounting periods beginning on or after 1st April, 2019.

**Ind AS 116, Leases**

Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Standalone Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. This new standard provides two approaches to transition:

Full retrospective approach- Under this approach, the lessee applies the new standard retrospectively to each prior period presented and recognised an adjustment in equity at the beginning of the earliest period presented in accordance with Ind AS -8.

Modified retrospective approach- Under this approach, the lessee applies the new standard from the beginning of the current period and recognised an adjustment in equity at the beginning of the current and does not restate its prior financial information.

The effective date for adoption of this standard is annual period beginning on or after 1 April 2019. The Company will adopt this standard using modified retrospective approach effective 1 April 2019 for transition to IND AS 116 and will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has completed an initial assessment of the potential impact on its Financial Statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Financial Statements in the period of initial application is not reasonably estimable as at present.

**Ind AS 19 – Employee Benefits**

The amendments to Ind AS 19, clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its Financial Statements.

**“Uncertainty over Income Tax Treatments”, to Ind AS 12, Income Taxes**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

## 3. Property, plant and equipment and capital work-in-progress: (Rupees in lacs)

Particulars	Freehold land	Buildings	Lease improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying value</b>									
<b>Balance as at March 31, 2017</b>	2,118.03	4,558.93	18.45	19,433.52	57.55	89.58	408.10	26,684.16	94.72
Add: Additions made during the year	-	-	-	300.54	1.89	30.49	39.35	372.27	331.10
Less: Assets classified as held for sale	200.05	15.48	-	-	-	-	-	215.53	-
Less: Disposals / adjustments during the year	-	0.02	-	45.03	0.15	5.65	31.49	82.34	220.22
<b>Balance as at March 31, 2018</b>	1,917.98	4,543.43	18.45	19,689.03	59.29	114.42	415.96	26,758.56	205.60
Add: Additions made during the year	-	10.75	-	907.80	2.34	18.86	99.70	1,039.45	306.03
Less: Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Less: Disposals / adjustments during the year	-	-	-	6.85	0.02	0.24	45.57	52.68	425.29
<b>Balance as at March 31, 2019</b>	<b>1,917.98</b>	<b>4,554.18</b>	<b>18.45</b>	<b>20,589.98</b>	<b>61.61</b>	<b>133.04</b>	<b>470.09</b>	<b>27,745.33</b>	<b>86.34</b>
<b>Accumulated depreciation/amortisation</b>									
<b>Balance as at March 31, 2017</b>	-	162.01	5.06	3,325.22	11.44	26.61	57.39	3,587.73	-
Add: Depreciation expense for the year	-	162.06	4.98	3,307.60	9.34	23.54	90.76	3,598.28	-
Less: Assets classified as held for sale	-	2.99	-	-	-	-	-	2.99	-
Less: On disposals / adjustments during the year	-	0.03	-	35.82	0.13	5.35	4.63	45.96	-
<b>Balance as at March 31, 2018</b>	-	321.05	10.04	6,597.00	20.65	44.80	143.52	7,137.06	-
Add: Depreciation expense for the year	-	162.09	2.32	3,142.05	7.74	24.66	83.91	3,422.77	-
Less: Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Less: On disposals / adjustments during the year	-	-	-	1.31	-	-	30.34	31.65	-
<b>Balance as at March 31, 2019</b>	-	<b>483.14</b>	<b>12.36</b>	<b>9,737.74</b>	<b>28.39</b>	<b>69.46</b>	<b>197.09</b>	<b>10,528.18</b>	-
<b>Net carrying value</b>									
<b>As at March 31, 2019</b>	<b>1,917.98</b>	<b>4,071.04</b>	<b>6.09</b>	<b>10,852.24</b>	<b>33.22</b>	<b>63.58</b>	<b>273.00</b>	<b>17,217.15</b>	<b>86.34</b>
<b>As at March 31, 2018</b>	1,917.98	4,222.38	8.41	13,092.03	38.64	69.62	272.44	19,621.50	205.60

(i) For details of assets pledged/ hypothecated as securities, refer note 19 and 22.

(ii) Refer note 47 (a) for disclosure of capital commitments for the acquisition of property, plant and equipment.

(iii) Refer note 51 for assets classified as held for sale.

## 4. Intangible assets (Rupees in lacs)

A.	Particulars	Software	Total
<b>Gross carrying value</b>			
	<b>Balance as at March 31, 2017</b>	101.51	101.51
	Add: Additions during the year	19.43	19.43
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2018</b>	120.94	120.94
	Add: Additions during the year	2.12	2.12
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2019</b>	<b>123.06</b>	<b>123.06</b>
<b>Accumulated amortisation</b>			
	<b>Balance as at March 31, 2017</b>	36.58	36.58
	Add: Additions during the year	26.04	26.04
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2018</b>	<b>62.62</b>	<b>62.62</b>
	Add: Amortisation expense for the year	21.05	21.05
	Less: On disposals/adjustments during the year	-	-
	<b>Balance as at March 31, 2019</b>	<b>83.67</b>	<b>83.67</b>
<b>Net book value</b>			
	<b>As at March 31, 2019</b>	<b>39.39</b>	<b>39.39</b>
	As at March 31, 2018	58.32	58.32

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>5. Investments</b>		
<b>(a) Investment in equity instruments of subsidiaries at cost (Unquoted)</b>		
DCM Textiles Limited	5.00	5.00
50,000 (March 31, 2018: 50,000 ) equity shares of face value of Rs. 10 each, fully paid up		
DCM Data Systems Limited	5.00	5.00
50,000 (March 31, 2018: 50,000) equity shares of face value of Rs. 10 each, fully paid up		
DCM Finance & Leasing Limited	5.00	5.00
49,996 (March 31, 2018: 49,996) equity shares of face value of Rs. 10 each, fully paid up		
DCM Realty Investment & Consulting Limited	255.00	255.00
2,550,020 (March 31, 2018: 2,550,020) equity shares of face value of Rs. 10 each, fully paid up		
DCM Tools & Dies Limited	5.00	5.00
50,000 (March 31, 2018: 50,000) equity shares of face value of Rs. 10 each, fully paid up		
DCM Nouvelle Limited	5.00	5.00
50,000 (March 31, 2018: 50,000) equity shares of face value of Rs. 10 each, fully paid up		
DCM Realty and Infrastructure Limited	5.00	5.00
50,000 (March 31, 2018: 50,000) equity shares of face value of Rs. 10 each, fully paid up		
<b>Sub total</b>	<b><u>285.00</u></b>	<b><u>285.00</u></b>
<b>(b) Investments in equity shares of Joint venture at cost (unquoted)</b>		
<b>Equity accounted investee</b>		
Purearth Infrastructure Limited #	2,986.18	2,986.18
17,853,605 (March 31, 2018: 17,853,605) equity shares of face value of Rs. 10 each, fully paid up		
<b>Sub total</b>	<b><u>2,986.18</u></b>	<b><u>2,986.18</u></b>
<b>(c) Investments in preference shares of subsidiary (unquoted)</b>		
<b>Preference shares at amortised cost</b>		
DCM Finance & Leasing Limited		
100 (March 31, 2018: 100) 13.5% Redeemable cumulative preference shares of Rs. 100 each fully paid	0.10	0.10
<b>Sub total</b>	<b><u>0.10</u></b>	<b><u>0.10</u></b>
<b>(d) In preference shares (unquoted)</b>		
<b>Preference shares at FVTPL</b>		
Combine Overseas Limited	84.82	76.32
100,000 (March 31, 2018: 100,000) 0% Non cumulative redeemable preference shares of Rs. 100 each fully paid up (Refer note 45)		
<b>Sub total</b>	<b><u>84.82</u></b>	<b><u>76.32</u></b>
<b>Investment - non - current - Total</b>	<b><u>3,356.10</u></b>	<b><u>3,347.60</u></b>
<b>Aggregate value of unquoted investments in equity shares</b>	<b>3,271.18</b>	<b>3,271.18</b>
<b>Aggregate value of unquoted investments in preference shares</b>	<b>0.10</b>	<b>0.10</b>
<b>Aggregate value of unquoted investments in preference shares at FVTPL</b>	<b>84.82</b>	<b>76.32</b>

# In terms of SORA (refer note 40), 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. Further, 16,000,000 equity shares have been pledged as per note 19.

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>6. Loans (Non-current)</b>		
<i>Unsecured considered good</i>		
Security deposits	1,025.89	947.09
Loans to employees	5.04	8.24
<b>Total</b>	<u>1,030.93</u>	<u>955.33</u>

The Company's exposure to credit and currency risks, and loss allowance related to non current financial assets are disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>7. Other non-current financial assets</b>		
<i>(Unsecured, considered good)</i>		
Deposits with maturity for more than twelve months including interest (Refer note below)	-	0.73
Finance lease receivable (refer note 38)	140.60	241.59
<b>Total</b>	<u>140.60</u>	<u>242.32</u>

**Note:**

(i) Bank deposits include Rs. Nil (March 31, 2018: Rs. 0.73 lacs) held as margin money

(ii) Includes interest accrued Rs. Nil (March 31, 2018: Rs. 0.01 lacs)

The Company's exposure to credit and currency risks, and loss allowance related to non current financial assets are disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>8. Non-current tax assets (net)</b>		
Advance income tax [net of provision Rs. 2,666.89 lacs (March 31, 2018: Rs. 2,169.11 lacs)]	630.90	1,015.83
<b>Total</b>	<u>630.90</u>	<u>1,015.83</u>

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>9. Other non-current assets</b>		
<i>(Unsecured, considered good)</i>		
Capital advances		
To related party (Refer note 49)	587.37	587.37
Others (Refer note 44)	1,011.55	915.00
Deferred rent	10.17	0.70
Balances with government authorities	135.32	120.15
Other advances	188.45	211.45
<i>Considered doubtful</i>		
Other advances*	502.18	700.82
	<u>2,435.04</u>	<u>2,535.49</u>
Less: Loss allowance for doubtful advances	502.18	700.82
<b>Total</b>	<u><u>1,932.86</u></u>	<u><u>1,834.67</u></u>

\*Include Rs. 10.00 lacs (March 31, 2018: Rs. 100.00 lacs) as inter corporate deposits.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>10. Inventories</b>		
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials	13,185.98	14,040.71
Work-in-progress	2,663.14	2,120.08
Finished goods*	3,911.75	3,269.59
Stores and spares	1,392.80	1,694.56
<b>Total</b>	<u><u>21,153.67</u></u>	<u><u>21,124.94</u></u>

\* Includes finished goods in transit Rs. 2,526.20 lacs (March 31, 2018: Rs. 1,902.09 lacs)

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>11. Trade receivables</b>		
<i>(Secured)</i>		
Considered good	0.50	2.50
<i>(Unsecured)</i>		
Considered good	9,822.55	11,838.39
Which have significant increase in credit risk	178.54	71.05
	<u>10,001.09</u>	<u>11,909.44</u>
Less : Expected credit loss allowance	178.54	71.05
	<u>9,822.55</u>	<u>11,838.39</u>
<b>Total</b>	<u><u>9,823.05</u></u>	<u><u>11,840.89</u></u>

The Company's exposure to credit risk, liquidity risks and currency risk are disclosed in note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>12. Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	1,250.17	268.43
Deposits with original maturity of three months or less ^	99.73	468.34
Cash on hand	13.05	12.40
<b>Total</b>	<u><u>1,362.95</u></u>	<u><u>749.17</u></u>
^ Against margin money	-	0.49

The Company's exposure to credit risk, liquidity risks and currency risk are disclosed in note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>13. Bank balances other than cash and cash equivalents</b>		
In current accounts *	85.28	99.86
In deposit accounts **	161.68	364.18
	<u>246.96</u>	<u>464.04</u>
Less: Deposits due for realization after twelve months of the reporting date	-	-
<b>Total</b>	<u><u>246.96</u></u>	<u><u>464.04</u></u>
<b>* Current account includes:</b>		
Unpaid dividend account	79.81	93.35
With debenture trustee	3.90	4.29
Earmarked for specific uses	1.57	2.22
<b>** Deposit account includes</b>		
Earmarked for specific uses	3.69	4.33
Against margin money	37.43	108.86

The Company's exposure to credit risk, liquidity risks and currency risk are disclosed in note 53.

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>14. Loans-Current</b>		
<i>(Unsecured, considered good)</i>		
Loans to employees	48.47	57.39
<b>Total</b>	<u>48.47</u>	<u>57.39</u>

The Company's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>15. Other current financial assets</b>		
<i>(Unsecured, considered good)</i>		
Interest accrued on fixed deposits	4.46	9.31
Insurance claim receivables	2.08	50.70
Unbilled revenue	60.81	516.57
Finance lease receivable (refer note 38)	76.90	85.09
Forward gain receivable	47.69	-
<b>Total</b>	<u>191.94</u>	<u>661.67</u>

The Company's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>16. Other current assets</b>		
<i>(Unsecured, considered good)</i>		
Advances to suppliers	146.44	186.83
Prepaid expenses	177.49	188.81
Balance with statutory/government authorities	975.02	1,443.58
Technology upgradation fund (TUF) subsidy receivable	74.52	19.56
Deferred rent	5.34	2.01
Others receivables *	27.58	54.90
<b>Total</b>	<u>1,406.39</u>	<u>1,895.69</u>

\* includes Rs. Nil (March 31, 2018: Rs. 23.42 lacs) due from related parties.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>17. Equity share capital</b>		
<b>a) Authorised</b>		
83,999,000 (March 31, 2018: 83,999,000) equity shares of Rs. 10 each	8,399.90	8,399.90
100 (March 31, 2018: 100) 13.5% redeemable cumulative preference shares of Rs. 100 each	0.10	0.10
320,000 (March 31, 2018: 320,000) 9.5%- 6th cumulative redeemable cumulative preference shares of Rs. 25 each	80.00	80.00
3,680,000 (March 31, 2018: 3,680,000) preference shares of Rs. 25 each	920.00	920.00
1,000,000 (March 31, 2018: 1,000,000) cumulative preference shares of Rs. 100 each	1,000.00	1,000.00
	<u>10,400.00</u>	<u>10,400.00</u>
<b>b) Issued, subscribed and fully paid-up</b>		
18,677,749 (March 31, 2018: 18,677,749) equity shares of Rs. 10 each fully paid-up	1,867.77	1,867.77
Less: Calls in arrears by others	(0.31)	(0.31)
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>1,867.46</u>	<u>1,867.46</u>

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount Rs./Lacs	Number of shares	Amount Rs./Lacs
<b>Equity shares</b>				
At the commencement of the year	18,677,749	1,867.77	18,677,749	1,867.77
Add: Shares allotted during the year (Refer note 42)	9,030,495	903.05	-	-
Less: Shares cancelled during the year (Refer note 42)	9,030,495	903.05	-	-
<b>At the end of the year</b>	<u>18,677,749</u>	<u>1,867.77</u>	<u>18,677,749</u>	<u>1,867.77</u>

**d) Terms, rights, preferences and restrictions attached to equity shares:**

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 entitle 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.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of holding	Number of shares	% of holding
Dr. Vinay Bharat Ram	9,043,126	48.42%	-	-
Crescita Enterprises Private Limited	-	-	9,030,495	48.35%
Life Insurance Corporation of India	1,148,512	6.15%	1,148,512	6.15%

**(f) Details of shares issued for consideration other than cash :**

Issued, subscribed and fully paid up shares includes 1,298,712 equity shares issued during the financial year ended 2016-17 pursuant to the scheme of amalgamation of DCM Engineering Limited with the Company to the shareholders of DCM Engineering Limited without any consideration being received in cash.



	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>19. Non-current borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
From banks	7,707.44	9,970.95
From others	1,995.70	6.13
	<u>9,703.14</u>	<u>9,977.08</u>
<b>Unsecured</b>		
<b>Term loans</b>		
From others	-	1,987.58
	<u>-</u>	<u>1,987.58</u>
<b>Total non-current borrowings</b>	<u>9,703.14</u>	<u>11,964.66</u>
Less: Current maturities on non-current borrowings	3,709.14	2,615.52
<b>Total non-current borrowings</b>	<u>5,994.00</u>	<u>9,349.14</u>

Change in liability arising from financing activities

Particulars	Opening	Cash flows	Non-cash changes			Closing
			Acquisition	Foreign exchange movement	Fair value changes	
Non-current borrowing						
2018-19	11,964.66	(2,280.48)	-	-	18.96	9,703.14
2017-18	13,761.82	(1,814.16)	-	-	17.00	11,964.66

**Repayment terms and security disclosure for the outstanding borrowings:****Secured :-****From banks:**

- (a) Term loans aggregating Rs. 5,894.92 lacs (March 31, 2018: Rs. 7,283.67 lacs) are secured by first charge alongwith the charge created for availing cash credit, overdraft and working capital demand loan facilities described in note 22, on existing as well as future block of movable assets and an equitable mortgage by deposit of title deeds of land admeasuring 129.47 acres and all the immovable assets, both present and future, pertaining to the Textile Division at Hisar. The term loan carries a floating interest rate ranging between 6.65%-11.55% (net of TUF subsidy) per annum. Rs. 5,491.00 lacs repayable in 12 quarterly installments, Rs. 288.35 lacs repayable in 28 quarterly installments and Rs. 117.18 lacs repayable in 32 quarterly installments.
- (b) Rs. 424.33 lacs (March 31, 2018: Rs. 843.33 lacs) secured by way of first pari passu charge on the fixed assets of the Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the division, both present and future. The term loan carries a floating interest rate ranging between 11.85%-13.35% per annum. Rs. 426.39 lacs is repayable in 10 monthly installments.
- (c) Rs. 798.04 lacs (March 31, 2018: Rs. 1,292.65 lacs) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The term loan carries a floating interest rate 11.75% per annum and is repayable in 4 quarterly installments.
- (d) Rs. 448.51 lacs (March 31, 2018: Rs. 402.66 lacs) secured by way of first pari passu charge on the fixed assets (including immovable assets) of the Engineering Division and second pari passu charge on the entire stock of raw material, work-in-progress, semi-finished and finished goods, consumable stores & spares and such other movables including book debts, bills, whether documentary or clean, both present & future. The term loan carries a floating interest rate @ 11.80% per annum and is repayable in 45 monthly instalments.
- (e) Rs. 141.64 lacs (March 31, 2018: Rs. 148.64 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. The loans carry an interest rate ranging between 9.50%-13.50% per annum.

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

**From others:**

**Secured :**

- (a) Rs. 2.63 lacs (March 31, 2018: Rs. 6.13 lacs) relate to assets purchased under hire purchase/financing arrangements and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. The loans carry an interest rate ranging between 9.50%-13.50% per annum.
- (b) Rs. 1,993.07 lacs (March 31, 2018: Rs. Nil ) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPL) and 100% equity shares of Juhi Developers Private Limited (enterprises over which Key Managerial Personnel have significant influence) and pledge of 160 lacs equity shares of Purearth Infrastructure Limited as interim security to release the pledge on 14.30 lacs Equity shares of DCM Limited held by Crescita Enterprises Private Limited as mentioned in note (a) given below (refer note 5). Subsequent to the year end, the Company has pledged 57 lacs equity shares of DCM Limited held by Dr. Vinay Bharat Ram (Chairman and Managing director) and pledge on 160 lacs equity shares of Purearth Infrastructure Limited has been released by the lender. The Loan is further secured by personal guarantee of Mr. Sumant Bharat Ram (Chief executive and financial officer). The term loan carries a floating interest rate of 12.50%-14.00% per annum and is repayable in 8 equal installments of Rs. 250.00 lacs each, commencing from June 2019.

**Unsecured :**

- (a) Rs. Nil lacs (March 31, 2018: Rs. 1,987.58 lacs) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPL) and 100% equity shares of Juhi Developers Private Limited and pledge of 14.30 lacs equity shares of DCM Limited held by Crescita Enterprises Private Limited (enterprises over which Key Managerial Personnel have significant influence). The Loan is further secured by personal guarantee of Mr. Sumant Bharat Ram (Chief executive and financial officer). The term loan carries a floating interest rate of 12.50% per annum and is repayable in 8 equal installments of Rs. 250.00 lacs each, commencing from June 2019. Term loan is reclassified as secured term loan as at March 31, 2019. Refer note (b) above .

There is no continuing default as on the balance sheet date in repayment of loans and interest thereon. Also refer Note 55.

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>20. Other non-current financial liabilities</b>		
Security deposits	8.10	7.45
Other deposits	118.74	112.44
Others	527.44	527.44
<b>Total</b>	<b>654.28</b>	<b>647.33</b>

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>21. Non-current provisions</b>		
<b>Provision for employee benefits (Refer note 48)</b>		
- Gratuity	1,501.66	1,532.56
- Compensated absences	430.96	411.58
<b>Total</b>	<b>1,932.62</b>	<b>1,944.14</b>

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>22. Current borrowings</b>		
Secured		
Loans repayable on demand from banks	12,925.60	16,948.81
Unsecured		
Payable to bank	2,100.00	-
Payable to others	211.35	-
<b>Total</b>	<b>15,236.95</b>	<b>16,948.81</b>

Change in liability arising from financing activities

(Rupees in lacs)

Particulars	Opening	Cash flows	Non-cash changes			Closing
			Acquisition	Foreign exchange movement	Fair value changes	
Current borrowing						
2018-19	16,948.81	(1,711.86)	-	-	-	15,236.95
2017-18	22,298.53	(5,476.76)	-	127.04	-	16,948.81

**Security against loans repayable on demand**

- i) Cash credit/overdraft and working capital demand loan facilities aggregating to Rs. 9,576.86 lacs (March 31, 2018: Rs. 12,876.00 lacs) relating to Textile Division at Hisar carries interest at 8.40% p.a. to 11.10% p.a. and are secured by way of:
- hypothecation of stocks / stores and book debts, both present and future.
  - further secured by equitable mortgage of land admeasuring 129.47 acres and all immovable assets, both present and future, and first charge, ranking pari-passu with the charge created for availing term loans as described in note 19, by way of hypothecation of existing as well as future block of movable assets pertaining to the Division.
- ii) Cash credit facilities aggregating to Rs. 72.17 lacs (March 31, 2018: Rs. 12.86 lacs) relating to IT Division from a bank carries interest at 10.65% p.a. and are secured by way of:
- first charge/hypothecation of inventories, book debts and other assets of the Division (both present and future), and by way of first charge on office property at Hyderabad.
- iii) Cash credit and working capital demand loans facilities aggregating to Rs. 2,378.01 lacs (March 31, 2018: Rs. 3,161.82 lacs) relating to the Company's Engineering division from banks carries interest at 12.10% p.a. to 12.35% and are secured by way of:
- hypothecation of entire stocks of raw material, work in process, semi-finished goods and finished goods, consumable stores and spares and such other movables including book debts, bills, whether documentary or clean, both present and future
  - charge on all fixed assets, both present and future, including mortgage of factory's land and building located at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, measuring 71 Acre- 07K-18M 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.
- iv) Overdraft facility of Rs. 898.56 lacs (March 31, 2018: Rs. 898.13 lacs) relating to the Company's Engineering division from a bank carries interest at 12.20% p.a. and are secured by way of:
- land and building located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres and land and building located in Rail Mazra Village, Tehsil Balachaur, District Shaheed Bhagat Singh Nagar, Punjab measuring 4.02 acres.

