BOARD OF DIRECTORS

Dr. Vinay Bharat Ram - Executive Chairman

Mr. Sumant Bharat Ram - Executive Vice Chairman & Managing Director

Mr. Chandra Mohan

Mr. Ravi Vira Gupta

Mr. Raghupati Singhania

Mr. Sudhir Kumar Jain

Mr. L. Lakshman

GM (FINANCE & ACCOUNTS)

Mr. Ramesh Goel

COMPANY SECRETARY

Mr. Apil Agrawal

AUDITORS

BSR & Co., Gurgaon

BANKERS

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

REGISTERED OFFICE

Vikrant Tower, 4

Rajendra Place

New Delhi - 110 008

WORKS

Village Asron, Roop Nagar - 140 001 (Punjab)

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting this 24th Annual Report together with the Audited Financial Statements of your company for the year ended March 31, 2013.

Automotive Industry Scenario

The slowdown in automotive industry in India which was started in the second half of the financial year 2011-12, continued to prevail during the financial year 2012-13, due to firm interest rates, higher fuel price as a result of de regulation of fuel prices and raise in excise duties etc. The overall GDP growth has been sedate and remained below trend levels. The Index of Industrial Production (IIP) growth has also come in low single digits, reflecting a weak industrial cycle during the financial year 2012-13.

Auto industry body 'Society of Indian Automobile Manufacturers (SIAM)' had to revise its vehicle sales projection downward four times during the financial year 2012-13. From its initial ambitious growth estimation of 12%, SIAM gradually reduced the estimates and reached at around 3 % growth in the fourth quarter of the financial year 2012-13.

As per recent release of SIAM, the overall growth in domestic sales during April-March 2013 was 2.61 percent over the same period last year. Passenger Vehicles segment grew at 2.15 percent during April-March 2013 over same period last year. Passenger Cars declined by (-) 6.69 percent, Utility Vehicles grew by 52.20 percent and Vans grew only by 1.08 percent during April-March 2013 as compared to the same period last year.

The overall Commercial Vehicles segment registered de-growth of (-) 2.02 percent in April-March 2013 as compared to the same period last year. While Medium & Heavy Commercial Vehicles (M&HCVs) declined by (-) 23.18 percent, Light Commercial Vehicles grew at 14.04 percent. In March 2013, M&HCVs sales further declined by (-) 26.16 percent over March 2012.

Growth in tractor segment though witnessed downfall over previous year, has started showing good growth in the first quarter of 2013-14 mainly on account of harvesting season and prediction of normal monsoon ahead.

Diesel car sales continued to grow during the financial year 2012-13 at moderate rate mainly on account of difference between the fuel prices. However, the recent change in the Government policy with respect to decontrol of diesel pricing, would lead to reduction of gap between diesel & petrol prices. Hence the demand situation for diesel vehicles may get affected in the times to come.

However, the market sentiment for auto industry may move towards positive during the current financial year, due to recent reductions in fuel prices and reduction in interest rate by Reserve Bank of India (RBI). Further easing in interest rate by RBI is also expected, due to moderation in rate of inflation, which will be a breather for the industry and especially for the auto sector.

Further, the Indian automobile sector is about to achieve scale, with global OEMs expanding capacities and introducing multiple products across the segments. Thus, in the times to come, the casting industry in India is expected to remain on the growth track.

Financial Highlights

(Rs. in Lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Gross Despatch of Casting (in MT)	**52,028**	58,365
Gross Sales/Turnover	**43,304**	46,700
Profit before Depreciation, Interest & Tax	**1,023**	3,018
Less: Finance Cost	**680**	817
Less: Depreciation	**843**	915
Profit before Tax (PBT)	**(500)**	1,286
Less: Provision for Taxation including Deferred Tax	**394**	372
Profit after Tax (PAT)	**(894)**	914
Add: Opening Balance in Surplus Profit Account	**3,478**	3,423
Balance in Surplus Account available for appropriation	**2,584**	4,337
Dividend on equity shares	**-**	601
Corporate Tax on Dividend	**-**	98
Amount Transferred to General Reserve	**-**	160
Profit Carried to Balance Sheet	**2,584**	3,478

Operations

Your company had also witnessed the chill of the slowdown and could achieve a total dispatch of 52,028 MT in 2012-13 as against 58,365 MT in 2011-12. The downfall in production / dispatch by around 11.60 % during the year over previous year was primarily due to shut down of plant for nearly 45 days for planned up-gradation of PLC & Hydraulic system in Kunkel Wagner (KW) line and replacement of old Mould Box to ensure improved control system, leading to better productivity and quality.

Other reason(s) for loss of production during the year was the change of product portfolio, by switching over from some of the simpler and traditional blocks & housings to complex products. The said switchover to new/complex products had contributed to higher rejection levels than the planned level and sub-optimal productivity. Stabilising the process and enhancing expertise to produce these products in future will be the focus of your company from an immediate as well as long term perspective. During the current year, the company is focusing for achieving more flexibility to adopt the new products and at the same time stability of systems for these products, on priority basis.

Due to said plant shutdown/production loss and highly competitive/weak market scenario profitability of your company during the financial year 2012-13 was adversely affected.

The present emphasis of your company was to upgrade the existing facility to enhance quality and productivity. Accordingly, major up-gradation projects were undertaken during last year to upgrade the assembly line of Core Shop one, two part area, KW Line and change of Layout plan etc. In order to meet the new generation high casting quality standards, the Company has gone for Loramendi Core Centre as a technology shift.

The focus on TQM has undergone a significant change. While the stress on deploying 5S and autonomous maintenance across the plant continued, a totally new initiative of planning, execution and review was strengthened during the year. Annual Planning Cycle (APC) is deployed through Goals and Means Matrix and fixing the Control Points for each individual.

Your company believes that the impact of these initiatives will be visible during the current year.

To explore the new market in non-automotive segments, your company is venturing to supply Blocks & Heads for power generators. These efforts will yield a share of non-automotive business as well in the kitty of your company.

Directors

In terms of Section 256 of the Companies Act, 1956 and article 106 of Articles of Association of the Company, Mr. Sumant Bharat Ram and Mr. Raghupati Singhania will retire by rotation and being eligible, offer themselves for re-appointment.

Subsidiary Company

The Company does not have any subsidiary.

Listing

The shares of the Company are not listed at any Stock Exchange.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby state and confirm:

(i) That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) That 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 account of the Company for that Period;

(iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the directors had prepared the annual accounts on a going concern basis.

Corporate Governance Report

Your company's shares are not listed at any Stock Exchange and thus the provisions of clause 49 of Listing Agreement relating to the compliances of Corporate Governance are not applicable to it. However, your Company as a part of its endeavor to follow the principle of Corporate Governance voluntarily observes compliance of code of Corporate Governance. The Company is having a well-structured and qualified Board of Directors comprising of Executive, Non-Executive (Independent) Directors. All material information is placed before the Board of Directors. The Board of Directors has constituted a Committee of its directors for Audit, Compensation and Finance Facilities.