**Unsecured**

- Working capital loan repayable on demand Rs. 2100 lacs (March 31, 2018: Rs. Nil) payable to a bank carries interest at 9.05% p.a. and Rs. 211.35 lacs (March 31, 2018: Rs. Nil) payable to others carries interest at 10.80% p.a.

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>23. Financial liabilities- Trade payables</b>		
Trade payables		
Dues to micro and small enterprises *	2,085.44	1,087.78
Dues to others	5,926.71	9,418.85
<b>Total</b>	<b>8,012.15</b>	<b>10,506.63</b>

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 53.

\* The following details relating to Micro, Small and Medium Enterprises shall be disclosed:

**Particulars**

(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Principal (includes Rs. 2.27 lacs payable to creditor of capital goods - refer note 24)	2,087.71	1,087.78
(b) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Interest	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, during each accounting year	-	-
(d) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
(e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
(f) The amount of interest accrued and remaining unpaid at the end of each accounting year.	32.19	-
(g) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>24. Other current financial liabilities</b>		
Current maturities of non-current borrowings (refer note 19)		
Secured		
From banks	2,706.51	2,612.02
From others	<u>1,002.63</u>	<u>3.50</u>
	3,709.14	2,615.52
Unclaimed dividends	79.81	93.35
Unclaimed matured deposits and interest accrued thereon *	1.05	1.05
Unclaimed matured debentures and interest accrued thereon *	8.11	9.79
Security deposits received	10.95	6.81
Interest accrued but not due on borrowings	99.24	87.75
Employee related payable	1,710.24	1,378.06
Liability for capital goods		
Payable to micro and small enterprises **	2.27	-
Payable to others	118.88	7.27
<b>Total</b>	<u><u>5,739.69</u></u>	<u><u>4,199.60</u></u>

\* 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.

\*\* (Refer note 23)

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>25. Other current liabilities</b>		
Advance from customers	441.59	152.40
Statutory dues payables	769.52	526.55
Other payables	141.63	143.58
<b>Total</b>	<u><u>1,352.74</u></u>	<u><u>822.53</u></u>

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>26. Current provisions</b>		
<b>Provision for employee benefits (Refer note 48)</b>		
- Gratuity	336.35	327.26
- Compensated absences	53.54	48.93
<b>Others:</b>		
Provision for sales return	-	93.80
<b>Total</b>	<u><u>389.89</u></u>	<u><u>469.99</u></u>
<b>Information about individual provisions and significant estimates</b>		
<b>Movement in provisions during the year</b>		
<b>Provision for sales return</b>		
Opening balance	93.80	123.30
Add: Provision recognised during the year	-	-
Less: Provision utilised/ reversed during the year	93.80	29.50
Closing balance	<u><u>-</u></u>	<u><u>93.80</u></u>
<b>27. Current tax liabilities (net)</b>		
Provision for income tax [net of advance tax Rs. 1,053.43 lacs (March 31, 2018: Rs. 1859.75 lacs)]	125.07	181.47
<b>Total</b>	<u><u>125.07</u></u>	<u><u>181.47</u></u>

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>28. Revenue from operations</b>		
<b>Sale of products *</b>		
Manufactured goods		
Cotton yarn	61,680.77	54,802.71
Iron castings	38,554.58	32,791.40
Patterns, jigs and fixtures	162.05	23.20
<b>Sale of product license</b>	103.55	103.28
<b>Sale of services</b>	4,275.28	4,345.59
	<u>104,776.23</u>	<u>92,066.18</u>
<b>Other operating revenue</b>		
Waste sales	4,616.27	4,373.10
Duty drawback and other export incentives	571.33	583.57
Miscellaneous sales	40.25	35.18
	<u>5,227.85</u>	<u>4,991.85</u>
<b>Total</b>	<u>110,004.08</u>	<u>97,058.03</u>
* After applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are required to be disclosed net of GST. Accordingly, the figures of revenue from operations for the year ended March 31, 2019 are not comparable with the corresponding year.		
<b>Contract Balances</b>	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
Trade receivable	9,823.05	11,840.89
Unbilled revenue	60.81	516.57
Reconciliation of revenue recognised with the contracted price is as follows:		
<b>Contracted price</b>	For the year ended March 31, 2019 Rs./Lacs	
Contracted price	110,335.76	
Reductions towards variable consideration components	(331.68)	
Revenue recognised	<u>110,004.08</u>	
	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>29. Other income</b>		
<b>Interest income on financial assets at amortised cost</b>		
- Deposits with others	6.17	5.15
- Interest subsidy (TUF) on borrowings (Refer note 37)	118.27	154.28
- Other interest income	157.77	251.87
Net gain on foreign currency transactions and translation	598.42	305.96
Profit on sale of property, plant and equipment (net)	9.45	-
Liabilities/provisions no longer required written back	162.11	67.03
Finance lease income	17.02	24.70
Miscellaneous income	64.85	87.47
<b>Total</b>	<u>1,134.06</u>	<u>896.46</u>

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>30. Cost of material consumed</b>		
Opening stock	14,040.71	13,527.42
Add: Purchases	61,392.00	55,459.21
	<u>75,432.71</u>	<u>68,986.63</u>
Less: Closing stock	13,185.98	14,040.71
	<u>62,246.73</u>	<u>54,945.92</u>
	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>31. Changes in inventories of finished goods and work-in-progress</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	3,911.75	3,269.59
Work-in-progress	2,663.14	2,120.08
<b>Total</b>	<u>6,574.89</u>	<u>5,389.67</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,269.59	2,266.12
Work-in-progress	2,120.08	2,802.43
<b>Total</b>	<u>5,389.67</u>	<u>5,068.55</u>
<b>Net increase</b>	<u>(1,185.22)</u>	<u>(321.12)</u>
	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>32. Employee benefits expense</b>		
Salaries, bonus and other allowances	12,958.33	11,764.52
Contribution to provident funds	755.72	780.89
Gratuity expense (Refer note 48 )	272.28	274.80
Staff welfare expenses	379.44	393.18
<b>Total</b>	<u>14,365.77</u>	<u>13,213.39</u>
	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>33. Finance costs</b>		
Interest expense on :		
Borrowings	2,051.15	2,202.92
Others	32.75	51.48
Exchange differences to the extent considered as adjustment to finance cost	-	23.61
Other borrowing costs	671.30	335.02
<b>Total</b>	<u>2,755.20</u>	<u>2,613.03</u>

	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>34. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	3,422.77	3,598.28
Amortisation of intangible assets	21.05	26.04
<b>Total</b>	<b>3,443.82</b>	<b>3,624.32</b>
	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>35. Other expenses</b>		
Consumption of stores and spare parts	8,861.83	7,460.25
Power, fuel, etc.	12,699.46	12,286.44
Rent (Refer note 38)	135.39	120.22
Repair and maintenance		
- Buildings	104.50	58.60
- Machinery	1,143.57	846.91
- others	153.20	143.46
Subcontracting charges ^	1,526.32	1,503.35
Freight and forwarding	1,961.97	1,719.68
Insurance	91.03	88.13
Rates and taxes	28.12	21.14
Directors' fees	16.20	19.19
Legal and professional fees (refer note (i) below)	510.44	488.29
Travelling and conveyance	478.52	483.60
Commission to selling agents (other than sole selling)	377.45	344.69
Sales expenses	17.56	31.62
Inventory store and spares written off	292.89	-
Expenditure on corporate social responsibility (Refer note 52)*	12.17	17.36
Allowance for bad trade and other receivables	111.00	18.28
Bad trade and other receivables, loans and advances written off	128.45	0.11
Less: Provision already held	<u>(63.64)</u>	<u>-</u>
Loss on finance lease written off	14.24	19.64
Loss on property, plant and equipment sold/ written off (net)	4.21	5.21
Miscellaneous expenses	626.78	631.79
<b>Total</b>	<b>29,231.66</b>	<b>26,307.96</b>
<b>(i) Includes auditors remuneration (excluding taxes)</b>		
For limited review and audit	46.50	46.50
For certification and other services	0.25	15.00
for reimbursement of expenses	3.70	3.38
<b>Total</b>	<b>50.45</b>	<b>64.88</b>

\* net of government grant of Rs. Nil (March 31, 2018 Rs. 0.83 lacs) (refer note 37)

^ Includes freight, transportation expense Rs 227.14 lacs (March 31, 2018: Rs 200.16 lacs) incurred on materials sent to and received back from sub-contractors.

## 36. Tax expense (Rupees in lacs)

## (a) Amounts recognised in profit and loss

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax (a)</b>		
Current tax for the year	80.55	-
Adjustment for current tax of prior years	-	(0.74)
	<u>80.55</u>	<u>(0.74)</u>
<b>Deferred tax expense/ (credit) (b)</b>	-	-
<b>Tax expense for the year</b>	<u>80.55</u>	<u>(0.74)</u>

## (b) Amounts recognised in other comprehensive income/(expense)

	For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	(20.47)	(4.21)	(16.26)
<b>Items that will be reclassified to profit or loss</b>			
Exchange difference in translating financial statements of foreign operations	55.93	11.51	44.42
	<u>35.46</u>	<u>7.30</u>	<u>28.16</u>

	For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	48.41	-	48.41
<b>Items that will be reclassified to profit or loss</b>			
Exchange difference in translating financial statements of foreign operations	(1.65)	-	(1.65)
	<u>46.76</u>	<u>-</u>	<u>46.76</u>

- (c) As at March 31, 2019, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have been recognised only to the extent of deferred tax liability. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	-	-
Provision for gratuity and compensated absences	(724.63)	(723.88)
Unabsorbed depreciation	(2,849.46)	(3,305.64)
Business loss	-	(117.94)
Provision for trade receivables and other advances	(55.70)	(24.88)
Other items	(112.55)	(160.02)
<b>Deferred tax (assets)</b>	<u>(3,742.34)</u>	<u>(4,332.36)</u>

(Rupees in lacs)

	Deferred tax liabilities	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	522.14	892.92
Provision for gratuity and compensated absences	-	-
Unabsorbed depreciation	-	-
Business loss	-	-
Provision for trade receivables and other advances	-	-
Other items	-	-
<b>Deferred tax liabilities</b>	<b>522.14</b>	<b>892.92</b>

	Net deferred tax (asset) liabilities	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	522.14	892.92
Provision for gratuity and compensated absences	(724.63)	(723.88)
Unabsorbed depreciation	(2,849.46)	(3,305.64)
Business loss	-	(117.94)
Provision for trade receivables and other advances	(55.70)	(24.88)
Other items	(112.55)	(160.02)
<b>Net deferred tax (assets) liabilities</b>	<b>(3,220.20)</b>	<b>(3,439.44)</b>

## (d) Movement in temporary differences:

	Balance as at March 31, 2017	Movement during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018
Property, plant and equipment	1,187.81	(294.89)	-	892.92
Provision for gratuity and compensated absences	(743.53)	19.65	-	(723.88)
Unabsorbed depreciation	(2,546.60)	(759.04)	-	(3,305.64)
Business loss	-	(117.94)	-	(117.94)
Provision for trade receivables and other advances	(18.98)	(5.90)	-	(24.88)
Other items	(149.02)	(11.00)	-	(160.02)
	<u>(2,270.32)</u>	<u>(1,169.12)</u>	<u>-</u>	<u>(3,439.44)</u>

	Balance as at March 31, 2018	Movement during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Property, plant and equipment	892.92	(370.78)	-	522.14
Provision for gratuity and compensated absences	(723.88)	(0.75)	-	(724.63)
Unabsorbed depreciation	(3,305.64)	456.18	-	(2,849.46)
Business loss	(117.94)	117.94	-	-
Provision for trade receivables and other advances	(24.88)	(30.82)	-	(55.70)
Other items	(160.02)	47.47	-	(112.55)
	<u>(3,439.44)</u>	<u>219.24</u>	<u>-</u>	<u>(3,220.20)</u>

## (e) Tax losses carried forward:

(Rupees in lacs)

(i) MAT credit recognised and carried forward as follows

	As at March 31, 2019		As at March 31, 2018	
	Amount	Expiry year	Amount	Expiry year
<b>MAT</b>	-	-	-	-

(ii) Tax losses for which no deferred tax asset was recognised expire as follows:

	As at March 31, 2019		As at March 31, 2018	
	Amount	Expiry year	Amount	Expiry year
<b>Business Loss</b>	-	-	378.01	2026-27
<b>Unabsorbed depreciation *</b>	<b>9,132.88</b>	-	10,595.00	-

(iii) MAT credit for which no MAT credit entitlement recognised expire as follows:

	As at March 31, 2019		As at March 31, 2018	
	Amount	Expiry year	Amount	Expiry year
<b>MAT</b>	<b>120.79</b>	<b>2025-26</b>	120.79	2020-21
	419.47	2026-27	419.47	2021-22
	8.22	2027-28	8.22	2022-23
	18.77	2029-30	48.34	2024-25
	<b>87.85</b>	<b>2034-35</b>	-	-

\* available for set off against any other income and can be carried forward for indefinite period as per Income Tax Act, 1961

## 37. Disclosures related to government grant

The government grant/government assistance recognised are as under:

(Rupees in lacs)

Nature of grant/assistance	Income/ expense head	For the year ended March 31, 2019	For the year ended March 31, 2018
Benefit of interest expense at concessional rate	Interest income under Other income	118.27	154.28
Grant for schools	Corporate social responsibility	-	0.83
Duty drawback on exports	Income under other operating income	571.33	583.57

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Statement of Profit and loss.

## 38. Leases

Operating leases

The Company's significant operating lease arrangements are in respect of premises for residential use of employees, office, stores, godown, etc. for a period of ranging from 1-5 years. These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. The lease rentals charged as employee benefits expense aggregate Rs. 119.85 lacs (March 31, 2018: Rs. 113.47 lacs) under note 32 and lease rentals charged as rent aggregate Rs. 135.39 lacs (March 31, 2018: Rs. 120.22 lacs) under note 35.

Future aggregate minimum lease payments under non-cancellable operating lease are as follows:

(Rupees in lacs)

	As at March 31, 2019	As at March 31, 2018
Not later than one year	77.40	25.65
Later than one year and not later than five years	168.99	-
Later than five years	-	-
<b>Total</b>	<b>246.39</b>	<b>25.65</b>

Finance leases

## A. Leases as a lessor

The company has classified the arrangement with the customers wherein the patterns/tooling/moulds are lease out in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17 'Leases' and accounted for as finance lease in accordance with those principles.

The agreement with the customers is for a period of 3 to 15 years.

(Rupees in lacs)

	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	88.57	76.90	118.66	85.09
Later than one year and not later than five years	149.15	140.60	245.43	241.27
Later than five years	-	-	0.32	0.32
<b>Total minimum lease payments</b>	<b>237.72</b>	<b>217.50</b>	<b>364.41</b>	<b>326.68</b>
Less: amounts representing unearned finance income	20.22	-	37.73	-
<b>Present value of minimum lease payments</b>	<b>217.50</b>	<b>217.50</b>	<b>326.68</b>	<b>326.68</b>

**39. Earnings per share**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit/(loss) attributable to equity shareholders as per Statement of profit and loss (Rs. In lacs)	199.63	(3,554.26)
Weighted average number of equity shares in calculating Basic EPS	18,677,749	18,677,749
Weighted average number of equity shares in calculating Diluted EPS	18,677,749	18,677,749
Basic loss per share in rupees (face value per equity share Rs. 10 each) (Rs.)	1.07	(19.03)
Diluted loss per share in rupees (face value per equity share Rs. 10 each) (Rs.)	1.07	(19.03)

**40. Restructuring**

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

- a) 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. 28,820.00 lacs (includes Rs. 3,400.00 lacs on account of leasehold land out of which Rs. 2,400.00 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. 39,567.00 lacs in the Previous years).
  - In terms of the "Leasehold Definitive Agreement" ("LDA") dated February 16, 2004, pursuant to completion of its obligation to get the leases restored/converted from leasehold to freehold, the Company had recognized the entire revenue of Rs. 3,400.00 lacs from sale of development rights in leasehold land in the year 2014-15 and 2015-16.
  - The outstanding receivable from for the said sale of development rights in freehold and leasehold land is amounting to Rs. Nil (March 31, 2018: Rs. Nil) as at year end.
- b) after considering the effect of Delhi High Court order dated April 28, 2011, the Company had 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. 9.16 lacs (March 31, 2018: Rs. 10.84 lacs).

**41. Amalgamation and demerger**

The Board of Directors of the Company in its meeting held on October 15, 2016 approved

- a) a Scheme of Arrangement ('the Scheme') between DCM Limited and DCM Nouvelle Limited, a wholly owned subsidiary of DCM Limited, for the demerger of the Textile business of DCM Limited as per the scheme and vesting of the same with DCM Nouvelle Limited, on a going concern basis with effect from January 1, 2017, i.e. the appointed date.

The aforesaid Scheme was subject to approval from the concerned regulatory authorities which were not perfunctory and considered to be substantive. Subsequent to the year end, the Company has received the order from the National Company Law Tribunal (NCLT) on May 1, 2019 sanctioning the Scheme with the appointed date of April 1, 2019. Since the Scheme of arrangement is approved subsequent to the year end with effect from April 1,

2019, the aforesaid scheme cannot be considered as highly probable on the balance sheet date and hence do not meet the criteria for assets held for sale/discontinued operations. Accordingly, the impact of the Scheme has not been considered in these standalone financial statements. The scheme has become effective on May 13, 2019 on Company filing the NCLT order with Registrar of Companies.

- b) A Composite scheme of Arrangement ('the Composite Scheme') which was further amended/modified in its subsequent meetings held on February 13, 2017 and May 30, 2018 for the:-
- (i) Amalgamation of Tiara Investment Limited into Purearth Infrastructure Limited, a jointly controlled entity ('the Amalgamated Company'), with effect from December 31, 2016;
  - (ii) Demerger of the Real Estate business of DCM Limited, as defined in the Composite Scheme, into DCM Realty and Infrastructure Limited ('the Resulting Company'), on a going concern basis with effect from January 1, 2017; and
  - (iii) "Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Company, i.e. Purearth Infrastructure Limited with the Resulting Company, i.e. DCM Realty and Infrastructure Limited, with effect from January 1, 2017.

The aforesaid Scheme was subject to approval from the concerned regulatory authorities which were not perfunctory and considered to be substantive. However, keeping in view of the ongoing observations of the Stock Exchanges/SEBI on the aforesaid Composite Scheme in the current form and the resultant delays in obtaining "no objection" from Stock Exchanges/SEBI, the Board of Directors of the Company in its Meeting held on February 11, 2019 have decided to withdraw the Scheme and the necessary intimations have been sent to Stock Exchanges/SEBI informing them about the decision of the Board to withdraw this Composite Scheme.

42. In accordance with the Scheme of Amalgamation of Crescita Enterprises Private Limited ('the Transferor company') with the Company, as sanctioned by the National Company Law Tribunal vide its order dated January 08, 2019 which became effective on January 30, 2019 on filing of the certified copy of the order with the Registrar of Companies, the assets and liabilities of the transferor company were transferred to and vested in the Company with effect from the appointed date of March 31, 2017. Consequently 48.35% shares of the Company which were held by the Transferor Company have been cancelled and the

46. Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Company has identified four reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Chief Operating Decision Maker (CODM) reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

<u>Reportable segments</u>	<u>Operations</u>
Textiles	Yarn manufacturing
IT services	IT Infrastructure services
Real estate	Development at the Company's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi
Grey iron casting	Grey iron casting manufacturing

B. Information about operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Board of Directors of the company. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(Rupees in lacs)

Particulars	Reportable segment								Unallocated		Total	
	Textile		IT Services		Real Estate		Grey iron casting		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018				
<b>Segment revenue</b>												
- External revenues	61,680.77	54,802.71	4,378.83	4,448.87	-	-	38,716.63	32,814.60	-	-	104,776.23	92,066.18
- Other operating revenue	5,068.86	4,872.17	-	-	-	-	158.99	119.68	-	-	5,227.85	4,991.85
<b>Total segment revenue</b>	<b>66,749.63</b>	<b>59,674.88</b>	<b>4,378.83</b>	<b>4,448.87</b>	<b>-</b>	<b>-</b>	<b>38,875.62</b>	<b>32,934.28</b>	<b>-</b>	<b>-</b>	<b>110,004.08</b>	<b>97,058.03</b>
<b>Segment profit/(loss) before tax</b>	<b>5,295.53</b>	<b>2,417.15</b>	<b>148.10</b>	<b>110.88</b>	<b>-</b>	<b>-</b>	<b>(1,841.17)</b>	<b>(2,931.86)</b>	<b>-</b>	<b>-</b>	<b>3,602.46</b>	<b>(403.83)</b>
Unallocated corporate expenses/ income (net of unallocated income/ expenses)	-	-	-	-	-	-	-	-	(849.29)	(795.16)	(849.29)	(795.16)
Interest income	-	-	-	-	-	-	-	-	282.21	257.02	282.21	257.02
Profit before finance costs and tax	-	-	-	-	-	-	-	-	-	-	3,035.38	(941.97)
Finance costs	-	-	-	-	-	-	-	-	2,755.20	2,613.03	2,755.20	2,613.03
Profit/(loss) before tax	-	-	-	-	-	-	-	-	-	-	280.18	(3,555.00)
Provision for taxation	-	-	-	-	-	-	-	-	80.55	(0.74)	80.55	(0.74)
Profit/(loss) after taxation	-	-	-	-	-	-	-	-	-	-	199.63	(3,554.26)
Depreciation and amortization	1,700.72	1,873.73	24.58	29.26	-	-	1,670.74	1,666.56	47.78	54.77	3,443.82	3,624.32
Capital expenditure during the year	520.35	112.79	38.58	5.96	-	-	331.74	379.58	31.64	4.25	922.31	502.58
Non cash expense other than depreciation	89.69	(4.67)	6.33	(1.18)	-	-	337.15	49.27	53.98	(0.27)	487.15	43.15

Other information

(Rupees in lacs)

Particulars	Reportable segment								Unallocated		Total	
	Textile		IT Services		Real Estate		Grey iron casting		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018				
Segment assets	35,758.35	38,037.68	2,092.39	2,547.21	25.00	25.00	14,043.23	16,685.64	-	-	51,918.97	57,295.53
Assets held for sale	-	-	-	-	-	-	212.53	212.53	-	-	212.53	212.53
Unallocated assets	-	-	-	-	-	-	-	-	6,765.54	6,793.01	6,765.54	6,793.01
<b>Total assets</b>	<b>35,758.35</b>	<b>38,037.68</b>	<b>2,092.39</b>	<b>2,547.21</b>	<b>25.00</b>	<b>25.00</b>	<b>14,255.76</b>	<b>16,898.17</b>	<b>6,765.54</b>	<b>6,793.01</b>	<b>58,897.04</b>	<b>64,301.07</b>
Segment liabilities	3,225.57	5,670.23	495.33	537.78	23.62	23.62	9,592.12	8,360.04	1,160.66	1,564.50	14,497.30	16,156.17
Share capital and reserves	-	-	-	-	-	-	-	-	19,459.65	19,231.43	19,459.65	19,231.43
Loan funds	17,607.78	20,208.24	94.38	19.40	-	-	5,161.40	6,606.45	2,076.53	2,079.38	24,940.09	28,913.47
<b>Total liabilities</b>	<b>20,833.35</b>	<b>25,878.47</b>	<b>589.71</b>	<b>557.18</b>	<b>23.62</b>	<b>23.62</b>	<b>14,753.52</b>	<b>14,966.49</b>	<b>22,696.84</b>	<b>22,875.31</b>	<b>58,897.04</b>	<b>64,301.07</b>

**C. Geographical information**

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

**i. Revenues****(Rupees in lacs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
India (a)	65,240.47	63,833.05
Outside India		
China	26,786.58	14,001.82
Other countries	17,977.03	19,223.16
Outside India (b)	44,763.61	33,224.98
<b>Total (a+b)</b>	<b>110,004.08</b>	97,058.03

**ii. Non current assets\*****(Rupees in lacs)**

Particulars	As At March 31, 2019	As At March 31, 2018
India	19,271.53	21,716.34
Outside India	4.21	3.75
<b>Total</b>	<b>19,275.74</b>	21,720.09

\* Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

**D. Major customers**

There is no single customer who contributed 10% or more of the Company's revenue during the year ended March 31, 2019 and March 31, 2018.

**47. Contingent liabilities, contingent assets and commitments****a) Commitments****(Rupees in lacs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments	1,209.65	654.93

**b) Contingent liabilities not provided for:****(Rupees in lacs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Claims not acknowledged as debts: *		
- Excise claims	0.50	1.49
- Sales tax matters/ VAT	495.38	277.21
- Income-tax matters	139.24	248.03
- Customs duty	12.55	12.55
- Employees' claims (to the extent ascertained)	59.15	56.42
- Property tax	283.67	283.67
- Others	83.03	313.93

\* 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.

Notes to the Standalone financial statements for the year ended March 31, 2019 continued

- c) (i) There are no undisputed dues of wealth tax and service tax which have not been deposited by the Company. The details of disputed dues as of March 31, 2019 in respect of customs duty, income tax, excise duty and sales tax/ PVAT that have not been deposited by the Company, are as follows:

Name of the statute	Nature of dues	Amount Involved * (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	39.54	39.54	Financial Year 2015-16	CIT (Appeals)
Customs Act, 1962	Custom duty	12.55	-	1988-89	Asst. Commissioner of customs (Appeals)
Central Excise Act, 1944	Excise duty	0.50	-	2002-03, 2003-04	Supreme court
Punjab VAT Act, 2005	Sales tax	218.17	15.50	Financial Year 2012-13	Punjab VAT Appellate Tribunal
		146.96	36.75	Financial Year 2010-11	
		130.25	35.09	Financial Year 2009-10	

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

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

- (ii) 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 an appeal at a higher level:

Name of the statute	Nature of dues	Amount involved (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	442.48	Financial Year 1982-83 to 1989-90	High court
		48.74	Financial Year 2010-11	High court
		66.08	Financial Year 2011-12	High court
		51.37	Financial Year 2012-13	Income tax appellate tribunal
		48.33	Financial Year 2013-14	Income tax appellate tribunal

- (iii) The Company has been regular in transferring amounts to the Investor Education and Protection Fund after considering SORA, pursuant to which certain past dues have been rescheduled for repayment.

- d) The company has not recognised any additional provident fund liability pursuant to a recent judgement dated 28th February, 2019 by the Hon'ble Supreme Court pertaining to treatment of certain allowances as part of wages, as the applicability/impact is being ascertained and the date from which the judgment will be applicable is uncertain.

#### 48. Employee benefits

##### A Defined contribution plans

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

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Company's contribution to provident fund	417.99	452.84
Company's contribution to superannuation fund	65.29	58.05
Company's contribution to employees' state insurance	143.93	151.86
Company's contribution to social security	125.89	115.66
Company's contribution to NPS	2.62	2.48
<b>Total</b>	<b>755.72</b>	<b>780.89</b>

##### B Defined benefit plans

The Company operates the following post-employment defined benefit plans:-

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act. Liability with regards to Gratuity is accrued based on actuarial valuation at the balance sheet date, carried out by independent actuary.

For details about the related employee benefits plan, refer accounting policies on employee benefits.

The following table set out the status of the defined benefit obligation (Rupees in lacs)

Particulars	As at March 31, 2019	As at April 1, 2018
Defined benefit liability- Gratuity	1,838.01	1,859.82
<b>Total employee benefit liabilities</b>		
Non current	1,501.66	1,532.56
Current	336.35	327.26
<b>Total</b>	<b>1,838.01</b>	<b>1,859.82</b>

For details about the related employee benefit expenses, refer note 32.

*i) Reconciliation of the defined benefit liability*

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	1,859.82	1,926.92
Current service cost	132.79	130.28
Interest cost	139.49	144.52
Actuarial (gains) / losses recognised in other comprehensive income/(expense)	20.47	(48.41)
Benefits paid	(314.56)	(293.49)
<b>Balance at the end of the year</b>	<b>1,838.01</b>	<b>1,859.82</b>
Non-current	1,501.66	1,532.56
Current	336.35	327.26

*ii) Expense recognized in profit and loss* (Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	132.79	130.28
Interest cost	139.49	144.52
<b>Net cost</b>	<b>272.28</b>	<b>274.80</b>

*iii) Remeasurements recognized in other comprehensive income/(expense)* (Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial gain / (loss) on defined benefit obligation	(20.47)	48.41
<b>Total</b>	<b>(20.47)</b>	<b>48.41</b>

**iv) Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

**(Rupees in lacs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assumptions</b>		
Discount rate	7.50%	7.50%
Future salary growth	6.00%	6.00%
Retirement age	58/60 years	58/60 years
Mortality table	"IALM (2006-08) ultimate"	"IALM (2006-08) ultimate"
Withdrawal rate		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

As at March 31, 2019, the weighted average duration of the defined benefit obligation was 11.96 - 19.51 year (March 31, 2018 : 10.88-19.54 year)

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs. 285.67 lacs.

**v) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**(Rupees in lacs)**

Particulars	As as March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(123.42)	133.06	(121.13)	121.20
Future salary growth (1%)	134.36	(125.67)	130.37	(123.29)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

**vi) Maturity profile**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at March 31, 2019	As at March 31, 2018
Year 1	336.34	327.26
Year 2	26.48	139.13
Year 3	144.64	206.21
Year 4	137.81	130.09
Year 5	134.86	104.94
Next 6	192.81	167.54
Next to 6 years	865.07	784.65

**vii) Description of Risk Exposures**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow-

- Interest risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**49. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**A. Name and description of relationship of the related party****Entity having significant control over the Company**

Crescita Enterprises Private Limited (upto March 31, 2017 i.e. appointed date - Refer note 42)

**Related parties where control exists****Subsidiaries**

DCM Textiles Limited  
DCM Realty Investment & Consulting Limited  
DCM Tools & Dies Limited  
DCM Finance & Leasing Limited  
DCM Data Systems Limited  
DCM Nouvelle Limited  
DCM Realty and Infrastructure Limited

**Other related parties with whom transaction have taken place during the year****Joint controlled entity (JCE)**

Purearth Infrastructure Limited

**Key management personnel and/or individuals having direct or indirect control or significant influence, and their relatives:**

Dr. Vinay Bharat Ram – Chairman and Managing Director  
Mr. Hemant Bharat Ram – President (Textiles)  
Mr. Sumant Bharat Ram – Chief Executive and Financial Officer  
Mr. Sushil Kapoor – Executive Director (Engineering Business) – (with effect from January 15, 2018)  
Mr. Dinesh Dhiman – Executive Director (Engineering Operations) – (with effect from December 13, 2017)  
Mr. Varun Sarin – Chief of Operation and Finance (IT Division)  
Mr. Rakesh Kumar Goel - CEO (Textile Division)  
Mr. Yadvinder Goyal – Company Secretary  
Mr. Rahil Bharat Ram – Son of Mr. Sumant Bharat Ram  
Mr. Yuv Bharat Ram – Son of Mr. Sumant Bharat Ram

**Entities where key management personnel have significant influence**

Juhi Developers Private Limited  
Teak Farms Private Limited  
DCM Engineering Products Educational Society

**B. Transactions with related parties:**

(Rupees in lacs)

Particulars	Subsidiaries		Joint Venture		Others *	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Expense reimbursed</b>						
DCM Realty Investment and Consulting Limited	0.05	-	-	-	-	-
DCM Data Systems Limited	0.05	-	-	-	-	-
DCM Tools and Dies Limited	0.06	-	-	-	-	-
DCM Textiles Limited	0.06	-	-	-	-	-
DCM Finance and Leasing Limited	0.13	-	-	-	-	-
DCM Engineering Products Educational Society	-	-	-	-	23.59	21.56
<b>Expense recovered (net)</b>						
Purearth Infrastructure Limited	-	-	53.93	50.25	-	-
DCM Realty Investment and Consulting Limited	-	0.50	-	-	-	-
<b>Interest income</b>						
Purearth Infrastructure Limited	-	-	-	108.04	-	-

Particulars	Subsidiaries		Joint Venture		Others *	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Sales/ Other income</b>						
DCM Realty Investment and Consulting Limited	-	0.06	-	-	-	-
<b>Purchase of Other tangible assets</b>						
Purearth Infrastructure Limited	-	-	-	2.40	-	-
<b>Refund received against cancellation of rights in flats</b>						
Purearth Infrastructure Limited	-	-	-	867.07	-	-
<b>Net assets taken over as per scheme (refer note 42)</b>						
Cresita Enterprises Private Limited	-	-	-	-	1,723.61	-

\*Entities in which key management personnel have significant influence/ Entity having significant control over the Company/ Society

**Transactions with key management personnel**

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Compensation of key management personnel</b>		
Salaries and bonus including contributions made to provident fund		
Dr. Vinay Bharat Ram	150.04	147.85
Mr. Hemant Bharat Ram	442.84	240.06
Mr. Sumant Bharat Ram	205.56	152.32
Mr. Sushil Kapoor	132.24	21.28
Mr. Dinesh Dhiman	37.98	10.56
Mr. Varun Sarin	66.85	64.32
Mr. Rakesh Kumar Goel	123.01	118.25
Mr. Yadvinder Goyal	22.58	18.27
<b>Post-employment defined benefit plan</b>		
Gratuity		
Mr. Hemant Bharat Ram	15.93	13.89
Mr. Sumant Bharat Ram	-	4.47
Mr. Dinesh Dhiman	0.83	0.23
Mr. Varun Sarin	1.29	2.06
Mr. Rakesh Kumar Goel	17.53	9.90
Mr. Yadvinder Goyal	0.52	0.41
<b>Other long term defined benefit plan</b>		
Compensated absences		
Mr. Hemant Bharat Ram	11.86	11.62
Mr. Sumant Bharat Ram	-	4.59
Mr. Dinesh Dhiman	0.32	0.30
Mr. Varun Sarin	0.41	0.77
Mr. Rakesh Kumar Goel	3.23	2.03
Mr. Yadvinder Goyal	0.64	0.38
<b>Total compensation paid to key management personnel</b>	<b>1,233.66</b>	<b>823.56</b>

Balances with related parties		(Rupees in lacs)			
Particulars	Joint Venture		Others*		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
<b>Balances payable</b>					
DCM Engineering Products Educational Society	-	-	1.95	1.67	
<b>Advance given for purchase of rights in flats</b>					
Purearth Infrastructure Limited	587.37	587.37	-	-	
<b>Guarantee taken</b>					
Mr. Sumant Bharat Ram	-	-	2,000.00	2,000.00	
<b>Advances recoverable / (Payable) (net)</b>					
Purearth Infrastructure Limited	-	23.42	-	-	
Dr. Vinay Bharat Ram	-	-	(4.02)	(4.10)	
Mr. Hemant Bharat Ram	-	-	(130.42)	(7.93)	
Mr. Sumant Bharat Ram	-	-	(37.65)	(5.01)	
Mr. Sushil Kapoor	-	-	(25.04)	(6.55)	
Mr. Dinesh Dhiman	-	-	(2.69)	(3.18)	
Mr. Varun Sarin	-	-	(2.75)	(3.71)	
Mr. Rakesh Kumar Goel	-	-	(18.41)	(3.29)	
Mr. Yadvinder Goyal	-	-	(1.43)	(1.01)	

\* Entities in which key management personnel have significant influence/ Entity having significant control over the Company / Society.

#### 50. Research and development expenditure

Company is claiming weighted tax deductions on eligible research and development expenditure u/s 35(2AB) of the Income Tax Act, 1961 equivalent to 150% of such expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) w.e.f. May 28, 2015 and further renewed upto March 31, 2021 on June 26, 2018. The details of such expenditure are as follows:

Particulars	(Rupees in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Capital expenditure</b>		
Office equipment	0.73	0.26
Plant and machinery	-	-
Computers	0.10	6.87
<b>Revenue expenditure</b>		
Salaries, wages and compensated absences	138.39	142.05
Contribution to provident and other funds	4.28	4.84
Travelling and conveyance	4.68	5.66
Others	0.94	0.35
<b>Development expenditure</b>	<b>64.74</b>	<b>138.56</b>
<b>Total</b>	<b>213.86</b>	<b>298.59</b>

#### 51. Assets held for sale

The Board of Directors of the Company, in its meeting held on February 8, 2018, approved the sale of land and building held by Engineering Division located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres and land and building located in Rail Mazra Village, Tehsil Balachaur, Distt Shaheed Bhagat Singh Nagar, Punjab measuring 4.02 acres. for such consideration and on such terms and conditions as may be deemed fit in the best interest of the Company.

## 52. Corporate Social Responsibility (CSR)

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross amount required to be spent	-	6.20
<b>Amount spent (in cash):</b>		
Promotion of education	12.17	17.36
Others	-	-
<b>Total</b>	<b>12.17</b>	<b>17.36</b>

## 53. Fair value measurement and financial instruments

## a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

## i. As on March 31, 2019

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	84.82	-	0.10	<b>84.92</b>	-	-	84.92
Loans *	-	-	1,030.93	<b>1,030.93</b>	-	-	-
Other financial assets *	-	-	140.60	<b>140.60</b>	-	-	-
<b>Current</b>							
Trade receivables *	-	-	9,823.05	<b>9,823.05</b>	-	-	-
Cash and cash equivalents *	-	-	1,362.95	<b>1,362.95</b>	-	-	-
Balances other than above *	-	-	246.96	<b>246.96</b>	-	-	-
Loans *	-	-	48.47	<b>48.47</b>	-	-	-
Other financial assets *	-	-	191.94	<b>191.94</b>	-	-	-
<b>Total</b>	<b>84.82</b>	-	<b>12,845.00</b>	<b>12,929.82</b>	-	-	<b>84.92</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	5,994.00	<b>5,994.00</b>	-	-	-
Other financial liabilities *	-	-	654.28	<b>654.28</b>	-	-	-
<b>Current</b>							
Borrowings #	-	-	15,236.95	<b>15,236.95</b>	-	-	-
Trade payables *	-	-	8,012.15	<b>8,012.15</b>	-	-	-
Other current financial liabilities *	-	-	5,739.69	<b>5,739.69</b>	-	-	-
<b>Total</b>	-	-	<b>35,637.07</b>	<b>35,637.07</b>	-	-	-

## ii. As on March 31, 2018

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	76.32	-	0.10	76.42	-	-	76.42
Loans *	-	-	955.33	955.33	-	-	-
Other financial assets *	-	-	242.32	242.32	-	-	-
<b>Current</b>							
Trade receivables *	-	-	11,840.89	11,840.89	-	-	-
Cash and cash equivalents *	-	-	749.17	749.17	-	-	-
Balances other than above *	-	-	464.04	464.04	-	-	-
Loans *	-	-	57.39	57.39	-	-	-
Other financial assets *	-	-	661.67	661.67	-	-	-
<b>Total</b>	<b>76.32</b>	<b>-</b>	<b>14,970.91</b>	<b>15,047.23</b>	<b>-</b>	<b>-</b>	<b>76.42</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	9,349.14	9,349.14	-	-	-
Other financial liabilities *	-	-	647.33	647.33	-	-	-
<b>Current</b>							
Borrowings #	-	-	16,948.81	16,948.81	-	-	-
Trade payables *	-	-	10,506.63	10,506.63	-	-	-
Other current financial liabilities *	-	-	4,199.60	4,199.60	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>41,651.51</b>	<b>41,651.51</b>	<b>-</b>	<b>-</b>	<b>-</b>

# The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The loans, investments and other non-current financial assets and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2019 and March 31, 2018.

**Reconciliation of Level 3 fair value measurement:**

(Rupees in lacs)

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
Opening balance	76.32	68.03
Gain recognised in other comprehensive income	8.50	8.29
<b>Closing balance</b>	<b>84.82</b>	<b>76.32</b>

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

**b. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorized senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

## (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments	3,356.10	3,347.60
Trade receivables (net of allowances for doubtful receivables)	9,823.05	11,840.89
Cash and cash equivalents	1,362.95	749.17
Balances other than cash and cash equivalents	246.96	464.04
Loans	1,079.40	1,012.72
Other financial assets	332.54	903.99

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and are derived from revenue earned from customers primarily located in India and China. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The average credit period on sales of goods and services (other than moulds) within India is 30 to 60 days, sale of moulds is 180 days and sales of goods and services outside India is 30 to 90 days.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

(Rupees in lacs)

Particulars	Gross carrying amount	
	As at March 31, 2019	As at March 31, 2018
Not due	2,906.62	4,343.23
1-90 days past due	477.92	732.27
91 to 180 days past due	29.77	84.55
More than 180 days past due #	186.90	264.11
Other receivables having negligible credit risk	6,400.38	6,487.78
<b>Total</b>	<b>10,001.59</b>	<b>11,911.94</b>

# The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning	71.05	52.76
Add: Impairment loss recognised / (reversed)	111.00	18.28
Less: Amount written off	3.51	0.01
Balance at the end	178.54	71.05

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it would be able to approach and materialise new financing arrangements, unlocking of value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary (refer Note 55).

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
From banks #	11,219.79	3,838.54
From others	-	-

# Includes Rs. 10,891.95 lacs (March 31, 2018 : Rs. 2,074.00 Lacs) related to textile business of the Company. refer note 41 (a).

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Rupees in lacs)

As at March 31, 2019	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	5,994.00	-	6,801.95	161.00	6,962.95
Other financial liabilities	654.28	-	16.70	637.58	654.28
<b>Current liabilities</b>					
Borrowings	15,236.95	15,236.95	-	-	15,236.95
Trade payables	8,012.15	8,012.15	-	-	8,012.15
Other financial liabilities *	5,739.69	6,687.77	-	-	6,687.77
<b>Total</b>	<b>35,637.07</b>	<b>29,936.87</b>	<b>6,818.65</b>	<b>798.58</b>	<b>37,554.10</b>

(Rupees in lacs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	9,349.14	-	10,941.74	132.86	11,074.60
Other financial liabilities	647.33	7.45	29.80	610.08	647.33
<b>Current liabilities</b>					
Borrowings	16,948.81	16,948.81	-	-	16,948.81
Trade payables	10,506.63	10,506.63	-	-	10,506.63
Other financial liabilities *	4,199.60	5,382.86	-	-	5,382.86
<b>Total</b>	<b>41,651.51</b>	<b>32,845.75</b>	<b>10,971.54</b>	<b>742.94</b>	<b>44,560.23</b>

\* Contractual cash flow includes the interest to be incurred and paid in subsequent periods

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2019 and March 31, 2018 are as below: **(Rupees in lacs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	USD	EURO	USD	EURO
<b>Financial assets</b>				
Trade receivables	2,764.21	-	2,679.09	-
Cash and cash equivalent	307.73	-	476.88	-
Loans and advances	22.00	-	58.98	-
<b>Total</b>	<b>3,093.94</b>	<b>-</b>	<b>3,214.95</b>	<b>-</b>
<b>Financial liabilities</b>				
Borrowings	1,136.58	-	5,681.93	-
Trade payables	175.39	-	284.94	10.28
Other current liabilities	74.39	-	63.40	-
<b>Total</b>	<b>1,386.36</b>	<b>-</b>	<b>6,030.27</b>	<b>10.28</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2019 (previous year ended as on March 31, 2018) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. **(Rupees in lacs)**

Particulars	Profit or loss before tax		Changes in equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2019</b>				
USD	(17.08)	17.08	(13.56)	13.56
EUR	-	-	-	-
<b>Total</b>	<b>(17.08)</b>	<b>17.08</b>	<b>(13.56)</b>	<b>13.56</b>
<b>For the year ended March 31, 2018</b>				
USD	28.15	(28.15)	28.15	(28.15)
EUR	0.10	(0.10)	0.10	(0.10)
<b>Total</b>	<b>28.25</b>	<b>(28.25)</b>	<b>28.25</b>	<b>(28.25)</b>

USD: United States Dollar, EUR: Euro

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows: **(Rupees in lacs)**

Variable-rate instruments	As at March 31, 2019	As at March 31, 2018
Term loans from banks (Non current)	5,994.00	9,349.14
Loans repayable on demand from banks	15,025.60	16,948.81
Loans repayable on demand from others	211.35	-
Current maturities of borrowings	3,709.14	2,615.52
<b>Total</b>	<b>24,940.09</b>	<b>28,913.47</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. (Rupees in lacs)

Particulars	Profit or loss before tax		Changes in equity (net of tax)	
	increase	decrease	increase	decrease
<b>Interest on term loans from banks</b>				
For the year ended March 31, 2019	(275.38)	275.38	(218.68)	218.68
For the year ended March 31, 2018	(229.42)	229.42	(229.42)	229.42

**54. Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts adjusted with available cash and bank balances divided by total capital (equity attributable to owners of the parent). (Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	24,940.09	28,913.47
Less : Cash and bank balances	1,609.91	1,213.21
<b>Adjusted net debt (A)</b>	<b>23,330.18</b>	27,700.26
<b>Total equity (B)</b>	<b>19,459.65</b>	19,231.43
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>1.20</b>	1.44

55. Subsequent to 31 March 2019 the National Company Law Tribunal ("NCLT"), vide its order dated 1 May 2019 has approved the demerger of the Textile Division with an appointed date of 1 April 2019. Consequently, the assets and liabilities of the Textile Division of the Company will be transferred with effect from the aforesaid appointed date. After demerger of the Textile Division with effect from 1 April 2019, the net worth of the Company will be substantially reduced and the current liabilities will exceed current assets by Rs. 6,739.35 Lacs as at the beginning of 1 April 2019. The Company is facing liquidity issues and there are delays in statutory dues and vendor payments and subsequent to the year end, the Company has defaulted on its scheduled repayment of loans and interest payments aggregating Rs. 749.22 lacs to a bank and a financial institution. Further, there are continued losses in one of the remaining businesses of the Company.