Fixed Deposits

Your company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956.

Dividend

The Directors did not recommend dividend for the year under review since, the company has no divisible profit for the financial year.

Auditors and Auditors' Report

The Auditors of the Company, M/s. B S R & Co, Chartered Accountants., will retire at the conclusion of ensuing 24th Annual General Meeting and are eligible for re-appointment.

The Company has received letter from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Your Board recommends their re-appointment at the ensuing Annual General Meeting.

The Auditors' observations in their Report and the relevant notes to the accounts are self-explanatory.

Cost Audit

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed cost audit of the Company. The Board of Directors had re-appointed M/s V. Kumar & Associates, Chandigarh as the Cost Auditors of the Company for the Financial Year 2012-13. The Central Government had approved the re-appointment of M/s V. Kumar & Associates, Chandigarh as the Cost Auditors of the Company. The Cost Audit Report for the financial year 2011-12 was filed on January 25, 2013 and the report for the financial year 2012-13 would be filed with the Central Government as per statutory timeline.

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The information relating to Conservation of energy, Technology absorption and Foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is given in **Annexure "A"**, forming part of this Report.

Particulars of Employees

This information as required in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in **Annexure "B"** to the Directors' Report.

Industrial Relations

The relations between the Management and the workforce remained cordial throughout the year. TQM activities like QC Circles, Sankalp Kaizen schemes & autonomous maintenance activities continued throughout the year. During the year under review, the Company has entered into a wage settlement with the workers with effect from January 1, 2013 for three years.

Committee of Directors

The Company had constituted a Committee of Directors comprising of three independent directors to oversee and monitor various matters relating to audit, compensation and finance functions. As on March 31, 2013, the Committee of the Board comprised of Mr. Ravi Vira Gupta – Chairman, Mr. L Lakshman and Mr. Chandra Mohan as members of the Committee.

Mr. Apil Agrawal, Company Secretary of the Company acts as secretary to the Committee.

Acknowledgment

The Board of Directors wishes to acknowledge and place on record its sincere thanks to 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

Date : May 17, 2013 — **Dr. Vinay Bharat Ram**

Place : New Delhi — **Executive Chairman**

"ANNEXURE A"

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013

FORM A

Conservation of Energy

Energy Conservation at DCM Engineering Limited has always been a priority. The Company's factory situated at Ropar (Punjab) has been using state of the art technology and is constantly upgrading the same.

Research and Development

Specific Areas in which R&D carried out by the Company : Nil
Benefits Derived : N.A.
Expenditure on R&D : Nil

Energy Conservation Measures Taken

The foundry is an energy intensive industry and besides the national objective of reducing energy consumption in these times of scarcity, it is also critical to the business objective to constantly innovate to reduce energy consumption. Towards this objective some of the key initiatives by the Company for the year 2012-13 were:

1 In plant one, 4 (four) items were converted from hot box technology to cold box technology to save LPG consumption and increase productivity.
2 In plant two, cylinder head line was converted from shell technology port cores to cold box technology resulting in reduction of electricity consumption & increase in productivity.
3 Removal of Sprue cutter connection from Mould Master and attached to Vent Hole Drilling (VHD) power pack, eliminating the operation of a 25 HP motor.
4 Capacity balancing of vertical oven number-one was reduced to single shift in place of three shifts to save energy.
5 In Fettling & Dispatch area, four numbers of motors having 60 HP load were replaced with 30 HP motors in new indabrator.
6 In Utility area, two numbers of reciprocating compressors were replaced with one number of screw compressors.
7 In High Pressure Mould (HPM) Line, 40 HP motor replaced with 25 HP motor.
8 Re-arranged the lamps and required illumination for plant was done with lesser lamps.
9 In Fettling & Dispatch area, air valve of pneumatic grinders closed during non working hours.
10 In Fettling & Dispatch, all air leakages points were plugged.

Impact of the above Measures

Due to the addition of equipments and increased trial runs, the resultant units of electric power consumed has gone up from 1497 Kwh per MT in 2011-12 to 1517 Kwh per MT in 2012-13. However, with the implementation of above measures for energy conservation a better trend has been observed towards the end of the year, which will be carried into 2013-14.

FORM A: Form for disclosure of particulars with respect to conservation of energy (See rule 2)

A. Power and fuel consumption

1. Electricity				
(a)	**Purchased**	**Unit**	**Current Year 2012-13**	Previous Year 2011-12
	Unit	MWH	**84819**	94698
	Total Amount	Rs. Lacs	**5378.06**	4976.74
	Rate/unit	Rs.	**6.34**	5.25
(b)	**Own generation**			
	(i) Through diesel generator			
	Unit	MWH	**65**	37
	Units per ltr. of diesel oil	KWH	**3.55**	3.52
	Cost/unit	Rs./KWH	**11.29**	10.29
	(ii) Through steam Turbine/generator	N.A.	**N.A.**	N.A.
	Units	N.A.	**N.A.**	N.A.
	Units per ltr. of fuel oil/gas	N.A.	**N.A.**	N.A.
	Cost/unit	N.A.	**N.A.**	N.A.
2.	**Coal (specify quality and where used)**	N.A.	**N.A.**	N.A.
	Quantity (tonnes)	N.A.	**N.A.**	N.A.
	Total Cost	N.A.	**N.A.**	N.A.
	Average Rate	N.A.	**N.A.**	N.A.
3.	**Furnace oil (LDO, HSD)**	**Unit**		
	Quantity (K. ltrs.)	K. Ltr.	**1701**	2247.03
	Total Amount	Rs. Lacs	**676.56**	808.15
	Average Rate	Rs./K.Ltr.	**39774**	35965
4.	**LPG**			
	Quantity	MT	**751.93**	758.81
	Total Cost	Rs. Lacs	**488.20**	391.90
	Rate/unit	Rs./MT	**64926**	51647

B. Consumption per unit of Gross production			
Purchased	**Unit**	**Current Year 2012-13**	Previous Year 2011-12
Products (Alloy Iron Castings) Gross	MT	**55958**	63291
Electricity	KWH/MT	**1517**	1497
Furnace oil (LDO, HSD)	Ltr./MT	**30.39**	35.50
Coal (specify quality)	NA	**N.A**	N.A.
LPG	Kg./MT	**13.44**	11.99

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

I. Research and Development

Specific areas in which R&D carried out by the Company : Nil
Benefits Derived : N.A.
Expenditure on R&D : Nil

II. Technology absorption, adaptation and innovation efforts made:

During the year, your company installed several new Technology Savvy equipments for automation, which are as follows;

1 Installation of fettling machine: a fully automated fettling machine SAM 600 from Maus SpA of Italy which can fettle 600 MT castings per month was installed and stabilized. Now the total in house fettling capacity along with previous SAM 1200 is 1500 MT per month.

2 New automated core cell for plant - 2 was procured from LORAMENDI S.COOP., Spain: The machinery has arrived at the plant. It will be commissioned by May 2013 and mass production will be carried out from Sep 2013. This machine will promote high volume and consistent quality for critical blocks which is essential to stay ahead in the production of Cylinder Heads and Blocks. This is a technology shift from conventional core shooting machines. The major advantages of this machine compared with existing conventional machines are as under :

a) This is a highly productive automatic core centre which will give 120 core packages per hour from the present capacity of 20 core packages per hour.
b) This will provide better dimensional accuracy which in turn helps to reduce the weight of the casting and would also improve the casting yield by around 1 %.
c) With this machine the whole transport, assembly, dipping & drying process will be done by robots reducing manpower requirement from 38 persons per shift, to 12 persons per shift.
d) Due to latest sand mixing technology, there will be reduction in core rejection as well as casting rejection besides saving in consumption of resins.
e) This set up will meet the requirement of customers both domestic and overseas since this technology gives the consistency & reliability which are essential for new generation blocks.

3. PLC and hydraulic System up gradation in Kunkel Wagner line (KW Line) obtained from Kunkel Wagner Germany: The company had upgraded present control system from S5 Siemens which was DOS based to S7 PLC. This will improve in the response time and reduce the cycle time by 4 seconds per mould. As a result mouldling line capacity will be increased by 408 MT/month of gross production ie 5760 MT / year. Apart from the Capacity addition, this will benefit better sand distribution system in the moulding box, improve machine cycle time, less scan time and better control and maintainability of the equipments.

4. Moulding Box for KW Line from China: The Company had replaced old Mould boxes in KW line to improve the quality.

III. Foreign Exchange Earnings & Outgo

1.	Activities taken to export, initiative taken to increase export, Development of new export market for products and services and export plans.	As mentioned earlier, your company's focus was domestic market. However, your company was keen to resume business in export market with M/s. Perkins, being part of the Caterpillar group. Your company has already supplied a PPAP batch which has performed well & supplies are expected to resume in 2013-14.
2.	Total Foreign Exchange used and earned	Amount (Rs in lacs)
	Used	Rs. 3355.90 lacs (FY-2011-12 is Rs. 565.51 lacs)
	Earned	Rs. Nil lacs (FY- 2011-12 is Rs. 27.01 lacs)

"ANNEXURE B"

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report

Name	Age (year)	Designation	Qualification	Total Experience	Date of Joining	Remuneration received p.a. (Rs. in Lacs)	Details of last Employment: Name of Co.	Details of last Employment: Designation
(A) Employed throughout the year under review:								
Dr. Vinay Bharat Ram	77	Executive Chairman	B.A. (Hons.) Economics, Delhi, MBA Michigan University (Ann Arbor) Management Development Programme, Harvard University, Ph.d. in Economics from University of Delhi	51 Years	25/09/2001	142.52	DCM Limited	Chairman and Managing Director
(B) Employed/paid remuneration for a part of the year under review:								
Mr. Sumant Bharat Ram	46	Executive Vice Chairman	B.A. (Hons.) Economics, MBA	21 Years	01/06/2010	81.44	DCM Limited	President - Corporate Affairs
Mr. Jai Kumar Menon	53	Managing Director	B. Tech. (Mechanical)	30 Years	15/11/2007	90.60	Minda Group of Industries	President

1. The employments are contractual.
2. The remuneration includes basic salary, allowances and taxable value of perquisites.
3. Dr. Vinay Bharat-Ram, Executive Chairman and Mr. Sumant Bharat Ram, Executive Vice Chairman, are relatives.

For and on behalf of the Board

Date : May 17, 2013
Place : New Delhi

Dr. Vinay Bharat Ram
Executive Chairman

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DCM ENGINEERING LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of DCM Engineering Limited ('the Company') which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
(ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
   (v) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BSR & Co.
Chartered Accountants
Firm Registration No. 101248W

Place : Gurgaon
Date : 17 May 2013

Kaushal Kishore
Partner
Membership No. 090075

Annexure to the Auditor's Report

The Annexure referred to in our report to the members of DCM Engineering Limited ('the Company') for the year ended 31 March 2013. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified 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. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.

(ii) (a) Inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As informed to us and according to the information and explanations given to us, there are no firms covered in the register required under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanations that purchase of inventories are for the Company's specialised requirements and similarly goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods. We have neither observed nor have been informed of any instances of major weakness in the internal control system during the course of our audit.

(v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered in the register maintained under section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, we are of the opinion that the Company has an internal audit system commensurate with the size of the company and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of manufacturing of goods and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(ix) (a) 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, employees' state insurance, income-tax, wealth-tax, sales-tax, service tax, excise duty, customs duty and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of investor education and protection fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, sales-tax, service tax, excise duty, customs duty and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of wealth tax, sales tax and customs duty which have not been deposited with the appropriate authorities on account of any dispute. The details of disputed excise duty, service tax and income-tax dues that have not been deposited by the Company as at 31 March 2013 are as follows:-

Name of the Statute	Nature of the dues	Forum where pending	Amount Involved* (Rs. lacs)	Amount Paid under Protest (Rs. lacs)	Year to which the amount relates
Central Excise Tax Law	Excise duty	Commissioner of Central Excise (Appeals)	54.12	-	2010-12
		Customs Excise and Service Tax Appellate Tribunal	595.81	-	1996-1999, 2004-2011
		Supreme Court	3.07	-	2002-2004
Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal	1.24	-	2005-2009
Income tax Act, 1961	Income tax	Income Tax Appellate Tribunal	12.72	12.72	2007-2008

*amount as per demand orders, including interest and penalty wherever quantified in the order.

(x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year and in the immediately preceeding financial year.

(xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. The Company does not have any dues payable to any financial institutions or debenture holders.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) Based on our examination of books of account and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares during the year.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

(xxi) Based on our examination of the books of account and in accordance with the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For BSR & Co.
Chartered Accountants
Firm Registration No. 101248W

Place : Gurgaon
Date : 17 May 2013

Kaushal Kishore
Partner
Membership No. 090075

BALANCE SHEET

Balance Sheet as at 31 March 2013

	Note	As at 31 March, 2013 (Rs. lacs)	As at 31 March, 2012 (Rs. lacs)
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	2,005.00	2,005.00
Reserves and Surplus	3	6,504.19	7,398.35
		8,509.19	9,403.35
Non-Current liabilities			
Long-term borrowings	4	2,794.14	265.27
Long-term provisions	5	1,506.22	1,502.59
		4,300.36	1,767.86
Current liabilities			
Short-term borrowings	6	4,843.57	4,200.21
Trade payables	7	3,537.43	3,080.66
Other current liabilities	8	1,637.21	1,061.80
Short-term provisions	5	205.26	801.69
		10,223.47	9,144.36
		23,033.02	20,315.57
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	6,875.82	5,252.18
Intangible assets	10	94.89	47.07
		6,970.71	5,299.25
Capital work-inprogress (Refer to Note 37)		3,401.36	389.51
		10,372.07	5,688.76
Non-currnet investments	11	750.35	750.35
Deferred tax asset (net)	12	-	397.50
Long-term loans and advances	13	1,363.13	1734.48
Other non-current assets	14	1.00	-
		12,486.55	8,571.09
Current Assets			
Inventories	15	3,210.04	3,702.23
Trade receivables	16	6,377.29	6,975.61
Cash and bank balances	17	138.76	63.73
Short-term loans and advances	13	694.68	665.53
Other current assets	14	125.70	337.38
		10,546.47	11,744.48
		23,033.02	20,315.57
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report attached
For BSR & Co.
Chartered Accountants
Firm Registration No.: 101248W