However, the management believes that the Company will be able to continue its operations on a going concern basis, by infusing liquidity in the system by exploring various alternate sources, and also focusing on the business strategy and future operating plans of the existing businesses including proposal of strategic partnership for "capital and technology", which would help sustain the business operations and its growth. Accordingly, the financial statements have been prepared on a going concern basis.

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

## INDEPENDENT AUDITORS' REPORT

To the Members of DCM Limited (Holding Company)

### Report on the Audit of Consolidated Financial Statements

#### Qualified Opinion

We have audited the consolidated financial statements of DCM Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled entity, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and jointly controlled entity, as were audited by the other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Qualified Opinion

Attention is invited to Note 56 (c), which *inter-alia*, explains that, during the year, Purearth Infrastructure Limited ("PIL"), the jointly controlled entity, has made a provision for estimated foreseeable losses amounting to Rs. 342.15 lacs (31 March 2018: Nil) towards bookings in one of its projects (Plaza 4) [share of the Group in this provision for estimated foreseeable losses of joint venture is Rs. 56.66 lacs (31 March 2018: Rs. Nil)]. As further explained in the aforesaid note, the estimate involves significant assumptions and judgement, and, hence, may undergo a change based on the further execution of the project, the effects of which, if any, would be accounted for as change in estimates in the year of change. The amount of provision, as above, pertains to bookings of earlier years. However, PIL had not provided for the foreseeable losses in its separate financial statements till 31 March 2018. Our audit opinion on the consolidated financial statements for the year ended 31 March 2018 was modified accordingly. Our opinion on the current year's consolidated financial statements is also modified because of recognition of prior periods' cumulative effect in the current year's separate financial statements of PIL (the impact of which on the current year has not been ascertained) and also, because of the effect of this matter on the comparability of the current period's figures with the corresponding figure.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to note 55 of the consolidated financial statements which indicates that pursuant to approval of demerger of the Textile Division with effect from 1 April 2019 by the National Company Law Tribunal ("NCLT"), vide its order dated 1 May 2019, the Holding Company's net worth will be substantially reduced and the current liabilities will exceed current assets by Rs. 6,739.35 lacs as at the beginning of 1 April 2019. The Holding Company is facing liquidity issues and there are certain delays in making the statutory dues and vendor payments and subsequent to the year end, the Holding Company has also defaulted on its scheduled repayment of loans and interest payments aggregating Rs. 749.22 lacs to a bank and a financial institution. Above financial position, post demerger, and the continuing losses in one of the remaining businesses of the Holding Company indicate material uncertainty as to the Holding Company's ability to continue as a going concern, which would be dependent upon realization of the Holding Company's future plans as indicated in the note.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

Description of Key Audit Matter

**Impairment of property, plant and equipment of Engineering division of the Holding Company**  
**See note 3 to the consolidated financial statements**

<p>We identified assessing impairment of property, plant and equipment of Engineering division as a key audit matter, considering it to be significant to the Holding Company's total assets, involving significant judgement and estimation in determining the recoverable value.</p>	<ul style="list-style-type: none"> <li>• assessing appropriateness of impairment assessment and methodologies used;</li> <li>• evaluating reasonableness of key assumptions used in the valuation;</li> <li>• assessing the adequacy of disclosures in the financial statements, in respect of the property, plant and equipment</li> </ul>
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### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included

in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of Rs. 362.66 lacs as at 31 March 2019, total revenues of Rs. 29.30 lacs and net cash flows amounting to Rs. 22.84 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.
- (b) We did not audit the financial statements of three subsidiaries of the jointly controlled entity, as considered in the consolidated financial statements, whose financial statements reflect group's share of total assets of Rs. 148.15 lacs as at 31 March 2019, total revenues of Rs. 5.48 lacs and net cash flows amounting to Rs. 0.99 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries of the jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries of the jointly controlled entity is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and subsidiaries of the jointly controlled entity as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - a) We have sought and except for the possible effects of matter described in the 'Basis for Qualified Opinion' paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) Except for the possible effects of matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) Except for the possible effects of matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) The going concern matter described under the 'Material Uncertainty Related to Going Concern' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and jointly controlled entity.
  - f) On the basis of the written representations received from the directors of the Holding Company and the jointly controlled entity as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the jointly controlled entity and the reports of other statutory auditors of its subsidiary companies of the Holding Company and subsidiary companies of the jointly controlled entity incorporated in India, none of the directors of the Group companies, jointly controlled entity and its subsidiaries, is disqualified as on 31 March 2019 from being appointed as a director of that Company in terms of Section 164(2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the 'Basis for Qualified Opinion' paragraph above.
  - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group, jointly controlled entity and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports

of the other auditors on separate financial statements of the subsidiaries and jointly controlled entity and its subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, jointly controlled entity and its subsidiaries. Refer Note 47 (b) to the consolidated financial statements.
  - ii. The Group and jointly controlled entity has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Also refer Basis for Qualified Opinion paragraph. Refer Note 56 (c) of the consolidated financial statements.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group and jointly controlled entity incorporated in India during the year ended 31 March 2019.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and jointly controlled entity incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and jointly controlled entity, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and jointly controlled entity is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

*For B S R & Co. LLP  
Chartered Accountants*

Firm's registration number: 101248W / W-100022

**Kaushal Kishore**  
*Partner*

Membership number: 090075  
UDIN: 19090075AAAAAM3993

Place: New Delhi  
Date: 12 August 2019

#### **Annexure A to the Independent Auditors' report on the consolidated financial statements of DCM Limited for the year ended 31 March 2019**

#### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of DCM Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its jointly controlled entity, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its jointly controlled entity, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated

financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and jointly controlled entity in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to eight subsidiary companies and three subsidiaries of a jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

*For B S R & Co. LLP  
Chartered Accountants*

Firm's registration number: 101248W / W-100022

**Kaushal Kishore**  
*Partner*

Place: New Delhi  
Date: 12 August 2019

Membership number: 090075  
UDIN: 19090075AAAAAM3993

Consolidated Balance Sheet as at March 31, 2019

Particulars	Note	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	17,221.37	19,625.75
Capital work-in progress	3	86.34	205.60
Intangible assets	4	39.39	58.32
Financial assets			
(i) Investments	5	1,204.29	1,420.53
(ii) Loans	6	1,030.93	955.33
(iii) Other financial assets	7	140.60	242.32
Deferred tax assets (net)	36	0.42	0.42
Non-current tax assets (net)	8	630.90	1,015.83
Other non-current assets	9	1,932.86	1,834.67
<b>Total non-current assets</b>		<b>22,287.10</b>	<b>25,358.77</b>
<b>Current assets</b>			
Inventories	10	21,153.67	21,124.94
Financial assets			
(i) Trade receivables	11	9,823.05	11,840.90
(ii) Cash and cash equivalents	12	1,409.22	772.60
(iii) Bank balances other than (ii) above	13	254.20	494.71
(iv) Loans	14	48.47	57.39
(v) Other financial assets	15	191.94	662.48
Current tax assets (net)		16.81	13.58
Other current assets	16	1,708.97	2,198.40
Assets held for sale	51	212.53	212.53
<b>Total current assets</b>		<b>34,818.86</b>	<b>37,377.53</b>
<b>Total assets</b>		<b>57,105.96</b>	<b>62,736.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,867.46	1,867.46
Other equity	18	15,796.87	15,794.63
<b>Total equity</b>		<b>17,664.33</b>	<b>17,662.09</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	5,994.00	9,349.14
(ii) Other financial liabilities	20	654.28	647.33
Provisions	21	1,932.62	1,944.14
<b>Total non-current liabilities</b>		<b>8,580.90</b>	<b>11,940.61</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	22	15,236.95	16,948.81
(ii) Trade payables	23		
Dues to micro and small enterprises		2,085.44	1,087.78
Dues to others		5,925.82	9,418.19
(iii) Other financial liabilities	24	5,743.96	4,203.83
Other current liabilities	25	1,353.28	823.07
Provisions	26	389.89	469.99
Current tax liabilities (net)	27	125.39	181.93
<b>Total current liabilities</b>		<b>30,860.73</b>	<b>33,133.60</b>
<b>Total equity and liabilities</b>		<b>57,105.96</b>	<b>62,736.30</b>

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>Income</b>			
Revenue from operations	28	110,004.08	97,058.71
Other income	29	1,139.77	904.34
<b>Total income</b>		<b>111,143.85</b>	<b>97,963.05</b>
<b>Expenses</b>			
Cost of materials consumed	30	62,246.73	54,945.92
Changes in inventories of finished goods and work in progress	31	(1,185.22)	(321.12)
Excise duty on sales		-	1,125.99
Employee benefits expense	32	14,368.90	13,216.27
Finance costs	33	2,755.20	2,613.03
Depreciation and amortisation expense	34	3,443.85	3,624.35
Other expenses	35	29,235.03	26,311.10
<b>Total expenses</b>		<b>110,864.49</b>	<b>101,515.54</b>
<b>Profit/ (loss) before tax and share of profit/ (loss) of equity accounted investee</b>		<b>279.36</b>	<b>(3,552.49)</b>
<b>Share of (loss) of equity accounted investee</b>	56	<b>(224.74)</b>	<b>(472.00)</b>
<b>Profit/ (loss) before tax</b>		<b>54.62</b>	<b>(4,024.49)</b>
<b>Tax expense</b>			
Current tax expense	36	80.97	-
Tax adjustment relating to prior years	36	-	(0.41)
Deferred tax charge/(benefit)	36	-	-
		<b>80.97</b>	<b>(0.41)</b>
<b>Loss for the year</b>		<b>(26.35)</b>	<b>(4,024.08)</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement (loss) / gain of defined benefit obligations		(20.47)	48.41
Income tax relating to remeasurement of defined benefit obligations		(4.21)	-
<i>Net other comprehensive (expense) / income not to be reclassified subsequently to profit or loss</i>		<b>(16.26)</b>	<b>48.41</b>
<i>Items that will be reclassified to profit or loss (net of tax)</i>			
Exchange difference in translating financial statements of foreign operations		55.93	(1.65)
Income tax relating to items that will be reclassified to profit or loss		11.51	-
<i>Net other comprehensive income/(expense) to be reclassified subsequently to profit or loss</i>		<b>44.42</b>	<b>(1.65)</b>
<b>Total other comprehensive income, net of tax</b>		<b>28.16</b>	<b>46.76</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>1.81</b>	<b>(3,977.32)</b>
<b>Earnings / (loss) per equity share</b>			
Basic and diluted earnings / (loss) per equity share of Rs. 10 each	39	(0.14)	(21.54)

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of DCM Limited

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

**DCM**

Statement of Consolidated changes in equity for the year ended March 31, 2019

A. Equity share capital

(Rupees in lacs)

Particulars	Note	Amount
Balance as at April 1, 2017	17	1,867.46
Changes in equity share capital during 2017-18	17	-
<b>Balance as at March 31, 2018</b>		<b>1,867.46</b>
Changes in equity share capital during 2018-19	17	-
<b>Balance as at March 31, 2019</b>		<b>1,867.46</b>

B. Other equity

(Rupees in lacs)

Particulars	Reserve and surplus						Items of OCI	Total
	Securities premium account	Reserve Fund	Capital redemption reserve	Special reserve	Capital reserves	Surplus in Statement of Profit or loss	Exchange difference on translation of foreign operation	
Balance as at April 1, 2017	7,367.00	0.27	130.10	29.96	264.78	12,002.70	(22.86)	19,771.95
<b>Total comprehensive income for the year ended March 31, 2018</b>								
Loss for the year	-	-	-	-	-	(4,024.08)	-	(4,024.08)
Other comprehensive income / (expense) for the year	-	-	-	-	-	48.41	(1.65)	46.76
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(3,975.67)	(1.65)	(3,977.32)
<b>Balance as at March 31, 2018</b>	<b>7,367.00</b>	<b>0.27</b>	<b>130.10</b>	<b>29.96</b>	<b>264.78</b>	<b>8,027.03</b>	<b>(24.51)</b>	<b>15,794.63</b>
Balance as at April 1, 2018	7,367.00	0.27	130.10	29.96	264.78	8,027.03	(24.51)	15,794.63
<b>Total comprehensive income for the year ended March 31, 2019</b>								
Transferred from Crescita enterprises Private Limited on amalgamation (refer note 42)	-	-	-	-	1,723.18	(0.07)	-	1,723.11
Adjustment on cancellation of shares acquired on amalgamation (refer note 42)	-	-	-	-	(1,722.68)	-	-	(1,722.68)
Loss for the year	-	-	-	-	-	(26.35)	-	(26.35)
Other comprehensive income / (expense) for the year	-	-	-	-	-	(16.26)	44.42	28.16
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(42.61)	44.42	1.81
<b>Balance as at March 31, 2019</b>	<b>7,367.00</b>	<b>0.27</b>	<b>130.10</b>	<b>29.96</b>	<b>265.28</b>	<b>7,984.35</b>	<b>19.91</b>	<b>15,796.87</b>

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : New Delhi

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

## Consolidated Cash flow statement for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>Cash flow from operating activities</b>		
Profit before taxation	54.62	(4,024.49)
Adjustments for :		
Depreciation and amortisation expense	3,443.85	3,624.35
(Profit)/ loss on sale of property, plant and equipment (net)	(5.24)	5.21
Liabilities no longer required written back	(162.11)	(68.56)
Unrealised foreign exchange difference	22.94	(19.63)
Interest income	(278.13)	(409.13)
Unwinding of discount on security deposits	(0.14)	(0.38)
Inventory of store and spares written off	292.89	-
Finance cost	2,755.20	2,613.03
Finance lease income	(17.02)	(24.70)
Allowance/ (reversal) of expected credit loss	107.49	18.28
Loss on finance lease cancellation	14.24	19.64
Remeasurement of revenue to finance income and lease receivable	111.95	160.83
Share of loss in jointly controlled entity	224.74	472.00
<b>Operating cash flow before working capital changes</b>	<b>6,565.28</b>	<b>2,366.45</b>
<b>Changes in assets and liabilities</b>		
(Increase) in inventories	(321.62)	(1,018.94)
Decrease/ (Increase) in trade receivables	1,928.68	(1,196.89)
(Increase)/decrease in loans	(79.33)	7.71
Decrease/ (Increase) in other financial assets	456.69	(223.61)
Decrease in other assets	627.50	1,584.01
Decrease/ (Increase) in trade payable	(2,472.11)	6,609.23
(Decrease) in provisions	(112.09)	(67.00)
Increase in financial liabilities	328.09	141.32
Increase in other liabilities	530.21	407.30
Cash generated from operations	7,451.30	8,609.58
Income-taxes refund	236.89	192.58
<b>Net cash generated from operating activities (A)</b>	<b>7,688.19</b>	<b>8,802.16</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(902.86)	(570.54)
Refund of advance given for property, plant and equipment	-	867.07
Purchase of intangible assets	(2.12)	(19.43)
Net proceeds of property, plant and equipment	26.27	31.18
Interest received	275.29	395.44
Deposits matured / (made) not considered as cash and cash equivalents	226.66	(119.44)
<b>Net cash generated (used)/ made in investing activities (B)</b>	<b>(376.76)</b>	<b>584.28</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings	(2,619.95)	(2,575.17)
Net Proceeds from borrowings	339.47	761.01
Changes in working capital borrowings (net)	(1,711.86)	(5,476.76)
Interest paid	(2,716.61)	(2,625.61)
<b>Net cash (used) in financing activities (C)</b>	<b>(6,708.95)</b>	<b>(9,916.53)</b>
<b>Net cash flows [increase/(decrease)] during the year (A+B+C)</b>	<b>602.48</b>	<b>(530.09)</b>
Impact of exchange rate change on cash and cash equivalent	19.19	(0.07)
Cash and cash equivalents at the beginning of the year	872.46	1,402.62
Cash and cash equivalents received on amalgamation of Crescita Enterprises Private Limited	0.37	-
Cash and cash equivalents at the end of the year	<b>1,494.50</b>	<b>872.46</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	13.35	12.81
Balances with scheduled banks:		
- Current accounts *	1,381.42	388.22
- Deposit accounts	99.73	471.43
<b>Cash and cash equivalents at the end of the year</b>	<b>1,494.50</b>	<b>872.46</b>

\* Refer note 12 and 13

Note: Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : August 12, 2019

For and on behalf of the Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Ashwani Singhal**

Chief Financial Officer

Place : New Delhi

Date : August 12, 2019

**Bipin Maira**

Director

DIN: 05127804

**Yadvinder Goyal**

Company Secretary

**DCM**

## 1. Corporate information and basis of preparation and presentation

### 1.1. Corporate information

DCM Limited (the 'Company') is a public limited company incorporated in India in the name and style of Delhi Cloth & General Mills Co. Limited with a registered office at Vikrant Tower, 4, Rajendra Place, New Delhi, India (CIN number L74899DL1889PLC000004). The Company is listed on two stock exchanges in India namely National Stock Exchange of India Ltd. and BSE Ltd. These consolidated financial statements comprise the Company and its subsidiaries and special purpose entity (referred to collectively as the 'Group') and the Group's interest in joint ventures. The Group is primarily engaged in the business of Textiles, Grey iron casting, IT Infrastructure Service and Real Estate.

### 1.2. Basis of preparation and presentation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on August 12, 2019.

Details of the Group's accounting policies are included in Note 2.

#### a. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Other financial assets and liabilities	Amortized cost

#### c. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 2 (c) – consolidation: whether the group has de facto control over an investee
- Note 2 (g) - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.
- Note 2 (m) - leases: whether an arrangement contains a lease
- Note 2 (m) - lease classification

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

- Note 2 (j) - measurement of defined benefit obligations: key actuarial assumptions
- Note 2 (d) - measurement of useful lives and residual values to property, plant and equipment
- Note 2 (e) - measurement of useful lives of intangible assets
- Note 2 (b) - fair value measurement of financial instruments
- Note 2 (k) - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources
- Note 2 (n) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2 (f) - Valuation of inventory
- Note 2 (g) and 2 (h) – Estimated impairment of financial assets and non-financial assets

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

### Changes in significant accounting policies

The Group has initially applied Ind AS 115 from 1 April 2018.

Due to the transition methods chosen by the Company in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of new standard.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 in recognizing revenue by the Group.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 Revenue Recognition, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017-18 has not been restated - i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

The Group has also applied Appendix B “Foreign currency transactions and advance consideration” to Ind AS 21, “the effects of changes in foreign exchange rates” which does not have any significant impact on the financial position or performance of the Group.

**a. Current and non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group’s normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group’s normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**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 equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**b. Measurement of fair values**

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes the corporate finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the board of directors.

The corporate finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company’s audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**c. Basis of Consolidation**

*Subsidiaries*

The consolidated financial statements incorporate the financial statements of the Holding Company and entities (including structured entities) controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

*Equity Accounted investees*

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees until the date on which joint control ceases.

*Transactions eliminated on consolidation*

Intragroup balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The details of the companies included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the subsidiary company	Nature of relation	Ownership in % either directly or through subsidiary*		Country of incorporation
			2018-19	2017-18	
1.	DCM Finance & Leasing Limited	Subsidiary	100%	100%	India
2.	DCM Textiles Limited	Subsidiary	100%	100%	India
3.	DCM Realty and Infrastructure Limited	Subsidiary	100%	100%	India
4.	DCM Tools & Dies Limited	Subsidiary	100%	100%	India
5.	DCM Realty Investment & Consulting Limited	Subsidiary	100%	100%	India
6.	DCM Data Systems Limited	Subsidiary	100%	100%	India
7.	DCM Nouvelle Limited	Subsidiary	100%	100%	India
8.	DCM Engineering Products Educational Society	Society	100%	100%	India
9.	Purearth Infrastructure Limited	Joint venture	16.56%	16.56%	India

\* Includes shares held by nominee shareholders

**d. Property, Plant and equipment**

*Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment is recognised in the statement profit or loss.

All spare parts which are expected to be used for more than one accounting period are capitalised as property, plant and equipment.

Capital work-in-progress is stated at cost, net of impairment loss, if any. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, the initial estimate of dismantling and removing the items and restoring the site on which they are located.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives.

- (i) The Group follows straight-line method of depreciation in respect of buildings, plant and machinery, all assets of IT Division, all assets of Engineering Division and written down value method in respect of other assets.
- (ii) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
- (iii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
- (iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
- (v) Leasehold improvements are amortised over the balance of the primary lease period or the useful lives of assets, whichever is shorter.
- (vi) Freehold land is not depreciated

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

#### e. Intangible assets

##### *Recognition and measurement*

Intangible assets comprise computer software. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

##### *Amortisation*

The management's estimates of the useful lives of the Software are 3-5 years.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### f. Inventories

- (i) Stores, spares and components are valued at cost or under.
- (ii) Raw materials, process stocks, finished goods and stock in trade are valued at lower of cost and net realisable value.
- (iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.

Cost of inventories, other than land (for development), is ascertained on the weighted average basis in textiles division and moving weighted average basis in engineering division. 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.