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

Dr. Vinay Bharat Ram
Executive Chairman (Director)

Sumant Bharat Ram
Executive Vice Chairman (Director)

Kaushal Kishore
Partner
Membership No. 090075

Ravi Vira Gupta
Director

Ramesh Goel
GM (Finance & Accounts)

Place : Gurgaon
Date: 17 May 2013

Place : New Delhi
Date : 17 May 2013

Apil Agrawal
Company Secretary

PROFIT AND LOSS ACCOUNT

Statement of Profit and Loss for the year ended 31 March 2013

	Note		For the year ended 31 March, 2013 (Rs. lacs)	For the year ended 31 March, 2012 (Rs. lacs)
Revenue				
Revenue from operations				
Sale of products (gross)	18		43,178.48	46,569.42
Less: Excise duty			4,831.82	4,466.46
Sale of products (net)			38,346.66	42,102.96
Other operating revenues	18		125.61	130.92
			38,472.27	42,233.88
Other income	19		108.27	401.05
			38,580.54	42,634.93
Expenses				
Cost of materials consumed	20		16,197.18	18,376.35
Changes in inventories of work in progress	21		(91.56)	(142.87)
Employee benefits expense	22		4,890.79	4,789.89
Finance costs	23		673.91	817.03
Depreciation and amortisation expense	24		842.54	915.32
Other expenses	25		16,567.96	16,593.27
			39,080.82	41,348.99
(Loss)/profit before tax			(500.28)	1,285.94
Tax expense				
- current tax			-	440.48
- adjustment for earlier year			(3.62)	-
- deferred tax charge/(benefit)		(166.36)		
Less: valuation allowance		563.86	397.50	(68.35)
(Loss)/profit for the year			(894.16)	913.81
(Loss)/earnings per equity share (face value of Rs. 10 per share)				
- Basic			(4.46)	4.56
- Diluted			(4.46)	4.56
Significant accounting policies	1			

The notes referred to above form an integral part of the financial statements.

For BSR & Co.
Chartered Accountants
Firm Registration No.: 101248W

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

Dr. Vinay Bharat Ram
Executive Chairman (Director)

Sumant Bharat Ram
Executive Vice Chairman (Director)

Kaushal Kishore
Partner
Membership No. 090075

Ravi Vira Gupta
Director

Ramesh Goel
GM (Finance & Accounts)

Place : Gurgaon
Date: 17 May 2013

Place : New Delhi
Date : 17 May 2013

Apil Agrawal
Company Secretary

CASH FLOW

Cash Flow Statement for the year ended 31 March 2013

		For the year ended 31 March, 2013 (Rs. lacs)	For the year ended 31 March, 2012 (Rs. lacs)
A.	**Cash flow from operating activities:**		
	(Loss)/profit before tax	**(500.28)**	1,285.94
	Adjustments for:		
	- Depreciation and amortisation expense	**842.54**	915.32
	- Net loss/(profit) on sale/discard of fixed assets	**17.21**	(268.19)
	- Capital work-in-progress written off	**72.61**	-
	- Dividend income	**(18.09)**	(25.32)
	- Interest expense	**634.09**	766.58
	- Interest income	**(86.22)**	(83.56)
	Operating profit before working capital changes	**961.86**	2,590.77
	Adjustments for:		
	- Decrease / (increase) in long-term loans and advances	**4.64**	(344.21)
	- Decrease / (increase) in inventories	**492.19**	(351.08)
	- Decrease / (increase) in trade receivables	**598.32**	(257.25)
	- Increase in short-term loans and advances	**(254.15)**	(19.17)
	- Decrease in other current assets	**263.91**	529.78
	- Increase in long-term provisions	**3.63**	154.72
	- Increase in trade payables	**456.77**	1,083.26
	- Increase / (decrease) in other current liabilities	**68.66**	(143.60)
	- Increase / (decrease) in short-term provisions	**102.65**	(80.11)
	Cash generated from operations	**2,698.48**	3,163.11
	Taxes paid (including interest on taxes)	**(73.25)**	(595.10)
	Net cash generated from operating activities	**2,625.23**	2,568.01
B.	**Cash flow from investing activities:**		
	Loans received back (net)	**225.00**	250.00
	Purchase of fixed assets	**(5,214.09)**	(1,563.93)
	Sale of fixed assets	**15.51**	303.29
	Increase in fixed deposits with original maturities greater than 3 months	**(23.42)**	(0.87)
	Dividend received	**18.09**	25.32
	Interest received	**33.99**	83.43
	Net cash used in investing activities	**(4,944.92)**	(902.76)
C.	**Cash flow from financing activities:**		
	Proceeds from long-term borrowings (net)	**2,996.54**	-
	Repayment of long-term borrowings (net)	**-**	(656.42)
	Changes in short-term borrowings (net)	**643.36**	451.52
	Dividend paid (including tax on dividend)	**(699.08)**	(699.08)
	Interest paid	**(568.52)**	(745.17)
	Net cash generated from/(used in) financing activities	**2,372.30**	(1,649.15)
	Net increase in cash and cash equivalents (A+B+C)	**52.61**	16.10
	Cash and cash equivalents at the beginning of the year	**48.31**	32.21
	Cash and cash equivalents at the end of the year (refer to note 17)	**100.92**	48.31

Note: The above Cash Flow Statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard - 3 on Cash Flow Statements' notified by the Companies (Accounting Standards) Rules, 2006.

Significant accounting policies (refer to note 1)

The notes referred to above form an integral part of the financial statements.

As per our report attached to the Balance Sheet

For BSR & Co.
Chartered Accountants
Firm Registration No.: 101248W

Kaushal Kishore
Partner
Membership No. 090075

Place : Gurgaon
Date: 17 May 2013

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

Dr. Vinay Bharat Ram
Executive Chairman (Director)

Sumant Bharat Ram
Executive Vice Chairman (Director)

Ravi Vira Gupta
Director

Ramesh Goel
GM (Finance & Accounts)

Place : New Delhi
Date : 17 May 2013

Apil Agrawal
Company Secretary

Notes to the financial statements for the year ended 31 March 2013

1. Significant accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, and the presentational requirements of the Companies Act, 1956, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle within 12 months for the purpose of current – non current classification of assets and liabilities.

b) Current–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:

i) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is expected to be realised within 12 months after the reporting date; or

iv) 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:

i) it is expected to be settled in the company's normal operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is due to be settled within 12 months after the reporting date; or

iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. 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 current portion of non-current financial liabilities.
All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

c) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes, deferred tax and the useful lives of fixed assets. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized. Any revision to accounting estimates is recognised prospectively in current and future periods.

d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost of acquisition or construction is inclusive of freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for intended use and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

e) Intangible fixed assets

Intangible fixed assets purchased comprising computer softwares, are stated at acquisition cost less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalised in the year in which the software is fully implemented for use.

f) Depreciation and amortisation

Depreciation on tangible fixed assets is provided on Straight Line Method over the estimated useful life of assets, as estimated by the management, at rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation is calculated on pro-rata basis from the date of additions, except in case of assets costing Rs. 5,000 or less, where each such asset is fully depreciated in the year of purchase. Depreciation on assets sold / discarded during the year is provided till the date of such sale / disposal.