#### g. Financial instruments

##### *Recognition and initial measurement*

##### (i) Financial assets

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

##### **Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the

principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). The election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Impairment**

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

#### **(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### **(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

#### *Derecognition*

#### **(i) Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **(ii) Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

### **h. Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### **i. Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**j. Employee benefits**

***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, casual leave allowance and bonus, etc. that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

***Defined contribution plans***

Provident Fund: A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Group makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

The Group makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group has following defined benefit plans:

Gratuity: The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises 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. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

***Other long-term employee benefits***

Benefits under the Group's compensated absences are other long term employee benefits. The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

**k. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

**l. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

**i. Sale of goods**

The Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

## ii. Rendering of services

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Use of significant judgements in revenue recognition:

- a) The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

## iii. Other income

- a. Dividend income is recognised in consolidated statement of profit or loss on the date on which the Group's right to receive payment is established.
- b. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

## m. Leases

### i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

### ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

### iii. Lease payments

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**iv. Assets given on lease**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**n. Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ("MAT") expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

**o. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

In addition to the significant accounting policies applicable to the segments as set out in note 2 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

**i) Segment assets and liabilities:**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work in progress, inventories, trade receivables, other financial and non-financial assets and loans. Segment assets do not include unallocated corporate assets, investments, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

**ii) Segment revenue and expenses:**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expenses in respect of non-segmental activities.

**iii) Inter segment sales:**

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

**p. Cash and cash equivalents**

**v. Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

**w. Foreign operations**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 1, 2016, in respect of all foreign operations to be nil at the date of transition. From April 1, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

**x. Recent accounting pronouncements****Standards issued but not yet effective**

The Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following changes effective from accounting periods beginning on or after 1st April, 2019.

**Ind AS 116, Leases**

Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Consolidated Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. This new standard provides two approaches to transition:

Full retrospective approach- Under this approach, the lessee applies the new standard retrospectively to each prior period presented and recognised an adjustment in equity at the beginning of the earliest period presented in accordance with Ind AS -8.

Modified retrospective approach- Under this approach, the lessee applies the new standard from the beginning of the current period and recognised an adjustment in equity at the beginning of the current and does not restate its prior financial information.

The effective date for adoption of this standard is annual period beginning on or after 1 April 2019. The Group will adopt this standard using modified retrospective approach effective 1 April 2019 for transition to IND AS 116 and will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Group has completed an initial assessment of the potential impact on its Consolidated Financial Statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Consolidated Financial Statements in the period of initial application is not reasonably estimable as at present.

**Ind AS 19 – Employee Benefits**

The amendments to Ind AS 19, clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its Consolidated Financial Statements.

**“Uncertainty over Income Tax Treatments”, to Ind AS 12, Income Taxes**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

## 3. Property, plant and equipment and capital work-in-progress: (Rupees in lacs)

Particulars	Freehold land	Buildings	Lease improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying value</b>									
<b>Balance as at March 31, 2017</b>	2,118.03	4,562.93	18.45	19,433.52	57.86	89.58	408.10	26,688.47	94.72
Add: Additions made during the year	-	-	-	300.54	1.89	30.49	39.35	372.27	331.10
Less: Assets classified as held for sale	200.05	15.48	-	-	-	-	-	215.53	-
Less: Disposals / adjustments during the year	-	0.02	-	45.03	0.15	5.65	31.49	82.34	220.22
<b>Balance as at March 31, 2018</b>	1,917.98	4,547.43	18.45	19,689.03	59.60	114.42	415.96	26,762.87	205.60
Add: Additions made during the year	-	10.75	-	907.80	2.34	18.86	99.70	1,039.45	306.03
Less: Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Less: Disposals / adjustments during the year	-	-	-	6.85	0.02	0.24	45.57	52.68	425.29
<b>Balance as at March 31, 2019</b>	1,917.98	4,558.18	18.45	20,589.98	61.92	133.04	470.09	27,749.64	86.34
<b>Accumulated depreciation/amortisation</b>									
<b>Balance as at March 31, 2017</b>	-	162.01	5.06	3,325.22	11.47	26.61	57.39	3,587.76	-
Add: Depreciation expense for the year	-	162.06	4.98	3,307.60	9.37	23.54	90.76	3,598.31	-
Less: Assets classified as held for sale	-	2.99	-	-	-	-	-	2.99	-
Less: On disposals / adjustments during the year	-	0.03	-	35.82	0.13	5.35	4.63	45.96	-
<b>Balance as at March 31, 2018</b>	-	321.05	10.04	6,597.00	20.71	44.80	143.52	7,137.12	-
Add: Depreciation expense for the year	-	162.09	2.32	3,142.05	7.77	24.66	83.91	3,422.80	-
Less: Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Less: On disposals / adjustments during the year	-	-	-	1.31	-	-	30.34	31.65	-
<b>Balance as at March 31, 2019</b>	-	483.14	12.36	9,737.74	28.48	69.46	197.09	10,528.27	-
<b>Net carrying value</b>									
<b>As at March 31, 2019</b>	1,917.98	4,075.04	6.09	10,852.24	33.44	63.58	273.00	17,221.37	86.34
<b>As at March 31, 2018</b>	1,917.98	4,226.38	8.41	13,092.03	38.89	69.62	272.44	19,625.75	205.60

(i) For details of assets pledged/ hypothecated as securities, refer note 19 and 22.

(ii) Refer note 47 (a) for disclosure of capital commitments for the acquisition of property, plant and equipment.

(iii) Refer note 51 for assets classified as held for sale.

## 4. Intangible assets (Rupees in lacs)

A.	Particulars	Software	Total
<b>Gross carrying value</b>			
	<b>Balance as at March 31, 2017</b>	101.51	101.51
	Add: Additions during the year	19.43	19.43
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2018</b>	120.94	120.94
	Add: Additions during the year	2.12	2.12
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2019</b>	123.06	123.06
<b>Accumulated amortisation</b>			
	<b>Balance as at March 31, 2017</b>	36.58	36.58
	Add: Additions during the year	26.04	26.04
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2018</b>	62.62	62.62
	Add: Amortisation expense for the year	21.05	21.05
	Less: On disposals/adjustments during the year	-	-
	<b>Balance as at March 31, 2019</b>	83.67	83.67
<b>Net book value</b>			
	<b>As at March 31, 2019</b>	39.39	39.39
	<b>As at March 31, 2018</b>	58.32	58.32

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>5. Investments</b>		
<b>(a) Investments in equity shares of Joint venture at cost (unquoted)</b>		
<b>Equity accounted investee</b>		
Purearth Infrastructure Limited #	1,119.47	1,344.21
17,853,605 (March 31, 2018: 17,853,605) equity shares of face value of Rs. 10 each, fully paid up		
<b>Sub total</b>	<u>1,119.47</u>	<u>1,344.21</u>
<b>(b) In preference shares (unquoted)</b>		
<b>Preference shares at FVTPL</b>		
Combine Overseas Limited	84.82	76.32
100,000 (March 31, 2018: 100,000) 0% Non cumulative redeemable preference shares of Rs. 100 each fully paid up (Refer note 45)		
<b>Sub total</b>	<u>84.82</u>	<u>76.32</u>
<b>Investment - non - current - Total</b>	<u>1,204.29</u>	<u>1,420.53</u>
<b>Aggregate value of unquoted investments in equity shares</b>	1,119.47	1,344.21
<b>Aggregate value of unquoted investments in preference shares at FVTPL</b>	84.82	76.32
# In terms of SORA (refer note 40), the Holding 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. Further, 16,000,000 equity shares have been pledged as per note 19.		

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>6. Loans (Non-current)</b>		
<i>Unsecured considered good</i>		
Security deposits	1,025.89	947.09
Loans to employees	5.04	8.24
<b>Total</b>	<u>1,030.93</u>	<u>955.33</u>
The Group's exposure to credit and currency risks, and loss allowance related to non-current financial assets are disclosed in note 53.		

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>7. Other non-current financial assets</b>		
<i>(Unsecured, considered good)</i>		
Deposits with maturity for more than twelve months including interest (Refer note below)	-	0.73
Finance lease receivable (Refer note 38)	140.60	241.59
<b>Total</b>	<u>140.60</u>	<u>242.32</u>
<b>Note:</b>		
(i) Bank deposits include Rs. Nil (March 31, 2018: Rs. 0.73 lacs) held as margin money		
(ii) Includes interest accrued Rs. Nil (March 31, 2018: Rs. 0.01 lacs)		
The Group's exposure to credit and currency risks, and loss allowance related to non-current financial assets are disclosed in note 53.		

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>8. Non-current tax assets (net)</b>		
Advance income tax	630.90	1,015.83
[net of provision Rs. 2,666.89 lacs (March 31, 2018: Rs. 2,169.11 lacs)]		
<b>Total</b>	<b>630.90</b>	<b>1,015.83</b>

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>9. Other non-current assets</b>		
<i>(Unsecured, considered good)</i>		
Capital advances		
To related party (Refer note 49)	587.37	587.37
Others (Refer note 44)	1,011.55	915.00
Deferred rent	10.17	0.70
Balances with government authorities	135.32	120.15
Other advances	188.45	211.45
<i>Unsecured, Considered doubtful</i>		
Other advances*	502.18	700.82
	<u>2,435.04</u>	<u>2,535.49</u>
Less: Loss allowance for doubtful advances	502.18	700.82
<b>Total</b>	<b>1,932.86</b>	<b>1,834.67</b>

\*Include Rs. 10.00 lacs (March 31, 2018: Rs. 100.00 lacs) as inter corporate deposits.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>10. Inventories</b>		
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials	13,185.98	14,040.71
Work-in-progress	2,663.14	2,120.08
Finished goods*	3,911.75	3,269.59
Stores and spares	1,392.80	1,694.56
<b>Total</b>	<b>21,153.67</b>	<b>21,124.94</b>

\* Includes finished goods in transit Rs. 2,526.20 lacs (March 31, 2018: Rs. 1,902.09 lacs)

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>11. Trade receivables</b>		
<i>(Secured)</i>		
Considered good	0.50	2.50
<i>(Unsecured)</i>		
Considered good	9,822.55	11,838.40
Which have significant increase in credit risk	181.76	74.27
	<u>10,004.31</u>	<u>11,912.67</u>
Less : Expected credit loss allowance	181.76	74.27
	<u>9,822.55</u>	<u>11,838.40</u>
<b>Total</b>	<u><u>9,823.05</u></u>	<u><u>11,840.90</u></u>

The Group's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>12. Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	1,296.14	288.36
Deposits with original maturity of three months or less ^	99.73	471.43
Cash on hand	13.35	12.81
<b>Total</b>	<u><u>1,409.22</u></u>	<u><u>772.60</u></u>
^ Against margin money	-	0.49

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>13. Bank balances other than cash and cash equivalents</b>		
In current accounts *	85.28	99.86
In deposit accounts **	168.92	394.85
	<u>254.20</u>	<u>494.71</u>
Less: Deposits due for realization after twelve months of the reporting date	-	-
<b>Total</b>	<u><u>254.20</u></u>	<u><u>494.71</u></u>

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets ( for note 12 and 13 ) are disclosed in Note 53.

**\* Current account includes:**

Unpaid dividend account	79.81	93.35
With debenture trustee	3.90	4.29
Earmarked for other specific uses	1.57	2.22

**\*\* Deposit account includes**

Earmarked for specific uses	3.69	4.33
Against margin money	37.43	108.86

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>14. Loans-Current</b>		
<i>(Unsecured, considered good)</i>		
Loans to employees	48.47	57.39
<b>Total</b>	<u>48.47</u>	<u>57.39</u>

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>15. Other current financial assets</b>		
<i>(Unsecured, considered good)</i>		
Interest accrued on fixed deposits	4.46	10.12
Insurance claim receivables	2.08	50.70
Unbilled revenue	60.81	516.57
Finance lease receivable (refer note 38)	76.90	85.09
Forward gain receivable	47.69	-
<b>Total</b>	<u>191.94</u>	<u>662.48</u>

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>16. Other current assets</b>		
<i>(Unsecured, considered good)</i>		
Advances to suppliers	146.44	186.83
Prepaid expenses	177.49	188.81
Balance with statutory/government authorities	975.02	1,443.58
Technology upgradation fund (TUF) subsidy receivable	74.52	19.56
Deferred rent	5.34	2.01
Others receivables *	330.16	357.61
<b>Total</b>	<u>1,708.97</u>	<u>2,198.40</u>

\* includes Rs. Nil (March 31, 2018: Rs. 23.42 lacs) due from related parties.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>17. Equity share capital</b>		
<b>a) Authorised</b>		
83,999,000 (March 31, 2018: 83,999,000) equity shares of Rs. 10 each	8,399.90	8,399.90
100 (March 31, 2018: 100) 13.5% redeemable cumulative preference shares of Rs. 100 each	0.10	0.10
320,000 (March 31, 2018: 320,000) 9.5%- 6th cumulative redeemable cumulative preference shares of Rs. 25 each	80.00	80.00
3,680,000 (March 31, 2018: 3,680,000) preference shares of Rs. 25 each	920.00	920.00
1,000,000 (March 31, 2018: 1,000,000) cumulative preference shares of Rs. 100 each	1,000.00	1,000.00
	<u>10,400.00</u>	<u>10,400.00</u>
<b>b) Issued, subscribed and fully paid-up</b>		
18,677,749 (March 31, 2018: 18,677,749) equity shares of Rs. 10 each fully paid-up	1,867.77	1,867.77
Less: Calls in arrears by others	(0.31)	(0.31)
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>1,867.46</u>	<u>1,867.46</u>

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount Rs./Lacs	Number of shares	Amount Rs./Lacs
<b>Equity shares</b>				
At the commencement of the year	18,677,749	1,867.77	18,677,749	1,867.77
Add: Shares allotted during the year (Refer note 42)	9,030,495	903.05	-	-
Less: Shares cancelled during the year (Refer note 42)	9,030,495	903.05	-	-
<b>At the end of the year</b>	<u>18,677,749</u>	<u>1,867.77</u>	<u>18,677,749</u>	<u>1,867.77</u>

**d) Terms, rights, preferences and restrictions attached to equity shares:**

The Holding 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 Holding Company. In the event of liquidation of the Holding Company, holder of equity shares will be entitled to receive remaining assets of the Holding Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of holding	Number of shares	% of holding
Dr. Vinay Bharat Ram	9,043,126	48.42%	-	-
Crescita Enterprises Private Limited	-	-	9,030,495	48.35%
Life Insurance Corporation of India	1,148,512	6.15%	1,148,512	6.15%

**(f) Details of shares issued for consideration other than cash :**

Issued, subscribed and fully paid up shares includes 1,298,712 equity shares issued during the financial year ended 2016-17 pursuant to the scheme of amalgamation of DCM Engineering Limited with the Company to the shareholders of DCM Engineering Limited without any consideration being received in cash.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>18. Other equity</b>		
<b>Securities premium account</b>		
Balance as at the beginning and end of the year	7,367.00	7,367.00
<b>Reserve fund</b>		
Balance as at the beginning and end of the year	0.27	0.27
<b>Capital reserve</b>		
Balance as at the beginning of the year	264.78	264.78
Transferred from Crescita Enterprises Private Limited on amalgamation (refer note 42)	1,723.18	-
Adjustment on cancellation of shares acquired on amalgamation (refer note 42)	(1,722.68)	-
Balance as at the end of the year	265.28	-
<b>Special reserve</b>		
Balance as at the beginning and end of the year	29.96	29.96
<b>Capital redemption reserve</b>		
Balance as at the beginning and end of the year	130.10	130.10
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	8,002.52	11,979.84
Less: Transfer of debit balance of profit and loss from Crescita Enterprises Private Limited on amalgamation (refer note 42)	(0.07)	-
Add: Profit/(Loss) for the year	(26.35)	(4,024.08)
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement (loss)/ gain of post employment benefit obligation (net of tax)	(16.26)	48.41
Exchange gain/ (loss) in translating financial statements of foreign operations (net of tax)	44.42	(1.65)
<b>Balance as at the end of the year</b>	<b>8,004.26</b>	<b>8,002.52</b>
<b>Total</b>	<b>15,796.87</b>	<b>15,794.63</b>

**Nature and purpose of reserve:**

- a) **Capital redemption reserve**  
Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 1956.
- b) **Securities Premium reserve**  
Securities premium account is used to record the premium on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.
- c) **Capital reserve**  
Capital reserve pertains to government grants received in earlier years for Plant and equipment for the Textile Division of the Group. The assets against the said grant have been fully depreciated.
- d) **Reserve Fund**  
Created as per requirements of Income Tax Act, 1961
- e) **Special reserve**  
Created as per requirements of Reserve Bank of India Act, 1934

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>19. Non-current borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
From banks	7,707.44	9,970.95
From others	1,995.70	6.13
	<u>9,703.14</u>	<u>9,977.08</u>
<b>Unsecured</b>		
<b>Term loans</b>		
From others	-	1,987.58
	<u>-</u>	<u>1,987.58</u>
<b>Total non-current borrowings</b>	<u>9,703.14</u>	<u>11,964.66</u>
Less: Current maturities on non-current borrowings	3,709.14	2,615.52
<b>Total non-current borrowings</b>	<u>5,994.00</u>	<u>9,349.14</u>

Change in liability arising from financing activities

(Rupees in lacs)

Particulars	Opening	Cash flows	Non-cash changes			Closing
			Acquisition	Foreign exchange movement	Fair value changes	
Non-current borrowing						
2018-19	11,964.66	(2,280.48)	-	-	18.96	9,703.14
2017-18	13,761.82	(1,814.16)	-	-	17.00	11,964.66

**From others:**

**Secured :**

- (a) Rs. 2.63 lacs (March 31, 2018: Rs. 6.13 lacs) relate to assets purchased under hire purchase/financing arrangements and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. The loans carry an interest rate ranging between 9.50%-13.50% per annum.
- (b) Rs. 1,993.07 lacs (March 31, 2018: Rs. Nil ) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPC) and 100% equity shares of Juhi Developers Private Limited (enterprises over which Key Managerial Personnel have significant influence) and pledge of 160 lacs equity shares of Purearth Infrastructure Limited as interim security to release the pledge on 14.30 lacs Equity shares of DCM Limited held by Crescita Enterprises Private Limited as mentioned in note (a) given below (refer note 5). Subsequent to the balance sheet date, the Company has pledged the 57 lacs equity shares of DCM Limited held by Dr. Vinay Bharat Ram (Chairman and Managing director) and pledge of 160 lacs shares of Purearth Infrastructure Limited has been released by the lender. The Loan is further secured by personal guarantee of Mr. Sumant Bharat Ram (Chief executive and financial officer). The term loan carries a floating interest rate of 12.50%-14.00% per annum and is repayable in 8 equal installments of Rs. 250.00 lacs each, commencing from June 2019.

**Unsecured :**

- (a) Rs. Nil lacs (March 31, 2018: Rs. 1,987.58 lacs) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPC) and 100% equity shares of Juhi Developers Private Limited and pledge of 14.30 lacs equity shares of DCM Limited held by Crescita Enterprises Private Limited (enterprises over which Key Managerial Personnel have significant influence). The Loan is further secured by personal guarantee of Mr. Sumant Bharat Ram (Chief executive and financial officer). The term loan carries a floating interest rate of 12.50% per annum and is repayable in 8 equal installments of Rs. 250.00 lacs each, commencing from June 2019. Term loan is reclassified as secured term loan as at March 31, 2019. Refer note (b) above.

There is no continuing default as on the balance sheet date in repayment of loans and interest thereon. Also refer Note 55.

The Group's exposure to interest, currency and liquidity risks related to non-current financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>20. Other non-current financial liabilities</b>		
Security deposits	8.10	7.45
Other deposits	118.74	112.44
Others	527.44	527.44
<b>Total</b>	<b>654.28</b>	<b>647.33</b>

The Group's exposure to interest, currency and liquidity risks related to non-current financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>21. Non-current provisions</b>		
<b>Provision for employee benefits (Refer note 48)</b>		
- Gratuity	1,501.66	1,532.56
- Compensated absences	430.96	411.58
<b>Total</b>	<b>1,932.62</b>	<b>1,944.14</b>

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>22. Current borrowings</b>		
Secured		
Loans repayable on demand from banks	12,925.60	16,948.81
Unsecured		
Payable to bank	2,100.00	-
Payable to others	211.35	-
<b>Total</b>	<b>15,236.95</b>	<b>16,948.81</b>

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

Change in liability arising from financing activities (Rupees in lacs)

Particulars	Opening	Cash flows	Non-cash changes			Closing
			Acquisition	Foreign exchange movement	Fair value changes	
Current borrowing						
<b>2018-19</b>	<b>16,948.81</b>	<b>(1,711.86)</b>		-	-	<b>15,236.95</b>
2017-18	22,298.53	(5,476.76)		127.04	-	16,948.81

**Security against loans repayable on demand**

- i) Cash credit/overdraft and working capital demand loan facilities aggregating to Rs. 9,576.86 lacs (March 31, 2018: Rs. 12,876.00 lacs) relating to Textile Division at Hisar carries interest at 8.40% p.a. to 11.10% p.a. and are secured by way of:
  - a) hypothecation of stocks / stores and book debts, both present and future.
  - b) further secured by equitable mortgage of land admeasuring 129.47 acres and all immovable assets, both present and future, and first charge, ranking pari-passu with the charge created for availing term loans as described in note 19, by way of hypothecation of existing as well as future block of movable assets pertaining to the Division.
- ii) Cash credit facilities aggregating to Rs. 72.17 lacs (March 31, 2018: Rs. 12.86 lacs) relating to IT Division from a bank carries interest at 10.65% p.a. and are secured by way of:
  - a) first charge/hypothecation of inventories, book debts and other assets of the Division (both present and future), and by way of first charge on office property at Hyderabad.
- iii) Cash credit and working capital demand loans facilities aggregating to Rs. 2,378.01 lacs (March 31, 2018: Rs. 3,161.82 lacs) relating to the Company's Engineering division from banks carries interest at 12.10% p.a. to 12.35% and are secured by way of:
  - a) hypothecation of entire stocks of raw material, work in process, semi-finished goods and finished goods, consumable stores and spares and such other movables including book debts, bills, whether documentary or clean, both present and future
  - b) charge on all fixed assets, both present and future, including mortgage of factory's land and building located at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, measuring 71 Acre- 07K-18M 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.
- iv) Overdraft facility of Rs. 898.56 lacs (March 31, 2018: Rs. 898.13 lacs) relating to the Company's Engineering division from a bank carries interest at 12.20% p.a. and are secured by way of:
  - a) land and building located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres and land and building located in Rail Mazra Village, Tehsil Balachaur, District Shaheed Bhagat Singh Nagar, Punjab measuring 4.02 acres.