Intangible fixed assets comprise of computer software which are amortized over a period of five years.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or productions of qualifying assets is capitalised as part of assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is presented under 'current assets' in consonance with the current/ non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value.

i) Inventories

Inventories have been valued at the lower of cost and net realisable value. Cost of raw materials, stores and spares is determined using the moving weighted average basis. Finished goods and work-in-progress include an appropriate portion of allocable overheads.

j) Revenue recognition

Revenue from sale of products is recognised at the point of despatch of goods to the customers, which coincides with the transfer of risk and rewards of ownership. Sales include excise duty and exclude discounts and sales tax/value added tax.

Interest Income

Interest income is recognized using the time proportion method.

Dividend Income

Dividend on investments is recognized when the right to receive payment is established.

k) Employee's benefits

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits

Defined contribution plans

Provident fund is a defined contribution plan. The Company expenses its contributions towards provident fund, which are deposited with the Regional Provident Fund Commissioner.

Superannuation fund has been administered by trustees of independently constituted trust, recognized by the Income-tax authorities and periodic contributions to the fund are charged to revenue. LIC policies are taken by the Superannuation Trusts created by the holding Company to cover the liability of the Company in respect of superannuation liability.

Defined benefit plans

Gratuity is a defined benefits plan. The present value of obligations under 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 at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Other long-term benefits

Benefits under the Company's compensated absences scheme constitute other employee benefit. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

l) Foreign exchange transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange differences arising on revenue transactions due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items, are taken to the Statement of Profit and Loss. Pursuant to notification [F.No.17/33/2008/CL-V] dated 31 March 2009 extended vide notification dated 11 May 2011 published by Ministry of Corporate Affairs, exchange difference arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements, relating to acquisition of depreciable capital asset have been added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss, if any, is taken to the Statement of Profit and Loss in the period in which they arise.

m) Taxation

Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

n) Impairment of assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

o) Earnings per share

The basic earnings per share are computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

p) Provisions and contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company does not recognise assets which are of contingent nature. However, if it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the period in which the change occurs.

q) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

r) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Notes to the financial statements for the year ended 31 March 2013

2. Share Capital

	As at 31 March 2013 Number of shares	As at 31 March 2013 Amount (Rs. lacs)	As at 31 March 2012 Number of shares	As at 31 March 2012 Amount (Rs. lacs)
Authorized				
Equity shares of Rs. 10 each*	**23,999,000**	**2,399.90**	23,999,000	2,399.90
13.50% Redeemable cumulative preference shares of Rs. 100 each	**100**	**0.10**	100	0.10
	23,999,100	**2,400.00**	23,999,100	2,400.00
Issued, Subscribed and paid up				
Equity shares of Rs. 10 each, fully paid up*				
At the beginning and end of the year	**20,050,000**	**2,005.00**	20,050,000	2,005.00
	20,050,000	**2,005.00**	20,050,000	2,005.00

*The Company has one class of equity shares having a par value of Rs. 10 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, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

2(a) 15,049,988 (previous year 15,049,988) equity shares of Rs. 10 each fully paid up, are held by DCM Limited, the holding company which is also the ultimate holding company.

2(b) Shareholders holding more than 5% shares of the Company:

	As at 31 March 2013 Number of shares	As at 31 March 2013 % holding in the shares	As at 31 March 2012 Number of shares	As at 31 March 2012 % holding in the shares
Equity shares of Rs. 10 each, fully paid up				
DCM Limited	**15,049,988**	**75.06%**	15,049,988	75.06%
Aggresar Leasing and Finance Private Limited	**5,000,000**	**24.94%**	5,000,000	24.94%

3. Reserves and Surplus

	As at 31 March 2013 (Rs. lacs)	As at 31 March 2012 (Rs. lacs)
Share Premium		
At the beginning and end of the year	**3,600.00**	3,600.00
Capital redemption reserve		
At the beginning and end of the year	**0.10**	0.10
General Reserve		
At the beginning of the year	**320**	160.00
Add: Transfer from Surplus in Statement of Profit and Loss	**-**	160.00
At the end of the year	**320.00**	160.00
Surplus in the statement of Profit and Loss		
At the beginning of the year	**3,478.25**	3,423.52
Add: (Loss)/Profit for the year	**(894.16)**	913.81
	2,584.09	4,337.33
Less:		
Transfer to General Reserve	**-**	160.00
Proposed dividend on equity shares	**-**	601.50
Tax on proposed dividend	**-**	97.58
At the end of the year	**2,584.09**	3,478.25
	6,504.19	7,398.35

Notes to the financial statements for the year ended 31 March 2013

4. **Long Term Borrowings**	Secured/ Unsecured	Non-current portion **As at 31 March 2013 (Rs. lacs)**	As at 31 March 2012 (Rs. lacs)	Current maturities # **As at 31 March 2013 (Rs. lacs)**	As at 31 March 2012 (Rs. lacs)
From banks					
- Term loan*	Secured	**2,542.15**	-	**699.60**	333.76
- Vehicle loans**	Secured	**91.75**	132.59	**46.85**	50.17
Deferred payment liability***	Unsecured	**160.24**	132.68	**193.60**	88.45
		2,794.14	265.27	**940.05**	472.38

* Rs. 3,241.75 lacs (previous year Rs. Nil) secured by way of first pari passu charge on the entire fixed assets of the Company, both present and future, including equitable mortgage of Comapny's factory land and building measuring 348,380 sq. yards 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 ranging between 11.85%-12.50% per annum and is repayable in 55 equal monthly installments of Rs. 58.30 lacs each and 1 installment of Rs. 35.25 lacs commencing from April 2013.

Rs. Nil (previous year Rs. 333.76 lacs) secured by way of first charge on all fixed assets and Company's lands at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto. The term loan carries a floating interest rate ranging between 12%-14.50% per annum and is repayble in twelve equal quarterly installments of Rs. 166.60 lacs each commencing from December 2009.

** Loans for vehicles are secured by hypothecation of specific vehicles with first and exclusive charge. The loans carry an interest rate ranging between 9.5%-13.50% per annum and are repayable in equal monthly installments.

*** Deferred payment liability carries an interest rate of 4.90%-5.70% per annum and are repayable in six equal semi-annual installments commencing from January 2012.

\# Current maturities are considered as other current liabilities (refer to note 8)

\+ Current assets has a meaning as per the terms of the related agreement and without considering the changes in definition of "current" included in Revised Schedule VI.

Note: There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

5. **Provisions**	Long Term **As at 31 March 2013 (Rs. lacs)**	As at 31 March 2012 (Rs. lacs)	Short Term **As at 31 March 2013 (Rs. lacs)**	As at 31 March 2012 (Rs. lacs)
Provision for employee benefits				
Gratuity (refer to note 29)	**1,260.52**	1,247.94	**120.95**	22.82
Compensated absences (refer to note 29)	**245.70**	254.65	**7.78**	4.86
	1,506.22	1,502.59	**128.73**	27.68
Other provisions				
Provision for sale return	**-**	-	**76.53**	74.93
Proposed dividend on equity shares	**-**	-	**-**	601.50
Tax on proposed dividend	**-**	-	**-**	97.58
	-	-	**76.53**	774.01
	1,506.22	1,502.59	**205.26**	801.69

Notes to the financial statements for the year ended 31 March 2013

		As at 31 March 2013 (Rs. lacs)	As at 31 March 2012 (Rs. lacs)
6.	**Short Term Borrowings**		
	Loan repayable on demand (Secured)*		
	- Working capital demand loan	**1,500.00**	-
	- Cash credits	**3,343.57**	4,200.21
		4,843.57	4,200.21

*Loans repayable on demand are secured by first pari passu charge by way of hypothecation of stocks, stores and spares, book debts and all other movables, both present and future and second pari passu charge on all fixed assets and Company's lands at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto.

7.	**Trade payables**		
	Sundry creditors		
	- dues to micro and small enterprises	**621.73**	587.02
	- dues to others	**2,915.70**	2,493.64
		3,537.43	3,080.66

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company:

- The principal amount remaining unpaid to any supplier as at the end of the year	**621.73**	587.02
- The interest due on the principal remaining outstanding as at the end of the year	**-**	-
- The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	**-**	-
- 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 year) but without adding the interest specified under the Act	**-**	-
- The amount of interest accrued and remaining unpaid at the end of the year	**-**	-
- The amount of further interest remaining due and payable even in the succeeding years, 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 Act	**-**	-
	621.73	587.02

8.	**Other current liabilities**		
	Current maturities of long-term debt (refer to note 4)	**940.05**	472.38
	Interest accrued but not due on borrowings	**6.58**	2.08
	Interest accrued and due on borrowings	**48.53**	-
	Employee related payables	**298.09**	312.48
	Other payables		
	- advances from customers	**158.85**	41.72
	- statutory liabilities	**96.67**	115.52
	- security deposits received	**4.18**	2.93
	- dues in respect of purchase of fixed assets	**57.51**	71.46
	- miscellaneous	**26.75**	43.23
		1,637.21	1,061.80

Notes to the financial statements for the year ended 31 March 2013

9. Tangible assets # (Rs. lacs)

Asset description	Gross Block						
	As at 31 March 2011	Additions	Deletions/ adjustments	As at 31 March 2012	Additions	Deletions/ adjustments	As at 31 March 2013
Land*	422.62	-	6.80	415.82	-	-	**415.82**
Buildings*	1,288.03	78.30	-	1,366.33	138.61	-	**1,504.94**
Plant and machinery	11,903.83	1,005.30	210.33	12,698.80	2,294.23	17.71	**14,975.32**
Furniture and fixtures	34.64	7.65	-	42.29	4.28	0.09	**46.48**
Vehicles	391.56	73.85	38.84	426.57	17.06	58.26	**385.37**
Office equipments	60.55	11.27	0.60	71.22	14.97	0.11	**86.08**
Computer hardware	195.90	24.80	45.71	174.99	12.41	40.41	**146.99**
Total	**14,297.13**	**1,201.17**	**302.28**	**15,196.02**	**2,481.56**	**116.58**	**17,561.00**

Asset description	Depreciation						
	Upto 31 March 2011	For the year	On deletions/ adjustments	Upto 31 March 2012	For the year	On deletions/ adjustments	Upto 31 March 2013
Land	-	-	-	-	-	-	**-**
Buildings	318.23	37.77	-	356.00	40.75	-	**396.75**
Plant and machinery	8,758.90	781.17	202.82	9,337.25	716.94	16.98	**10,037.21**
Furniture and fixtures	10.61	2.39	-	13.00	2.78	0.07	**15.71**
Vehicles	75.80	39.07	19.71	95.16	39.62	26.51	**108.27**
Office equipments	14.77	4.19	0.06	18.90	5.05	0.04	**23.91**
Computer hardware	147.61	21.01	45.09	123.53	20.06	40.26	**103.33**
Total	9,325.92	885.60	267.68	9,943.84	825.20	83.86	**10,685.18**

Asset description	Net Block		
	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013
Land	422.62	415.82	**415.82**
Buildings	969.80	1,010.33	**1,108.19**
Plant and machinery	3,144.93	3,361.55	**4,938.11**
Furniture and fixtures	24,03	29.29	**30.77**
Vehicles	315.76	331.41	**277.10**
Office equipments	45.78	52.32	**62.17**
Computer hardware	48.29	51.46	**43.66**
Total	**4,971.21**	**5,252.18**	**6,875.82**

*Gross block includes land and buildings aggregating Rs. 84.52 lacs (previous year Rs. 84.52 lacs) and Rs. 15.48 lacs (previous year Rs. 15.48 lacs) respectively at Nawansahar for which title deeds are yet to be executed in the favour of the Company.

#Assets transferred to the Company pursuant to the Scheme of Restructuring and Arrangement (SORA) (refer to note 26), are pending registration, wherever required, in the name of the Company.

10. Intangible assets (Rs. lacs)

Asset description	Gross Block						
	As at 31 March 2011	Additions	Deletions/ adjustments	As at 31 March 2012	Additions	Deletions/ adjustments	As at 31 March 2013
Computer software	135.11	49.98	2.33	182.76	65.16	-	**247.92**
Total	**135.11**	**49.98**	**2.33**	**182.76**	**65.16**	**-**	**247.92**

Asset description	Amortisation						
	Upto 31 March 2011	For the year	On deletions/ adjustments	Upto 31 March 2012	For the year	On deletions/ adjustments	Upto 31 March 2013
Computer Software	107.80	29.72	1.83	135.69	17.34	-	**153.03**
Total	**107.80**	**29.72**	**1.83**	**135.69**	**17.34**	**-**	**153.03**

Asset description	Net Block		
	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013
Computer Software	27.31	47.07	**94.89**
Total	**27.31**	**47.07**	**94.89**