**Unsecured**

- a) Working capital loan repayable on demand Rs. 2100.00 lacs (March 31, 2018: Rs. Nil) payable to a bank carries interest at 9.05% p.a. and Rs. 211.35 lacs (March 31, 2018: Rs. Nil) payable to others carries interest at 10.80% p.a.  
The Group's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>23. Financial liabilities- Trade payables</b>		
Trade payables		
Dues to micro and small enterprises *	2,085.44	1,087.78
Dues to others	5,925.82	9,418.19
<b>Total</b>	<b>8,011.26</b>	<b>10,505.97</b>
The Group's exposure to currency and liquidity risks related to financial liabilities is disclosed in note 53.		
* The following details relating to Micro, Small and Medium Enterprises shall be disclosed:		
<b>Particulars</b>		
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Principal (includes Rs. 2.27 lacs payable to creditor of capital goods - refer note 24)	2,087.71	1,087.78
(b) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Interest	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, during each accounting year	-	-
(d) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
(e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
(f) The amount of interest accrued and remaining unpaid at the end of each accounting year.	32.19	-
(g) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>24. Other current financial liabilities</b>		
Current maturities of non-current borrowings (refer note 19)		
Secured		
From banks	2,706.51	2,612.02
From others	1,002.63	3.50
	<u>3,709.14</u>	<u>2,615.52</u>
Unclaimed dividends	79.81	93.35
Unclaimed matured deposits and interest accrued thereon *	1.05	1.05
Unclaimed matured debentures and interest accrued thereon *	8.11	9.79
Security deposits received	10.95	6.81
Interest accrued but not due on borrowings	99.24	87.75
Employee related payable	1,714.51	1,382.29
Liability for capital goods		
Payable to micro and small enterprises **	2.27	-
Payable to others	118.88	7.27
<b>Total</b>	<u><u>5,743.96</u></u>	<u><u>4,203.83</u></u>

\* 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.

\*\* Refer note 23

The Group's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 53.

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>25. Other current liabilities</b>		
Advance from customers	441.59	152.40
Statutory dues payables	770.06	527.09
Other payables	141.63	143.58
<b>Total</b>	<u><u>1,353.28</u></u>	<u><u>823.07</u></u>

	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>26. Current provisions</b>		
<b>Provision for employee benefits (Refer note 48)</b>		
- Gratuity	336.35	327.26
- Compensated absences	53.54	48.93
<b>Others:</b>		
Provision for sales return	-	93.80
<b>Total</b>	<u>389.89</u>	<u>469.99</u>
<b>Information about individual provisions and significant estimates</b>		
Provision for sales return		
<b>Movement in provisions during the year</b>		
<b>Provision for sales return</b>		
Opening balance	93.80	123.30
Add: Provision recognised during the year	-	-
Less: Provision utilised/ reversed during the year	93.80	29.50
Closing balance	<u>-</u>	<u>93.80</u>
	As at March 31, 2019 Rs./Lacs	As at March 31, 2018 Rs./Lacs
<b>27. Current tax liabilities (net)</b>		
Provision for income tax [net of advance tax Rs. 1,053.43 lacs (March 31, 2018: Rs. 1,860.40 lacs)]	125.39	181.93
<b>Total</b>	<u>125.39</u>	<u>181.93</u>
	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>28. Revenue from operations</b>		
<b>Sale of products *</b>		
Manufactured goods		
Cotton yarn	61,680.77	54,802.71
Iron castings	38,554.58	32,791.40
Patterns, jigs and fixtures	162.05	23.20
<b>Sale of product license</b>	103.55	103.28
<b>Sale of services</b>	4,275.28	4,345.59
	<u>104,776.23</u>	<u>92,066.18</u>
<b>Other operating revenue</b>		
Waste sales	4,616.27	4,373.10
Duty drawback and other export incentives	571.33	583.57
Interest on housing loans	-	0.68
Miscellaneous sales	40.25	35.18
	<u>5,227.85</u>	<u>4,992.53</u>
<b>Total</b>	<u>110,004.08</u>	<u>97,058.71</u>

\* After applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are required to be disclosed net of GST. Accordingly, the figures of revenue from operations for the year ended March 31, 2019 are not comparable with the corresponding year.

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

<b>Contract Balances</b>	<b>As at March 31, 2019 Rs./Lacs</b>	<b>As at March 31, 2018 Rs./Lacs</b>
Trade receivable	9,823.05	11,840.90
Unbilled revenue	60.81	516.57

Reconciliation of revenue recognised with the contracted price is as follows:

<b>Contracted price</b>	<b>For the year ended March 31, 2019 Rs./Lacs</b>
Contracted price	110,335.76
Reductions towards variable consideration components	(331.68)
Revenue recognised	<u>110,004.08</u>

	<b>For the year ended March 31, 2019 Rs./Lacs</b>	<b>For the year ended March 31, 2018 Rs./Lacs</b>
<b>29. Other income</b>		
<b>Interest income on financial assets at amortised cost</b>		
- Deposits with others	6.17	4.57
- Interest subsidy (TUF) on borrowings (Refer note 37)	118.27	154.28
- Other interest income	159.86	254.85
Net gain on foreign currency transactions and translation	598.42	305.96
Profit on sale of property, plant and equipment (net)	9.45	-
Liabilities/provisions no longer required written back	162.11	68.56
Finance lease income	17.02	24.70
Miscellaneous income	68.47	91.42
<b>Total</b>	<u>1,139.77</u>	<u>904.34</u>

	<b>For the year ended March 31, 2019 Rs./Lacs</b>	<b>For the year ended March 31, 2018 Rs./Lacs</b>
<b>30. Cost of material consumed</b>		
Opening stock	14,040.71	13,527.42
Add: Purchases	61,392.00	55,459.21
	<u>75,432.71</u>	<u>68,986.63</u>
Less: Closing stock	13,185.98	14,040.71
	<u>62,246.73</u>	<u>54,945.92</u>

	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>31. Changes in inventories of finished goods and work-in-progress</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	3,911.75	3,269.59
Work-in-progress	2,663.14	2,120.08
<b>Total</b>	<u>6,574.89</u>	<u>5,389.67</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,269.59	2,266.12
Work-in-progress	2,120.08	2,802.43
<b>Total</b>	<u>5,389.67</u>	<u>5,068.55</u>
<b>Net increase</b>	<u>(1,185.22)</u>	<u>(321.12)</u>
	<b>For the year ended March 31, 2019 Rs./Lacs</b>	<b>For the year ended March 31, 2018 Rs./Lacs</b>
<b>32. Employee benefits expense</b>		
Salaries, bonus and other allowances	12,980.11	11,786.56
Contribution to provident funds	760.66	783.25
Gratuity expense (Refer note 48 )	272.28	274.80
Staff welfare expenses	355.85	371.66
<b>Total</b>	<u>14,368.90</u>	<u>13,216.27</u>
	<b>For the year ended March 31, 2019 Rs./Lacs</b>	<b>For the year ended March 31, 2018 Rs./Lacs</b>
<b>33. Finance costs</b>		
Interest expense on :		
Borrowings	2,051.15	2,202.92
Others	32.75	23.61
Exchange differences to the extent considered as adjustment to finance cost	-	51.48
Other borrowing costs	671.30	335.02
<b>Total</b>	<u>2,755.20</u>	<u>2,613.03</u>
	<b>For the year ended March 31, 2019 Rs./Lacs</b>	<b>For the year ended March 31, 2018 Rs./Lacs</b>
<b>34. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	3,422.80	3,598.31
Amortisation of intangible assets	21.05	26.04
<b>Total</b>	<u>3,443.85</u>	<u>3,624.35</u>

	For the year ended March 31, 2019 Rs./Lacs	For the year ended March 31, 2018 Rs./Lacs
<b>35. Other expenses</b>		
Consumption of stores and spare parts	8,861.84	7,460.25
Power, fuel, etc.	12,699.46	12,286.44
Rent	135.39	120.22
Repair and maintenance		
- Buildings	104.50	58.60
- Machinery	1,143.57	846.91
- others	153.20	143.46
Subcontracting charges ^	1,526.32	1,503.35
Freight and forwarding	1,961.97	1,719.68
Insurance	91.03	88.13
Rates and taxes	28.12	21.14
Directors' fees	16.20	19.19
Legal and professional fees (refer note (i) below)	512.17	490.96
Travelling and conveyance	478.52	483.63
Commission to selling agents (other than sole selling)	377.45	344.69
Sales expenses	17.56	31.62
Inventory store and spares written off	292.89	-
Expenditure on corporate social responsibility (Refer note 52)*	12.17	17.36
Allowance for bad trade and other receivables	111.00	18.28
Bad trade and other receivables, loans and advances written off	128.45	0.11
Less: Provision already held	<u>(63.64)</u>	<u>-</u>
Loss on finance lease written off	14.24	19.64
Loss on property, plant and equipment sold/ written off (net)	4.21	5.21
Miscellaneous expenses	628.41	632.23
<b>Total</b>	<u><u>29,235.03</u></u>	<u><u>26,311.10</u></u>
<b>(i) Includes auditors remuneration (excluding taxes) **</b>		
For audit	46.50	46.50
For certification and other services	0.25	15.00
for reimbursement of expenses	3.70	3.38
<b>Total</b>	<u><u>50.45</u></u>	<u><u>64.88</u></u>

\* net of government grant of Rs. Nil (March 31, 2018 : Rs. 0.83 lacs) (refer note 37)

^ Includes freight, transportation expense Rs 227.14 lacs (March 31, 2018 : Rs 200.16 lacs) incurred on materials sent to and received back from sub-contractors.

\*\* Excluding remuneration of other auditors of subsidiaries Rs. 1.40 lacs (March 31, 2018 : Rs. 0.88 lacs) and audit fee paid by jointly controlled entity (share of joint venture Rs. 4.86 lacs (March 31, 2018 : Rs. 5.80 lacs)) accounted as per equity method

36. Tax expense (Rupees in lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) Amounts recognised in profit and loss</b>		
<b>Current tax (a)</b>		
Current tax for the year	80.97	-
Adjustment for current tax of prior years	-	(0.41)
	<u>80.97</u>	<u>(0.41)</u>
<b>Deferred tax expense/ (credit) (b)</b>	-	-
<b>Tax expense for the year</b>	<u><u>80.97</u></u>	<u><u>(0.41)</u></u>

**(b) Amounts recognised in other comprehensive income/(expense)**

	For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	(20.47)	(4.21)	(16.26)
<b>Items that will be reclassified to profit or loss</b>			
Exchange difference in translating financial statements of foreign operations	55.93	11.51	44.42
	<u>35.46</u>	<u>7.30</u>	<u>28.16</u>

	For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	48.41	-	48.41
<b>Items that will be reclassified to profit or loss</b>			
Exchange difference in translating financial statements of foreign operations	(1.65)	-	(1.65)
	<u>46.76</u>	<u>-</u>	<u>46.76</u>

- (c) As at March 31, 2019, the Holding Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have been recognised only to the extent of deferred tax liability. The Company reassesses the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	-	-
Provision for gratuity and compensated absences	(724.63)	(723.88)
Unabsorbed depreciation	(2,849.46)	(3,305.64)
Business loss	-	(117.94)
Provision for trade receivables and other advances	(55.70)	(24.88)
Other items	(112.55)	(160.02)
<b>Net deferred tax (assets)</b>	<u><u>(3,742.34)</u></u>	<u><u>(4,332.36)</u></u>

(Rupees in lacs)

	Deferred tax liabilities	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	522.14	892.92
Provision for gratuity and compensated absences	-	-
Unabsorbed depreciation	-	-
Business loss	-	-
Provision for trade receivables and other advances	-	-
Other items	-	-
<b>Net deferred tax liabilities</b>	<b>522.14</b>	<b>892.92</b>

	Net deferred tax (asset) liabilities	
	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	522.14	892.92
Provision for gratuity and compensated absences	(724.63)	(723.88)
Unabsorbed depreciation	(2,849.46)	(3,305.64)
Business loss	-	(117.94)
Provision for trade receivables and other advances	(55.70)	(24.88)
Other items	(112.55)	(160.02)
<b>Net deferred tax (assets) liabilities</b>	<b>(3,220.20)</b>	<b>(3,439.44)</b>

## (d) Movement in temporary differences:

	Balance as at March 31, 2017	Movement during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018
Property, plant and equipment	1,187.81	(294.89)	-	892.92
Provision for gratuity and compensated absences	(743.53)	19.65	-	(723.88)
Unabsorbed depreciation	(2,546.60)	(759.04)	-	(3,305.64)
Business loss	-	(117.94)	-	(117.94)
Provision for trade receivables and other advances	(18.98)	(5.90)	-	(24.88)
Other items	(149.02)	(11.00)	-	(160.02)
	<b>(2,270.32)</b>	<b>(1,169.12)</b>	<b>-</b>	<b>(3,439.44)</b>

	Balance as at March 31, 2018	Movement during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Property, plant and equipment	892.92	(370.78)	-	522.14
Provision for gratuity and compensated absences	(723.88)	(0.75)	-	(724.63)
Unabsorbed depreciation	(3,305.64)	456.18	-	(2,849.46)
Business loss	(117.94)	117.94	-	-
Provision for trade receivables and other advances	(24.88)	(30.82)	-	(55.70)
Other items	(160.02)	47.47	-	(112.55)
	<b>(3,439.44)</b>	<b>219.24</b>	<b>-</b>	<b>(3,220.20)</b>

**(e) Tax losses carried forward: (Rupees in lacs)**

	As at March 31, 2019		As at March 31, 2018	
	Amount	Expiry year	Amount	Expiry year
(i) MAT credit recognised and carried forward as follows				
<b>MAT</b>	<b>0.42</b>	<b>2021-22</b>	0.42	2021-22
(ii) Tax losses for which no deferred tax asset was recognised expire as follows:				
	As at March 31, 2019		As at March 31, 2018	
	Amount	Expiry year	Amount	Expiry year
<b>Business Loss</b>	-	-	378.01	2026-27
<b>Unabsorbed depreciation *</b>	<b>9,132.88</b>	-	10,595.00	-
(iii) MAT credit for which no MAT credit entitlement recognised expire as follows:				
<b>MAT</b>	<b>120.79</b>	<b>2020-21</b>	120.79	2020-21
	<b>419.47</b>	<b>2021-22</b>	419.47	2021-22
	<b>8.22</b>	<b>2022-23</b>	8.22	2022-23
	<b>18.77</b>	<b>2029-30</b>	48.34	2024-25
	<b>87.85</b>	<b>2034-35</b>		

\* available for set off against any other income and can be carried forward for indefinite period as per Income Tax Act, 1961

**37. Disclosures related to government grant**

The government grant/government assistance recognised are as under:

**(Rupees in lacs)**

Nature of grant/assistance	Income/ expense head	For the year ended March 31, 2019	For the year ended March 31, 2018
Benefit of interest at concessional rate	Interest income under Other income	118.27	154.28
Grant for schools	Corporate social responsibility	-	0.83
Duty drawback on exports	Income under other operating income	571.33	583.57

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Statement of Profit and loss.

**38. Leases****Operating leases**

The Group's significant operating lease arrangements are in respect of premises for residential use of employees, office, stores, godown, etc. for a period of ranging from 1-5 years. These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. The lease rentals charged as employee benefits expense aggregate Rs. 119.85 lacs (March 31, 2018: Rs. 113.47 lacs) under note 32 and lease rentals charged as rent aggregate Rs. 135.39 lacs (March 31, 2018: Rs. 120.22 lacs) under note 35.

**Future aggregate minimum lease payments under non-cancellable operating lease are as follows:**

**(Rupees in lacs)**

	As at March 31, 2019	As at March 31, 2018
Not later than one year	77.40	25.65
Later than one year and not later than five years	168.99	-
Later than five years	-	-
<b>Total</b>	<b>246.39</b>	<b>25.65</b>

**Finance leases****A. Leases as a lessor**

The group has classified the arrangement with the customers wherein the patterns/tooling/moulds are lease out in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17 'Leases' and accounted for as finance lease in accordance with those principles.

The agreement with the customers is for a period of 3 to 15 years.

(Rupees in lacs)

	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	88.57	76.90	118.66	101.52
Later than one year and not later than five years	149.15	140.60	245.43	224.84
Later than five years	-	-	0.32	0.32
<b>Total minimum lease payments</b>	<b>237.72</b>	<b>217.50</b>	<b>364.41</b>	<b>326.68</b>
<b>Less: amounts representing unearned finance income</b>	<b>20.22</b>	<b>-</b>	<b>37.73</b>	<b>-</b>
<b>Present value of minimum lease payments</b>	<b>217.50</b>	<b>217.50</b>	<b>326.68</b>	<b>326.68</b>

**39. Earnings per share**

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit/(loss) attributable to equity shareholders as per Statement of profit and loss (Rs. In lacs)	(26.35)	(4,024.08)
Weighted average number of equity shares in calculating Basic EPS	18,677,749	18,677,749
Weighted average number of equity shares in calculating Diluted EPS	18,677,749	18,677,749
Basic loss per share in rupees (face value per equity share Rs. 10 each) (Rs.)	(0.14)	(21.54)
Diluted loss per share in rupees (face value per equity share Rs. 10 each) (Rs.)	(0.14)	(21.54)

**40. Restructuring**

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 Holding Company as envisaged thereunder has:

- 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. 28,820.00 lacs (includes Rs. 3,400.00 lacs on account of leasehold land out of which Rs. 2,400.00 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 Holding 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. 39,567.00 lacs in the Previous years).
  - In terms of the "Leasehold Definitive Agreement" ("LDA") dated February 16, 2004, pursuant to completion of its obligation to get the leases restored/converted from leasehold to freehold, the Holding Company had recognized the entire revenue of Rs. 3,400.00 lacs from sale of development rights in leasehold land in the year 2014-15 and 2015-16.
  - The outstanding receivable from for the said sale of development rights in freehold and leasehold land is amounting to Rs. Nil lacs (March 31, 2018: Rs. Nil) as at year end.
- after considering the effect of Delhi High Court order dated April 28, 2011, the Company had 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. 9.16 lacs (March 31, 2018: Rs. 10.84 lacs).

**41. Amalgamation and demerger**

The Board of Directors of the Holding Company in its meeting held on October 15, 2016 approved

- a Scheme of Arrangement ('the Scheme') between DCM Limited and DCM Nouvelle Limited, a wholly owned subsidiary of DCM Limited, for the demerger of the Textile business of DCM Limited as per the scheme and vesting of the same with DCM Nouvelle Limited, on a going concern basis with effect from January 1, 2017, i.e. the appointed date.

The aforesaid Scheme was subject to approval from the concerned regulatory authorities which were not perfunctory and considered to be substantive. Subsequent to the year end, the Company has received the order from the National Company Law Tribunal (NCLT) on May 1, 2019 sanctioning the Scheme with the appointed date of April 1, 2019. Since the Scheme of arrangement is approved subsequent to the year end with effect from April 1, 2019, the aforesaid scheme cannot be considered as highly probable on the balance sheet date and hence do not meet the criteria for assets held for sale/ discontinued operations. Accordingly, the impact of the Scheme has not been considered in these consolidated financial statements. The scheme has become effective on May 13, 2019 on Holding Company filing the NCLT order with Registrar of Companies.

- b) a Composite scheme of Arrangement ('the Composite Scheme') which was further amended/modified in its subsequent meetings held on February 13, 2017 and May 30, 2018 for the:-
- (i) Amalgamation of Tiara Investment Limited into Purearth Infrastructure Limited, a jointly controlled entity ('the Amalgamated Company'), with effect from December 31, 2016;
  - (ii) Demerger of the Real Estate business of DCM Limited, as defined in the Composite Scheme, into DCM Realty and Infrastructure Limited ('the Resulting Company'), on a going concern basis with effect from January 1, 2017; and
  - (iii) Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Company, i.e. Purearth Infrastructure Limited with the Resulting Company, i.e. DCM Realty and Infrastructure Limited, with effect from January 1, 2017.

The aforesaid Scheme was subject to approval from the concerned regulatory authorities which were not perfunctory and considered to be substantive. However, keeping in view of the ongoing observations of the Stock Exchanges/SEBI on the aforesaid Composite Scheme in the current form and the resultant delays in obtaining "no objection" from Stock Exchanges/SEBI, the Board of Directors of the Holding Company in its Meeting held on February 11, 2019 have decided to withdraw the Scheme and the necessary intimations have been sent to Stock Exchanges/SEBI informing them about the decision of the Board to withdraw this Composite Scheme.

42. In accordance with the Scheme of Amalgamation of Crescita Enterprises Private Limited ('the Transferor company') with the Holding Company, as sanctioned by the National Company Law Tribunal vide its order dated January 08, 2019 which became effective on January 30, 2019 on filing of the certified copy of the order with the Registrar of Companies, the assets and liabilities of the transferor company were transferred to and vested in the Holding Company with effect from the appointed date of March 31, 2017. Consequently 48.35% shares of the Holding Company which were held by the Transferor Company have been cancelled and the Holding Company has issued and allotted same number of equity shares to the shareholders of the Transferor Company in proportion to the shares held by them in the Transferor Company at record date. The impact of this scheme on the audited consolidated financial statements for the year is given below:

	(Rupees in lacs)
<b>Assets taken over</b>	
Investment in equity shares of DCM Limited	1,723.18
Cash and cash equivalents	0.37
Advance Income tax	0.71
<b>Total</b>	<b><u>1,724.26</u></b>
<b>Liabilities and reserves taken over</b>	
Provision for tax	0.65
Capital reserve (also refer note 18)	1,723.18
Profit and loss (Dr. balance)	(0.07)
<b>Total</b>	<b><u>1,723.76</u></b>
<b>Adjustment in other equity</b>	
Transfer of capital reserve in the scheme of Amalgamation	1,723.18
Less: Adjustment on cancellation of investment in shares of the Company acquired in the scheme of Amalgamation	(820.13)
Less: Adjustment on issuance of new equity shares to the shareholders of Crescita Enterprises Private Limited	(902.55)
<b>Remaining Balance of capital reserve transferred in the scheme of Amalgamation</b>	<b><u>0.50</u></b>
Net assets acquired in the scheme of amalgamation	0.43
Debit balance of Profit and loss adjusted in surplus in Statement of Profit and Loss	0.07
	<b><u>0.50</u></b>

43. The Group has set up a solar power plant at its textile division at Hisar with a cost of Rs. 471.60 lacs during the year ended March 31, 2017. Further an addition of Rs. 368.21 lacs (March 31, 2018 : Rs. Nil) have been made during the year. A term loan of Rs. 325.00 lacs is taken for this purpose. Total power units generated during the year are 16.11 lacs KWH (March 31, 2018 : 15.31 lacs KWH). The Holding Company is eligible for tax holiday under section 80IA up to 2030-31 (to claim deduction in any 10 consecutive assessment year out of 15 year starting from the year in which operation begins).
44. Capital advances includes Rs. 870.00 lacs (March 31, 2018: Rs. 870.00 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.
45. In the previous years, Holding Company's claim for the refund of an Inter Corporate Deposit amounting to Rs. 100.00 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 Holding Company, redeemable within 20 years. The management is confident that the investment of Rs. 100.00 lacs (Fare value Rs. 84.82 lacs at March 31, 2019 and Rs. 76.32 lacs at March 31, 2018) acquired by the Holding Company in preference shares of the body corporate is good and fully recoverable.

46. Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Group has identified five reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Chief Operating Decision Maker (CODM) reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Group's reportable segments:

<u>Reportable segments</u>	<u>Operations</u>
Textiles	Yarn manufacturing
IT services	IT Infrastructure services
Real estate	Development at the Group's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi.
Grey iron casting	Grey iron casting manufacturing
Others	Others

B. Information about operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Board of Directors of the holding company. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(Rupees in lacs)

Particulars	Reportable segment										Unallocated		Total	
	Textile		IT Services		Real Estate		Grey iron casting		Others		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018				
<b>Segment revenue</b>														
- External revenues	61,680.77	54,802.71	4,378.83	4,448.87	-	-	38,716.63	32,814.60	-	-	-	-	104,776.23	92,066.18
- Other operating revenue	5,068.86	4,872.17	-	-	-	-	158.99	119.68	-	0.68	-	-	5,227.85	4,992.53
<b>Total segment revenue</b>	<b>66,749.63</b>	<b>59,674.88</b>	<b>4,378.83</b>	<b>4,448.87</b>	<b>-</b>	<b>-</b>	<b>38,875.62</b>	<b>32,934.28</b>	<b>-</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>110,004.08</b>	<b>97,058.71</b>
<b>Segment profit/(loss) before tax</b>	<b>5,295.53</b>	<b>2,417.15</b>	<b>148.10</b>	<b>111.08</b>	<b>-</b>	<b>-</b>	<b>(1,841.17)</b>	<b>(2,931.86)</b>	<b>(29.59)</b>	<b>(27.30)</b>	<b>-</b>	<b>-</b>	<b>3,572.87</b>	<b>(430.93)</b>
Unallocated corporate expenses/ income (net of unallocated income/ expenses)	-	-	-	-	-	-	-	-	-	-	(822.61)	(767.95)	(822.61)	(767.95)
Interest income	-	-	-	-	-	-	-	-	-	-	284.30	259.42	284.30	259.42
Profit before finance costs and tax	-	-	-	-	-	-	-	-	-	-	-	-	3,034.56	(939.46)
Finance costs	-	-	-	-	-	-	-	-	-	-	2,755.20	2,613.03	2,755.20	2,613.03
Profit/(loss) before tax	-	-	-	-	-	-	-	-	-	-	-	-	279.36	(3,552.49)
Share of (loss) of equity accounted investee	-	-	-	-	-	-	-	-	-	-	(224.74)	(472.00)	(224.74)	(472.00)
Profit/(loss) before tax	-	-	-	-	-	-	-	-	-	-	-	-	54.62	(4,024.49)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	80.97	(0.41)	80.97	(0.41)
Profit/(loss) after taxation	-	-	-	-	-	-	-	-	-	-	-	-	(26.35)	(4,024.08)
Depreciation and amortization	1,700.72	1,873.73	24.58	29.26	-	-	1,670.74	1,666.56	0.03	0.04	47.78	54.76	3,443.85	3,624.35
Capital expenditure during the year	520.35	112.79	38.58	5.96	-	-	331.74	379.58	-	4.25	31.64	-	922.31	502.58
Non cash expense other than depreciation	89.69	(4.67)	6.33	(1.18)	-	-	337.15	49.27	-	-	53.98	(0.27)	487.15	43.15

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

(Rupees in lacs)

Particulars	Reportable segment										Unallocated		Total	
	Textile		IT Services		Real Estate		Grey iron casting		Others		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018				
Segment assets	35,758.35	38,037.68	2,092.39	2,547.21	25.00	25.00	14,043.23	16,686.64	362.66	362.63	-	-	52,281.63	57,659.16
Assets held for sale	-	-	-	-	-	-	212.53	212.53	-	-	-	-	212.53	212.53
Unallocated assets	-	-	-	-	-	-	-	-	-	-	4,611.80	4,864.61	4,611.80	4,864.61
<b>Total assets</b>	<b>35,758.35</b>	<b>38,037.68</b>	<b>2,092.39</b>	<b>2,547.21</b>	<b>25.00</b>	<b>25.00</b>	<b>14,255.76</b>	<b>16,899.17</b>	<b>362.66</b>	<b>362.63</b>	<b>4,611.80</b>	<b>4,864.61</b>	<b>57,105.96</b>	<b>62,736.30</b>
Segment liabilities	3,225.57	5,670.23	495.33	537.58	23.62	23.62	9,592.12	8,360.04	6.23	6.38	1,158.67	1,562.89	14,501.54	16,160.74
Share capital and reserves	-	-	-	-	-	-	-	-	-	-	17,664.33	17,662.09	17,664.33	17,662.09
Loan funds	17,607.78	20,208.24	94.38	19.40	-	-	5,161.40	6,606.45	-	-	2,076.53	2,079.38	24,940.09	28,913.47
<b>Total liabilities</b>	<b>20,833.35</b>	<b>25,878.47</b>	<b>589.71</b>	<b>556.98</b>	<b>23.62</b>	<b>23.62</b>	<b>14,753.52</b>	<b>14,966.49</b>	<b>6.23</b>	<b>6.38</b>	<b>20,899.53</b>	<b>21,304.36</b>	<b>57,105.96</b>	<b>62,736.30</b>

C. Geographical information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

i. Revenues

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
India (a)	65,240.47	63,833.73
Outside India		
China	26,786.58	14,001.82
Other countries	17,977.03	19,223.16
Outside India (b)	44,763.61	33,224.98
<b>Total (a+b)</b>	<b>110,004.08</b>	<b>97,058.71</b>

ii. Non current assets\*

(Rupees in lacs)

Particulars	As At March 31, 2019	As At March 31, 2018
India	19,275.75	21,720.59
Outside India	4.21	3.75
<b>Total</b>	<b>19,279.96</b>	<b>21,724.34</b>

\* Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

D. Major customers

There is no single customer who contributed 10% or more of the Group's revenue during the year ended March 31, 2019 and March 31, 2018.

## 47. Contingent liabilities, contingent assets and commitments

## a) Commitments

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments	1,209.65	654.93

## b) Contingent liabilities not provided for:

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims not acknowledged as debts: *		
- Excise claims	0.50	1.49
- Sales tax matters/ VAT	495.38	277.21
- Income-tax matters	139.24	248.03
- Customs duty	12.55	12.55
- Employees' claims (to the extent ascertained)	59.15	56.42
- Property tax	283.67	283.67
- Others	83.03	313.93

\* 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.

- c) (i) There are no undisputed dues of wealth tax and service tax which have not been deposited by the Group. The details of disputed dues as of March 31, 2019 in respect of customs duty, income tax, excise duty and sales tax/ PVAT that have not been deposited by the Group, are as follows:

Name of the statute	Nature of dues	Amount Involved * (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	39.54	39.54	Financial Year 2015-16	CIT (Appeals)
Customs Act, 1962	Custom duty	12.55	-	1988-89	Asst. Commissioner of customs (Appeals)
Central Excise Act, 1944	Excise duty	0.50	-	2002-03, 2003-04	Supreme court
Punjab VAT Act, 2005	Sales tax	218.17	15.50	Financial Year 2012-13	Punjab VAT Appellate Tribunal
		146.96	36.75	Financial Year 2010-11	
		130.25	35.09	Financial Year 2009-10	

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

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

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

Name of the statute	Nature of dues	Amount involved (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	442.48	Financial Year 1982-83 to 1989-90	High court
		48.74	Financial Year 2010-11	High court
		66.08	Financial Year 2011-12	High court
		51.37	Financial Year 2012-13	Income tax appellate tribunal
		48.33	Financial Year 2013-14	Income tax appellate tribunal

- (iii) The Group has been regular in transferring amounts to the Investor Education and Protection Fund after considering SORA, pursuant to which certain past dues have been rescheduled for repayment.

- d) The company has not recognised any additional provident fund liability pursuant to a recent judgement dated 28th February, 2019 by the Hon'ble Supreme Court pertaining to treatment of certain allowances as part of wages, as the applicability/impact is being ascertained and the date from which the judgment will be applicable is uncertain.

**48. Employee benefits****A Defined contribution plans**

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

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Group's contribution to provident fund	422.93	455.20
Group's contribution to superannuation fund	65.29	58.05
Group's contribution to employees' state insurance	143.93	151.86
Group's contribution to social security	125.89	115.66
Group's contribution to NPS	2.62	2.48
<b>Total</b>	<b>760.66</b>	<b>783.25</b>

**B Defined benefit plans**

The Group operates the following post-employment defined benefit plans:-

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

Liability with regards to Gratuity is accrued based on actuarial valuation at the balance sheet date, carried out by independent actuary. For details about the related employee benefits plan, refer accounting policies on employee benefits.

The following table set out the status of the defined benefit obligation

(Rupees in lacs)

Particulars	As at March 31, 2019	As at April 1, 2018
Defined benefit liability- Gratuity	1,838.01	1,859.82
<b>Total employee benefit liabilities</b>		
Non current	1,501.66	1,532.56
Current	336.35	327.26
<b>Total</b>	<b>1,838.01</b>	<b>1,859.82</b>

For details about the related employee benefit expenses, refer note 32.

**(i) Reconciliation of the defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	1,859.82	1,926.92
Current service cost	132.79	130.28
Interest cost	139.49	144.52
Actuarial (gains) / losses recognised in other comprehensive income/(expense)	20.47	(48.41)
Benefits paid	(314.56)	(293.49)
<b>Balance at the end of the year</b>	<b>1,838.01</b>	<b>1,859.82</b>
Non-current	1,501.66	1,532.56
Current	336.35	327.26

ii) *Expense recognized in profit and loss*

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	132.79	130.28
Interest cost	139.49	144.52
<b>Net cost</b>	<b>272.28</b>	274.80

iii) *Remeasurements recognized in other comprehensive income/(expense)*

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial gain / (loss) on defined benefit obligation	(20.47)	48.41
<b>Total</b>	<b>(20.47)</b>	48.41

iv) *Actuarial assumptions*

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assumptions</b>		
Discount rate	7.50%	7.50%
Future salary growth	6.00%	6.00%
Retirement age	58/60 years	58/60 years
Mortality table	"IALM (2006-08) ultimate"	"IALM (2006-08) ultimate"
Withdrawal rate		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

As at March 31, 2019, the weighted average duration of the defined benefit obligation was 11.96 - 19.51 year (March 31, 2018 : 10.88-19.54 year)

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs. 285.67 lacs.

v) *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rupees in lacs)

Particulars	As as March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(123.42)	133.06	(121.13)	121.20
Future salary growth (1%)	134.36	(125.67)	130.37	(123.29)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

*vi) Maturity profile*

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at March 31, 2018	As at March 31, 2017
Year 1	336.34	327.26
Year 2	26.48	139.13
Year 3	144.64	206.21
Year 4	137.81	130.09
Year 5	134.86	104.94
Next 6	192.81	167.54
Next to 6 years	865.07	784.65

*vii) Description of Risk Exposures:*

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow-

- Interest risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**49. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**A. Name and description of relationship of the related party****Entity having significant control over the Company**

Crescita Enterprises Private Limited (upto March 31, 2017 i.e. appointed date - Refer note 42)

**Other related parties with whom transaction have taken place during the year****Joint venture**

Purearth Infrastructure Limited

**Key management personnel and/or individuals having direct or indirect control or significant influence, and their relatives:**

Dr. Vinay Bharat Ram – Chairman and Managing Director

Mr. Hemant Bharat Ram – President (Textiles)

Mr. Sumant Bharat Ram – Chief Executive and Financial Officer

Mr. Sushil Kapoor Executive – Director (Engineering Business) – (with effect from January 15, 2018)

Mr. Dinesh Dhiman - Executive Director (Engineering Operations) – (with effect from December 13, 2017)

Mr. Varun Sarin - Chief of Operation and Finance (IT Division)

Mr. Rakesh Kumar Goel - CEO (Textile Division)

Mr. Yadvinder Goyal - Company Secretary

Mr. Rahil Bharat Ram – Son of Mr. Sumant Bharat Ram

Mr. Yuv Bharat Ram – Son of Mr. Sumant Bharat Ram

**Entities where key management personnel have significant influence**

Juhi Developers Private Limited

Teak Farms Private Limited

## B. Transactions with related parties:

(Rupees in lacs)

Particulars	Joint Venture **		Others*	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Expense recovered (net)</b>				
Purearth Infrastructure Limited	53.93	50.25	-	-
<b>Interest income</b>				
Purearth Infrastructure Limited	-	108.04	-	-
<b>Purchase of rights in flats/ Other tangible assets</b>				
Purearth Infrastructure Limited	-	2.40	-	-
<b>Refund against cancellation of rights in flats</b>				
Purearth Infrastructure Limited	-	867.07	-	-
<b>Net assets taken over as per scheme (refer note 42)</b>				
Cresita Enterprises Private Limited	-	-	1,723.61	-

\* Entities in which key management personnel have significant influence/ Entity having significant control over the Group

\*\* Jointly controlled entity is accounted as per equity method. Related party transactions are shown without any eliminations.

## Transactions with key management personnel

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Compensation of key management personnel</b>		
Salaries and bonus including contributions made to provident fund		
Dr. Vinay Bharat Ram	150.04	147.85
Mr. Hemant Bharat Ram	442.84	240.06
Mr. Sumant Bharat Ram	205.56	152.32
Mr. Sushil Kapoor	132.24	21.28
Mr. Dinesh Dhiman	37.98	10.56
Mr. Varun Sarin	66.85	64.32
Mr. Rakesh Kumar Goel	123.01	118.25
Mr. Yadvinder Goyal	22.58	18.27
<b>Post-employment defined benefit plan</b>		
Gratuity		
Mr. Hemant Bharat Ram	15.93	13.89
Mr. Sumant Bharat Ram	-	4.47
Mr. Dinesh Dhiman	0.83	0.23
Mr. Varun Sarin	1.29	2.06
Mr. Rakesh Kumar Goel	17.53	9.90
Mr. Yadvinder Goyal	0.52	0.41
<b>Other long term defined benefit plan</b>		
Compensated absences		
Mr. Hemant Bharat Ram	11.86	11.62
Mr. Sumant Bharat Ram	-	4.59
Mr. Dinesh Dhiman	0.32	0.30
Mr. Varun Sarin	0.41	0.77
Mr. Rakesh Kumar Goel	3.23	2.03
Mr. Yadvinder Goyal	0.64	0.38
<b>Total compensation paid to key management personnel</b>	<b>1,233.66</b>	<b>823.56</b>

## Balances with related parties

(Rupees in lacs)

Particulars	Joint Venture **		Others*	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Advance given for purchase of rights in flats</b>				
Purearth Infrastructure Limited	587.37	587.37	-	-
<b>Guarantee taken</b>				
Mr. Sumant Bharat Ram	-	-	2,000.00	2,000.00
<b>Advances recoverable / (Payable)</b>				
Purearth Infrastructure Limited	-	23.42		
Dr. Vinay Bharat Ram	-	-	(4.02)	(4.10)
Mr. Hemant Bharat Ram	-	-	(130.42)	(7.93)
Mr. Sumant Bharat Ram	-	-	(37.65)	(5.01)
Mr. Sushil Kapoor	-	-	(25.04)	(6.55)
Mr. Dinesh Dhiman	-	-	(2.69)	(3.18)
Mr. Varun Sarin	-	-	(2.75)	(3.71)
Mr. Rakesh Kumar Goel	-	-	(18.41)	(3.29)
Mr. Yadvinder Goyal	-	-	(1.43)	(1.01)

\* Entities in which key management personnel have significant influence/ Entity having significant control over the Group

\*\* Jointly controlled entity is accounted as per equity method. Related party transactions are shown without any eliminations.

## 50. Research and development expenditure

The Holding Company is claiming weighted tax deductions on eligible research and development expenditure u/s 35(2AB) of the Income Tax Act, 1961 equivalent to 150% of such expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) w.e.f. May 28, 2015 and further renewed upto March 31, 2021 on June 26, 2018. The details of such expenditure are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Capital expenditure</b>		
Office equipment	0.73	0.26
Plant and machinery	-	-
Computers	0.10	6.87
<b>Revenue expenditure</b>		
Salaries, wages and compensated absences	138.39	142.05
Contribution to provident and other funds	4.28	4.84
Travelling and conveyance	4.68	5.66
Others	0.94	0.35
<b>Development expenditure</b>	64.74	138.56
<b>Total</b>	<b>213.86</b>	<b>298.59</b>

## 51. Assets held for sale

The Board of Directors of the Holding Company, in its meeting held on February 8, 2018, approved the sale of land and building held by Engineering Division located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres and land and building located in Rail Mazra Village, Tehsil Balachaur, Distt Shaheed Bhagat Singh Nagar, Punjab measuring 4.02 acres. for such consideration and on such terms and conditions as may be deemed fit in the best interest of the Holding Company.

## 52. Corporate Social Responsibility (CSR)

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross amount required to be spent	-	6.20
Amount spent (in cash):		
Promotion of education	12.17	17.36
Others	-	-
	12.17	17.36

## 53. Fair value measurement and financial instruments

## a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

## i. As on March 31, 2019

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	84.82	-	-	84.82	-	-	84.82
Loans *	-	-	1,030.93	1,030.93	-	-	-
Other financial assets *	-	-	140.60	140.60	-	-	-
<b>Current</b>							
Trade receivables *	-	-	9,823.05	9,823.05	-	-	-
Cash and cash equivalents *	-	-	1,409.22	1,409.22	-	-	-
Balances other than above *	-	-	254.20	254.20	-	-	-
Loans *	-	-	48.47	48.47	-	-	-
Other financial assets *	-	-	191.94	191.94	-	-	-
<b>Total</b>	<b>84.82</b>	<b>-</b>	<b>12,898.41</b>	<b>12,983.23</b>	<b>-</b>	<b>-</b>	<b>84.82</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	5,994.00	5,994.00	-	-	-
Other financial liabilities *	-	-	654.28	654.28	-	-	-
<b>Current</b>							
Borrowings #	-	-	15,236.95	15,236.95	-	-	-
Trade payables *	-	-	8,011.26	8,011.26	-	-	-
Other current financial liabilities *	-	-	5,743.96	5,743.96	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>35,640.45</b>	<b>35,640.45</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ii. As on March 31, 2018

(Rupees in lacs)

Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	76.32	-	-	76.32	-	-	76.32
Loans *	-	-	955.33	955.33	-	-	-
Other financial assets *	-	-	242.32	242.32	-	-	-
<b>Current</b>							
Trade receivables *	-	-	11,840.90	11,840.90	-	-	-
Cash and cash equivalents *	-	-	772.60	772.60	-	-	-
Balances other than above *	-	-	494.71	494.71	-	-	-
Loans *	-	-	57.39	57.39	-	-	-
Other financial assets *	-	-	662.48	662.48	-	-	-
<b>Total</b>	<b>76.32</b>	<b>-</b>	<b>15,025.73</b>	<b>15,102.05</b>	<b>-</b>	<b>-</b>	<b>76.32</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	9,349.14	9,349.14	-	-	-
Other financial liabilities *	-	-	647.33	647.33	-	-	-
<b>Current</b>							
Borrowings #	-	-	16,948.81	16,948.81	-	-	-
Trade payables *	-	-	10,505.97	10,505.97	-	-	-
Other current financial liabilities *	-	-	4,203.83	4,203.83	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>41,655.08</b>	<b>41,655.08</b>	<b>-</b>	<b>-</b>	<b>-</b>

# The Group's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The loans, investments and other non-current financial assets and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2019 and March 31, 2018.

**Reconciliation of Level 3 fair value measurement:**

(Rupees in lacs)

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
Opening balance	76.32	68.03
Gain recognised in other comprehensive income	8.50	8.29
<b>Closing balance</b>	<b>84.82</b>	<b>76.32</b>

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Group at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Group at each balance sheet date.

**b. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors have authorized senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

## (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments	1,204.29	1,420.53
Trade receivables	9,823.05	11,840.90
Cash and cash equivalents	1,409.22	772.60
Balances other than cash and cash equivalents	254.20	494.71
Loans	1,079.40	1,012.72
Other financial assets	332.54	904.80

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and are derived from revenue earned from customers primarily located in India and China. The Group continuously monitors the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The average credit period on sales of goods and services (other than moulds) within India is 30 to 60 days, sale of moulds is 180 days and sales of goods and services outside India is 30 to 90 days.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

(Rupees in lacs)

Particulars	Gross carrying amount	
	As at March 31, 2019	As at March 31, 2018
Not due	2,906.62	4,343.23
1-90 days past due	477.92	732.27
91 to 180 days past due	29.77	84.55
More than 180 days past due #	186.90	267.34
Other receivables having negligible credit risk	6,403.60	6,487.78
<b>Total</b>	<b>10,004.81</b>	<b>11,915.17</b>

# The Group believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

(Rupees in lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning	74.27	57.57
Add: Impairment loss recognised / (reversed)	111.00	16.69
Less: Amount written off	3.51	0.01
Balance at the end	181.76	74.27

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it would be able to approach and materialise new financing arrangements, unlocking of value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary (refer note 55).

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rupees in lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
From banks #	11,219.79	3,838.54
From others	-	-

# Includes Rs. 10,891.95 lacs (March 31, 2018 : Rs. 2,074.00 lacs) related to textile business of the Company. refer note 41 (a).