Notes to the financial statements for the year ended 31 March 2013

11. Non-current investments	As at 31 March 2013 (Rs. lacs)	As at 31 March 2012 (Rs. lacs)
Long term (valued at cost, unless otherwise stated)		
Non-trade investments		
Quoted equity shares		
SRF Limited		
180,850 (previous year 180,850)	**503.74**	503.74
equity shares of Rs. 10 each, fully paid up		
Unquoted equity shares		
Purearth Infrastructure Limited	**246.61**	246.61
2,466,135 (previous year 2,466,135)		
equity shares of Rs. 10 each fully paid up	**750.35**	750.35
	750.35	750.35
Aggregate amount of quoted investments	**503.74**	503.74
Aggregate market value of quoted investments	**306.18**	449.77
Aggregate amount of unquoted investments	**246.61**	246.61

12. Deferred tax asset (net)	As at 31 March 2013 (Rs. lacs)	As at 31 March 2012 (Rs. lacs)
Deferred tax asset on:		
Unabsorbed depreciation	**258.01**	-
Provision for gratuity	**448.22**	412.30
Provision for compensated absences	**82.24**	84.19
Others	**43.93**	47.75
	832.39	544.24
Deferred tax liability on:		
Difference between block of assets as per books and as per Income Tax Act, 1961	**268.54**	146.74
	268.54	146.74
Net deferred tax asset	**563.86**	397.50
Less: Valuation allowance*	**563.86**	-
	-	397.50

* As at 31 March 2013, the Company has unabsorbed depreciation under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Accounting Standard 22 - "Accounting for Taxes on Income", deferred tax assets has been recognised only to the extent of deferred tax liability.

13. Loans and Advances (Unsecured and considered good, unless stated otherwise)	Long Term: As at 31 March 2013 (Rs. lacs)	Long Term: As at 31 March 2012 (Rs. lacs)	Short Term: As at 31 March 2013 (Rs. lacs)	Short Term: As at 31 March 2012 (Rs. lacs)
Capital advances	**611.77**	1,042.81	**-**	-
Security deposits	**480.68**	481.76	**-**	-
Other loans and advances				
Advances to vendors				
- considered good	**-**	-	**70.11**	145.43
- considered doubtful	**-**	2.41	**-**	-
	-	2.41	**70.11**	145.43
Less: Provision for doubtful advances	**-**	2.41	**-**	-
	-	-	**70.11**	145.43
Advances to employees	**5.68**	9.24	**25.18**	35.89
Prepaid expenses	**-**	-	**64.83**	57.84
Advance income-tax {net of provision Rs. 1059.18 lacs (previous year Rs. 1063.78 lacs)}	**259.17**	194.84	-	-
Advance fringe benefit tax {net of provision Rs. 17.95 lacs (previous year Rs. 17.95 lacs)}	**1.31**	1.31	-	-
Others				
- with customs and excise authorities	**-**	-	**509.42**	162.79
- inter corporate deposits	**-**	-	**25.00**	250.00
- others	**4.52**	4.52	**0.14**	13.58
	270.68	209.91	**694.68**	665.53
	1,363.13	1,734.48	**694.68**	665.53

Notes to the financial statements for the year ended 31 March 2013

14. Other Current Assets

(Unsecured and considered good, unless stated otherwise)	Non Current As at 31 March 2013 (Rs. lacs)	Non Current As at 31 March 2012 (Rs. lacs)	Current As at 31 March 2013 (Rs. lacs)	Current As at 31 March 2012 (Rs. lacs)
Bank deposits not due for realisation within 12 months of the reporting date	**1.00**	-	**-**	-
Interest accrued on deposits	**-**	-	**54.37**	2.14
Unbilled revenue	**-**	-	**71.33**	335.24
	1.00	-	**125.70**	337.38

15. Inventories

(At lower of cost and net realizable value)	As at 31 March 2013 (Rs. lacs)	As at 31 March 2012 (Rs. lacs)
Stores, spares and components	**1,227.79**	1,432.74
Raw materials	**644.84**	1,023.64
Work-in-progress	**1,337.41**	1,245.85
	3,210.04	3,702.23
16. Trade receivables		
(Unsecured and current, unless stated otherwise)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- considered good	**92.49**	103.69
- considered doubtful	**-**	12.96
	92.49	116.65
Less: provision for doubtful debts	**-**	12.96
	92.49	103.69
Other debts		
- considered good	**6,284.80**	6,871.92
	6,377.29	6,975.61
17. Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	**90.02**	46.32
Cash on hand	**2.71**	1.99
In deposit accounts with original maturity of 3 months or less		
- held as margin money	**8.19**	-
	100.92	48.31
Other bank balances		
In deposit accounts due for realization within 12 months of the reporting date		
- held as margin money	**37.84**	15.42
	37.84	15.42
	138.76	63.73
18. Revenue from operations		
Sale of products - own manufactured*		
- Iron castings	**43,036.25**	46,429.34
- Patterns, jigs and fixtures	**142.23**	140.08
Sale of products (gross)	**43,178.48**	46,569.42
Less: Excise duty	**4,831.82**	4,466.46
Sale of products (net)*	**38,346.66**	42,102.96
Other operating revenues		
Excess provisions / liabilities no longer required, written back	**31.65**	8.48
Discounts received from vendors	**0.72**	18.33
Miscellaneous sales	**93.24**	104.11
	38,472.27	42,233.88

*Includes unbilled revenue of Rs. 71.33 lacs (previous year Rs. 335.24 lacs) net of excise duty and taxes amounting to Rs. 10.09 lacs (previous year Rs. 51.50 lacs) arising on retrospective sales order amendments given by a few customers subsequent to the year end for finished goods sold to them during the year.

19. Other income

Interest income	**86.22**	83.56
Dividend income from long term investments (non-trade)	**18.09**	25.32
Foreign exchange gain (net)	**-**	15.59
Net profit on sale of fixed assets	**-**	268.19
Miscellaneous income	**3.96**	8.39
	108.27	401.05