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Rupees in lacs)

As at March 31, 2019	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	5,994.00	-	6,801.95	161.00	6,962.95
Other financial liabilities	654.28	-	16.70	637.58	654.28
<b>Current liabilities</b>					
Borrowings	15,236.95	15,236.95	-	-	15,236.95
Trade payables	8,011.26	8,011.26	-	-	8,011.26
Other financial liabilities *	5,743.96	6,692.04	-	-	6,692.04
<b>Total</b>	<b>35,640.45</b>	<b>29,940.25</b>	<b>6,818.65</b>	<b>798.58</b>	<b>37,557.48</b>

(Rupees in lacs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	9,349.14	-	10,941.74	132.86	11,074.60
Other financial liabilities	647.33	7.45	29.80	610.08	647.33
<b>Current liabilities</b>					
Borrowings	16,948.81	16,948.81	-	-	16,948.81
Trade payables	10,505.97	10,505.97	-	-	10,505.97
Other financial liabilities *	4,203.83	5,387.09	-	-	5,387.09
<b>Total</b>	<b>41,655.08</b>	<b>32,849.32</b>	<b>10,971.54</b>	<b>742.94</b>	<b>44,563.80</b>

\* Contractual cash flow includes the interest to be incurred and paid in subsequent periods

## iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2019 and March 31, 2018 are as below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	USD	EURO	USD	EURO
<b>Financial assets</b>				
Trade receivables	2,764.21	-	2,679.09	-
Cash and cash equivalent	307.73	-	476.88	-
Loans and advances	22.00	-	58.98	-
<b>Total</b>	<b>3,093.94</b>	<b>-</b>	<b>3,214.95</b>	<b>-</b>
<b>Financial liabilities</b>				
Borrowings	1,136.58	-	5,681.93	-
Trade payables	175.39	-	284.94	10.28
Other current liabilities	74.39	-	63.40	-
<b>Total</b>	<b>1,386.36</b>	<b>-</b>	<b>6,030.27</b>	<b>10.28</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2019 (previous year ended as on March 31, 2018) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss before tax		Changes in equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2019</b>				
USD	(17.08)	17.08	(13.56)	13.56
EUR	-	-	-	-
<b>Total</b>	<b>(17.08)</b>	<b>17.08</b>	<b>(13.56)</b>	<b>13.56</b>
<b>For the year ended March 31, 2018</b>				
USD	28.15	(28.15)	28.15	(28.15)
EUR	0.10	(0.10)	0.10	(0.10)
<b>Total</b>	<b>28.25</b>	<b>(28.25)</b>	<b>28.25</b>	<b>(28.25)</b>

USD: United States Dollar, EUR: Euro

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

**Exposure to interest rate risk**

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at March 31, 2019	As at March 31, 2018
Term loans from banks (Non current)	5,994.00	9,349.14
Loans repayable on demand from banks	15,025.60	16,948.81
Loans repayable on demand from others	211.35	-
Current maturities of long term borrowings	3,709.14	2,615.52
<b>Total</b>	<b>24,940.09</b>	<b>28,913.47</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rupees in lacs)

Particulars	Profit or loss before tax		Changes in equity (net of tax)	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>Interest on term loans from banks</b>				
<b>For the year ended March 31, 2019</b>	<b>(275.38)</b>	<b>275.38</b>	<b>(218.68)</b>	<b>218.68</b>
For the year ended March 31, 2018	(229.42)	229.42	(229.42)	229.42

**54. Capital management**

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts adjusted with available cash and bank balances divided by total capital (equity attributable to owners of the parent).

(Rupees in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	<b>24,940.09</b>	28,913.47
Less : Cash and bank balances	<b>1,663.42</b>	1,267.31
<b>Adjusted net debt (A)</b>	<b>23,276.67</b>	27,646.16
<b>Total equity (B)</b>	<b>17,664.33</b>	17,662.09
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>1.32</b>	1.57

55. Subsequent to 31 March 2019 the National Company Law Tribunal ("NCLT"), vide its order dated 1 May 2019 has approved the demerger of the Textile Division with an appointed date of 1 April 2019. Consequently, the assets and liabilities of the Textile Division of the Holding Company will be transferred with effect from the aforesaid appointed date. After demerger of the Textile Division with effect from 1 April 2019, the net worth of the Holding Company will be substantially reduced and the current liabilities will exceed current assets by Rs. 6,739.35 Lacs as at the beginning of 1 April 2019. The Holding Company is facing liquidity issues and subsequent to the year end, the Holding Company has defaulted on its scheduled repayment of loans and interest payments aggregating Rs. 749.22 lacs to a bank and a financial institution. In addition, there are losses in an existing business of the Holding Company.

However, the management believes that the Holding Company will be able to continue its operations on a going concern basis, by infusing liquidity in the system by exploring various alternate sources, and also focusing on the business strategy and future operating plans of the existing businesses including proposal of strategic partnership for "capital and technology", which would help sustain the business operations and its growth. Accordingly, the financial statements have been prepared on a going concern basis.

**56 Interests in other entities****(a) Subsidiaries/ Special purpose entity**

The group's subsidiaries and controlled trust (treated as subsidiary for consolidation) at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
DCM Finance & Leasing Limited	India	100%	100%	-	-
DCM Textiles Limited	India	100%	100%	-	-
DCM Realty and Infrastructure Limited	India	100%	100%	-	-
DCM Tools & Dies Limited	India	100%	100%	-	-
DCM Realty Investment & Consulting Limited	India	100%	100%	-	-
DCM Data Systems Limited	India	100%	100%	-	-
DCM Nouvelle Limited	India	100%	100%	-	-
DCM Engineering Products Educational Society	India	100%	100%	-	-

## Principal activities of group companies

DCM Finance & Leasing Limited	The operations of this company mainly comprises income from real estate activities.
DCM Textiles Limited	This mainly includes business of ginners, weavers, spinners, dyers, manufactures, import, export in all kinds of yarn and cloth.
DCM Realty and Infrastructure Limited	This mainly includes business of construction and Real Estate.
DCM Tools & Dies Limited	The company is engaged in the business of purchase, sell, import, export, manufacture Tools & Dies.
DCM Realty Investment & Consulting Limited	The company is engaged in the business of housing finance and brokerage.
DCM Data Systems Limited	The company is engaged in the business of providing IT and allied services .
DCM Nouvelle Limited	This mainly includes business of ginners, weavers, spinners, dyers, manufactures, importers, exporters in all kinds of yarn and cloth.
DCM Engineering Products Educational Society	The trust (Special purpose entity) is engaged in providing educational services to children of its staff and workers mainly.

## (b) Joint venture

(Rupees in lacs)

Name of entity	Place of business	% of ownership interest	Accounting method	Carrying amount	
				31 March 2019	31 March 2018
Purearth Infrastructure Limited	New Delhi	16.56%	Equity	1,119.47	1,344.21
<b>Total equity accounted investments</b>				<b>1,119.47</b>	<b>1,344.21</b>

Purearth Infrastructure Limited ("PIL") is a joint arrangement carrying on business of real estate in which Group has joint control and a 16.56% ownership interest. PIL is structured as a separate legal entity and the Group has an interest in the net assets of PIL. Accordingly, the Group has classified its interest in PIL as a joint venture.

## Summarised financial information for joint venture

The tables below provide summarised financial information of PIL and the carrying amount of the Group's interest in PIL.

(Rupees in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Percentage ownership</b>	<b>16.56%</b>	16.56%
Non-current assets	4,010.11	2,253.32
Current assets (including cash and cash equivalent March 31, 2019:Rs 809.97 lacs, March 31, 2018:Rs 442.10 lacs)	52,092.16	39,019.40
Non-current liabilities (including non-current financial liabilities other than trade and other payables and provision March 31, 2019 : Rs 15,310.33 lacs, March 31, 2018 : Rs 10,366.48 lacs)	16,162.06	11,504.79
Current liabilities (including current financial liabilities other than trade and other payables and provision March 31, 2019 : Rs 3,441.12 lacs, March 31, 2018 : Rs 5,570.50 lacs)	29,954.24	17,905.79
<b>Net assets</b>	<b>9,985.97</b>	<b>11,862.14</b>
<b>Group's share of net assets</b>	<b>1,653.68</b>	1,964.37

Particulars	(Rupees in lacs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	(206.29)	852.05
Depreciation and amortisation	19.26	27.35
Finance costs	2,237.97	1,867.94
Income tax expense	(1,889.24)	1.04
Profit/(loss)	(1,816.85)	(2,845.47)
Other comprehensive income	(0.35)	6.92
<b>Total comprehensive income</b>	<b>(1,817.20)</b>	<b>(2,838.55)</b>
Group's share of profit	(224.74)	(472.00)
<b>Group's share of total comprehensive income</b>	<b>(224.74)</b>	<b>(472.00)</b>
<b>Reconciliation to carrying amounts of investments</b>		
Investment in joint venture	1,344.21	1,816.21
Profit/(loss) for the year	(1,817.20)	(2,838.55)
Group's share in the profit/(loss) (after adjustment for unrealised gain in inventories)	(224.74)	(472.00)
Carrying amount of investment in the joint venture	<b>1,119.47</b>	<b>1,344.21</b>

- (c) The Jointly controlled entity (PIL) has received advances Rs. 2,110.83 Lakhs (31 March 2018: Rs. 3,196.19) for sale bookings of units in Plaza 4 of Central Square project. These advances have been presented as 'Contract liabilities-advances from customers' under other current liabilities in the financial statements of PIL (share of Group in these advances of joint venture are amounting to Rs. 349.55 lacs (31 March 2018: Rs. 529.29)). During the current year, PIL, based on its best estimates of the cost to complete and revenue to be earned, has made a provision of Rs 342.15 Lakhs (31 March 18: Nil) towards foreseeable losses for such bookings in Plaza 4 (share of Group in this provision of foreseeable losses of joint venture is Rs. 56.66 lacs (31 March 2018: Rs. Nil)). The estimates involve certain assumptions and significant judgement and hence may undergo a change based on further execution of the project, the effects of which, if any, would be accounted for as change in estimates in the year of change.

57 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Joint venture.

(Rupees in lacs)

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent company:</b>								
DCM Limited								
March 31, 2019	110.16%	19,459.65	-757.61%	199.63	100.00%	28.16	12585.08%	227.79
March 31, 2018	108.89%	19,231.43	88.32%	(3,554.26)	100.00%	46.76	88.19%	(3,507.50)
<b>Subsidiaries:</b>								
DCM Data Systems Limited								
March 31, 2019	0.03%	5.00	0.19%	(0.05)	0.00%	-	-2.76%	(0.05)
March 31, 2018	0.03%	5.04	0.00%	-	0.00%	-	0.00%	-
DCM Finance & Leasing Limited								
March 31, 2019	0.07%	11.70	-0.80%	0.21	0.00%	-	11.60%	0.21
March 31, 2018	0.07%	11.49	-0.01%	0.27	0.00%	-	-0.01%	0.27
DCM Nouvelle Limited								
March 31, 2019	0.02%	3.35	0.91%	(0.24)	0.00%	-	-13.26%	(0.24)
March 31, 2018	0.02%	3.59	0.02%	(0.98)	0.00%	-	0.02%	(0.98)
DCM Realty Investment & Consulting Limited								
March 31, 2019	1.76%	310.57	1.33%	(0.35)	0.00%	-	-19.34%	(0.35)
March 31, 2018	1.76%	310.92	-0.04%	1.75	0.00%	-	-0.04%	1.75

Notes to the consolidated financial statements for the year ended March 31, 2019 continued

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
DCM Textiles Limited								
<b>March 31, 2019</b>	<b>0.03%</b>	<b>6.00</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
March 31, 2018	0.03%	6.01	0.00%	0.04	0.00%	-	0.00%	0.04
DCM Tools & Dies Limited								
<b>March 31, 2019</b>	<b>0.04%</b>	<b>6.78</b>	<b>-0.11%</b>	<b>0.03</b>	<b>0.00%</b>	<b>-</b>	<b>1.66%</b>	<b>0.03</b>
March 31, 2018	0.04%	6.75	0.00%	0.07	0.00%	-	0.00%	0.07
DCM Realty and Infrastructure Limited								
<b>March 31, 2019</b>	<b>0.02%</b>	<b>3.97</b>	<b>0.99%</b>	<b>(0.26)</b>	<b>0.00%</b>	<b>-</b>	<b>-14.36%</b>	<b>(0.26)</b>
March 31, 2018	0.02%	4.23	0.01%	(0.30)	0.00%	-	0.01%	(0.30)
DCM Engineering Products Educational Society								
<b>March 31, 2019</b>	<b>0.05%</b>	<b>9.06</b>	<b>0.19%</b>	<b>(0.05)</b>	<b>0.00%</b>	<b>-</b>	<b>-2.76%</b>	<b>(0.05)</b>
March 31, 2018	0.05%	8.91	-0.01%	0.49	0.00%	-	-0.01%	0.49
Elimination on consolidation								
<b>March 31, 2019</b>	<b>-12.18%</b>	<b>(2,151.75)</b>	<b>2.01%</b>	<b>(0.53)</b>	<b>0.00%</b>	<b>-</b>	<b>-29.28%</b>	<b>(0.53)</b>
March 31, 2018	-10.91%	(1,926.28)	-0.02%	0.84	0.00%	-	-0.02%	0.84
NCI in all subsidiaries								
<b>Joint venture (Investments as per Equity Method)</b>								
Purearth Infrastructure Limited								
<b>March 31, 2019</b>	<b>6.34%</b>	<b>1,119.47</b>	<b>852.90%</b>	<b>(224.74)</b>	<b>0.00%</b>	<b>-</b>	<b>-12416.57%</b>	<b>(224.74)</b>
March 31, 2018	7.61%	1,344.21	11.73%	(472.00)	0.00%	-	11.87%	(472.00)
<b>Total</b>								
<b>March 31, 2019</b>		<b>17,664.33</b>		<b>(26.35)</b>		<b>28.16</b>		<b>1.81</b>
March 31, 2018		17,662.09		(4,024.08)		46.76		(3,977.32)

**DCM Limited**

Regd. Office: Vikrant Tower, 4 Rajendra Place, New Delhi - 110 008  
CIN: L74899DL1889PLC000004 E-mail: investors@dcm.in Phone: 011-25719967

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019**  
**Financial results - Consolidated**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income (Rs. In lacs)	NA	NA
	2.	Total Expenditure (Rs. In lacs)	NA	NA
	3.	Net Profit/(Loss) (Rs. In lacs)	NA	NA
	4.	Earnings Per Share (Rs. In lacs)	NA	NA
	5.	Total Assets (Rs. In lacs)	NA	NA
	6.	Total Liabilities (Rs. In lacs)	NA	NA
	7.	Net Worth (Rs. In lacs)	NA	NA
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA
<b>II.</b>	<b>Audit Qualification:</b>			
	a.	<p><b>Details of Audit Qualification:</b> Qualification referred to in Paragraph 5 of the Independent Auditors' Report dated 29 May 2019 of DCM Limited on the consolidated financial results for the year ended 31 March 2019.</p> <p>Attention is invited to note 10 which states that the financial results for the year ended 31 March 2019 of the Company's jointly controlled entity, viz, Purearth Infrastructure Limited (PIL), are included in these consolidated annual financial results, based solely on the financial results of PIL as provided by the management, and are subject to audit. These consolidated annual financial results include the Group's share of net loss (and other comprehensive income) of Rs. 227 Lacs for the year ended 31 March 2019, in respect of the aforesaid jointly controlled entity. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, is based solely on the unaudited financial results provided to us.</p>		
	b.	<b>Type of Audit Qualification :</b> Modified Opinion		
	c.	<b>Frequency of qualification:</b> This qualification is appearing first time.		
	d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not applicable		
	e.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> Not applicable		
	(i)	<b>Management's estimation on the impact of audit qualification:</b> Not applicable		
	(ii)	<p>If management is unable to estimate the impact, reasons for the same:</p> <p>The share of Company's jointly controlled entity, Purearth Infrastructure Limited (PIL), accounted for using equity method in the consolidated annual financial results for the quarter and year ended 31 March 2019 have been included solely based on the financial results prepared by the PIL's management. However the management believes that there would not be any significant adjustments to these unaudited financial results. The audit of the financial results of the jointly controlled entity is under progress and it is expected that audit will be finalized before the statutory requirements.</p>		
	(iii)	<p>Auditors' Comments on (i) or (ii) above:</p> <p>Our opinion, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, in the consolidated annual financial results is based solely on the unaudited financial results provided to us.</p>		

III.	<b>Signatories:</b>
	For <b>DCM Limited</b>
	<b>Dr. Vinay Bharat Ram</b> Chairman and Managing Director DIN : 00052826
	<b>Ashwani Singhal</b> Chief Financial Officer
	<b>Bipin Maira</b> Chairman Audit Committee DIN : 05127804
	For <b>B S R &amp; Co. LLP</b> <i>Chartered Accountants</i> Firm Registration No.: 101248W/W-100022
<b>Kaushal Kishore</b> Partner Membership No.: 090075	
<b>Place: New Delhi</b>	
<b>Date: May 29, 2019</b>	

**Note:**

The above 'Statement on Impact of Audit Qualifications' was submitted to stock exchanges on May 29, 2019 along with Annual Audited Consolidated Financial Results for the year ended March 31, 2019 in compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prepared based on the unaudited financial results of the Joint Venture Company for the year ended March 31, 2019.

However, these Consolidated Financial Statements approved by the Board on August 12, 2019 have been prepared based on the audited financial statements received from Joint Venture Company for the year ended March 31, 2019.

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A" : Subsidiaries

(Rupees in lacs)

SN	Name of the Subsidiary Company	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit/(loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
1	DCM Textiles Limited	5.00	1.00	6.14	0.14	-	-	0.07	0.08	(0.01)	-	100.00%
2	DCM Realty Investment & Consulting Limited	255.01	55.56	311.18	0.61	-	-	(0.35)	-	(0.35)	-	99.99%
3	DCM Tools & Dies Limited	5.00	1.78	6.92	0.14	-	-	0.12	0.09	0.03	-	100.00%
4	DCM Finance & Leasing Limited	5.10	6.60	11.91	0.21	-	-	0.39	0.18	0.21	-	99.99%
5	DCM Data Systems Limited	5.00	-	5.13	0.13	-	-	0.02	0.06	(0.04)	-	100.00%
6	DCM Nouvelle Limited	5.00	(1.65)	3.44	0.09	-	-	(0.24)	-	(0.24)	-	100.00%
7	DCM Realty and Infrastructure Limited	5.00	(1.03)	4.06	0.09	-	-	(0.26)	-	(0.26)	-	100.00%

Subsidiaries which are yet to commence business.

- DCM Tools & Dies Limited
- DCM Textiles Limited
- DCM Data Systems Limited
- DCM Realty and Infrastructure Limited

## Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

## Part "B" : Joint Ventures

(Rupees in lacs)

1	Name of the Joint Venture	Purearth Infrastructure Limited
2	Latest audited Balance Sheet Date	March 31, 2019
3	Share of joint venture held by the Company on the year end	
	No.	17,853,605
	Amount invested in joint venture	2,986.18
	Extent of holding %	16.56%
4	Description of how there is significant influence	Pursuant to shareholder agreement.
5	Reason why the joint venture is not consolidated	Accounted as per equity method in consolidated accounts.
6	Net worth attributable to shareholding as per latest balance sheet	1,657.84
7	Profit/ (Loss) for the year	
i	Considered in consolidation *	(224.74)
ii	Not considered in consolidation	-

\* After eliminations / reversal of elimination on consolidation.

For and on behalf of Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singhal**  
Chief Financial Officer**Yadvinder Goyal**  
Company Secretary

Place: New Delhi

Date: August 12, 2019

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.

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**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]

**129<sup>TH</sup> ANNUAL GENERAL MEETING - SEPTEMBER 30, 2019**

Name of the Member(s):


Registered address:


Email:

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Folio No. / Client ID: 

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DP ID: 

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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 129<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 11:00 a.m. at 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 over leaf:



Resolution Number	Resolutions	Vote (Optional See Note 4)	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of: a. the audited standalone financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon; and b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2019 together with Report of Auditors thereon		
2	Ordinary Resolution for approval of appointment of a director in place of Dr. Vinay Bharat Ram, who retires by rotation and being eligible, offers himself for re- appointment		
<b>Special Business</b>			
3	Ordinary Resolution for approval of the appointment of Mr. Sumant Bharat Ram (DIN 00052833), as a Director of the Company, liable to retire by rotation.		
4	Special Resolution for approval of appointment of Mr. Jitendra Tuli, (DIN 00272930), as an Independent Director of the Company, not liable to retire by rotation.		
5	Special Resolution for approval of re- appointment of Mr. Ravi Vira Gupta, (DIN 00017410), as an Independent Director of the Company, not liable to retire by rotation.		
6	Special Resolution for approval of re- appointment of Mr. Bipin Maira, (DIN 05127804), as an Independent Director of the Company, not liable to retire by rotation.		
7	Special Resolution for approval of re- appointment of Mr. Sudhir Kumar Jain, (DIN 06419514), as an Independent Director of the Company, not liable to retire by rotation.		
8	Special Resolution for approval of re- appointment of Dr. Meenakshi Nayar, (DIN 06866256), as an Independent Woman Director of the Company, not liable to retire by rotation.		
9	Special Resolution pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for approval of continuation of appointment Dr. Vinay Bharat Ram (DIN 00052826, as a Director of the Company, whose office of director is liable to retire by rotation.		
10	Special Resulation for approval of re- appointment of Mr. Sushil Kapoor (DIN 02481289) as Whole-Time Director designated as Executive Director (Engineering Business) of the Company, for a period of three (3) years w.e.f. January 15, 2019 upto January 14, 2022.		
11	Ordinary Resolution for approval of ratification of remuneration payable to Cost Auditors for Financial Year 2019-20.		
12	Special Resulation for approval to sell, transfer, hive-off and/or otherwise dispose of Business Undertaking, namely, 'DCM Engineering Products' located at village Asron, Shaheed Bhagat Singh Nagar, Punjab-140001 to DCM Tools & Dyes Limited, wholly owned subsidiary of the Company, on a going concern basis by way of a slump sale		
13	Special Resulation for approval to sell/transfer/or otherwise dispose off in any manner of more than 50% of company's shareholding in DCM Tools & Dyes Limited, wholly owned subsidiary of the company (hereinafter referred to as 'DTDL') and/or to sell, transfer, dispose of asset(s) and/or, the whole or substantially the whole of the undertaking or one or more undertakings of DTDL		

Signed this ..... day of ..... 2019

.....  
Signature of the member

Affix revenue stamp of not Less than Rs. 0.15
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.....  
Signature of the first proxy holder

.....  
Signature of the second proxy holder

.....  
Signature of the third proxy holder

**Notes:**

- 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.**
- A Proxy need not be a member of the Company.**
- 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.
- It is optional to indicate your preference. Please put '√' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

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**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****129<sup>TH</sup> ANNUAL GENERAL MEETING - SEPTEMBER 30, 2019**

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

I hereby record my presence at the 129<sup>th</sup> Annual General Meeting of the Company at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054, on Monday, September 30, 2019 at 11:00 A.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**REMOTE E - VOTING PARTICULARS**

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

**Note:** Please read instructions given at Note No. 26 of the Notice of the 129<sup>th</sup> Annual General Meeting carefully before voting electronically.