Notes to the financial statements for the year ended 31 March 2013

			For the year ended 31 March 2013 (Rs. lacs)		For the year ended 31 March 2012 (Rs. lacs)
20.	**Cost of raw materials consumed**				
	Melting scrap		**12,129.42**		13,676.96
	Pig iron		**2,170.69**		2,567.45
	Ferro alloys		**1,034.42**		1,174.15
	Metallic additives		**444.38**		478.81
	Carboriser		**418.27**		478.98
			16,197.18		18,376.35
21.	**Changes in inventories of work in progress**				
	Opening stock				
	Work-in-progress		**1,245.85**		1,102.98
	Less: Closing stock				
	Work-in-progress		**1,337.41**		1,245.85
			(91.56)		(142.87)
22.	**Employee benefits expense**				
	Salaries, bonus and other allowances		**3,808.36**		3,759.24
	Contribution to provident and other funds		**481.82**		471.21
	Gratuity expense		**296.65**		215.33
	Compensated absences		**57.26**		112.46
	Staff welfare expenses		**246.70**		231.65
			4,890.79		4,789.89
23.	**Finance Costs**				
	Interest expense:				
	- on borrowings		**535.84**		661.48
	- on taxes		**12.54**		31.91
	Bank charges		**39.82**		40.62
	Other borrowing costs		**85.71**		73.20
	Applicable net loss on foreign currency transactions and translation		**-**		9.82
	* refer to note 38.		**673.91**		817.03
24.	**Depreciation and amortization expense**				
	Depreciation on tangible assets		**825.20**		885.60
	Amortisation on intangible assets		**17.34**		29.72
			842.54		915.32
25.	**Other expenses**				
	Consumption of stores and spare parts #		**6,448.63**		6,820.07
	Power and fuel		**6,536.81**		6,170.14
	Rent		**129.15**		125.74
	Repairs to:				
	- building		**12.20**		54.38
	- machinery		**938.07**		1,033.12
	- others		**48.73**		40.45
	Sub-contracting charges **		**712.11**		659.51
	Contractor wages		**533.25**		473.11
	Freight, transport, etc.		**451.97**		459.85
	Traveling and conveyance		**284.57**		268.73
	Legal and professional expenses		**188.93**		161.39
	Insurance		**22.35**		12.64
	Rates and taxes		**5.16**		55.31
	Brokerge, discounts (other than trade discount), etc.		**32.78**		27.49
	Auditors' remuneration				
	- as auditors		**8.00**		8.00
	- for limited reviews		**6.00**		-
	- for tax audit		**2.00**		2.00
	- for other certification works		**0.25**		-
	- for reimbursement of expenses		**3.49**		0.55
	Doubtful debts/advances written off				
	Doubtful debts/advances written off	**28.06**		34.04	
	Less: Adjusted against provision for doubtful debts/Advances	**15.37**	**12.69**	34.04	-
	Net loss on sale / discard of fixed assets		**17.21**		**-**
	Capital work-in-progress written off		**72.61**		
	Foreign exchange loss (net)		**6.78**		
	Miscellaneous expenses		**94.22**		220.79
			16,567.96		16,593.27

\# after allocating Rs. Nil (previous year Rs. 38.13 lacs) to other expense accounts

** includes freight, transportation expense Rs. 201.35 lacs (previous year Rs. 208.42 lacs) incurred on materials sent to and received back from sub-contractors.

Notes to the financial statements for the year ended 31 March 2013

26. The Scheme of Restructuring and Arrangement (the SORA) of the Company and DCM Limited, under sections 391 and 394 was approved by the shareholders and creditors in their respective meetings held under section 391 of the Companies Act, 1956, and sanctioned by the Delhi High Court vide its Order dated October 29, 2003. The SORA became effective on January 2, 2004 on filing of the certified copy of the Order of the High Court in the office of the Registrar of Companies.

    Consequent to the effectuation of the SORA, the Engineering Business of DCM Limited (the Engineering Business), comprising its operations at Ropar (Punjab) and Baddi (Himachal Pradesh), together with all the assets, liabilities, contingent liabilities and debts, rights and benefits, permits and quotas and other licences, registrations under various acts, privileges and benefits of all contracts and agreements and all other rights including leasehold rights, etc., had, without any further act or deed, been transferred to and vested in the Company with effect from the appointed date, i.e., April 1, 2001 and accounted for in the previous period ended March 31, 2004.

27. Contingent liabilities

Particulars	**As at 31 March 2013 (Rs. lacs)**	As at 31 March 2012 (Rs. lacs)
Claims against the Company not acknowledged as debts*		
- Excise claims	**653.00**	598.88
- Service tax	**1.24**	4.38
- Income-tax	**25.06**	266.49
- Others	**29.09**	115.77

* including interest and penalty to the extent quantified in the respective orders. 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 results of operations or financial position of the Company.

28. Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for in the financial statements aggregate Rs. 144.96 lacs (previous year Rs. 2,098.93 lacs).

29. Employee benefits

(a) Defined contribution plans

The Company makes contribution towards employees' provident fund, superannuation fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. During the year, the Company recognized Rs. 446.87 lacs (previous year Rs. 436.87 lacs) as expense towards contributions to these plans and included in "Employee benefits expense" in Note 22.

Particulars	**For the year ended 31 March 2013 (Rs. lacs)**	For the year ended 31 March 2012 (Rs. lacs)
Company's contribution to provident fund	**262.12**	250.18
Company's contribution to superannuation fund	**74.07**	76.28
Company's contribution to employees' state insurance scheme	**110.68**	110.41

(b) Defined benefit plans and other long-term benefits

Gratuity scheme - This is an unfunded defined benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

Compensated Absences - Compensated Absences includes earned leaves and sick leaves. The amount is recognised as expense and included in "Employee benefits expense" in Note 22.

Notes to the financial statements for the year ended 31 March 2013

(Rs. lacs)

Particulars	As at 31 March 2013		As at 31 March 2012	
	Gratuity Fund	**Compensated Absences**	Gratuity Fund	Compensated Absences
Change in present value of obligation				
Present value of obligation as at the beginning of the year	**1270.76**	**259.51**	1176.73	194.64
Current service cost	**64.29**	**106.43**	59.89	105.15
Interest cost	**101.66**	**20.76**	100.02	16.54
Actuarial (gain) / loss	**130.70**	**(69.93)**	55.42	(9.23)
Benefits paid	**(185.95)**	**(63.29)**	(121.30)	(47.59)
Present value of obligation as at the end of the year	**1381.46**	**253.48**	1270.76	259.51
Liability recognized in the financial statement	**1381.46**	**253.48**	1270.76	259.51
Expense recognized in the Statement of Profit and Loss				
Current service cost	**64.29**	**106.43**	59.89	105.15
Interest cost	**101.66**	**20.76**	100.02	16.54
Return on plan assets	**-**	**-**	-	-
Actuarial (gain) / loss	**130.70**	**(69.93)**	55.42	(9.23)
Expense recognized in the Statement of Profit and Loss	**296.65**	**57.26**	215.33	112.46
Main actuarial assumptions				
Discount rate**	**8.00%**	**8.00%**	8.50%	8.50%
Expected future salary increase*	**5.00%**	**5.00%**	5.00%	5.00%
Expected rate of return on plan assets	**-**	**-**	-	-
Average remaining working lives of employees (years)	**10.37**	**10.37**	9.51	9.51

Experience adjustment:

(Rs. lacs)

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012		For the year ended 31 March 2011		For the year ended 31 March 2010		For the year ended 31 March 2009	
	Gratuity	**Compen-sated Absences**	Gratuity	Compen-sated Absences	Gratuity	Compen-sated Absences	Gratuity	Compen-sated Absences	Gratuity	Compen sated Absences
Present value of obligation at the end	**1,381.46**	**253.48**	1,270.76	259.51	1,176.73	194.64	1,088.48	163.22	980.67	178.81
Fair value of plan assets at the end	**-**	**-**	-	-	-	-	-	-	-	-
Net liability recognized in balance sheet	**1,381.46**	**253.48**	1,270.76	259.51	1,176.73	194.64	1,088.48	163.22	980.67	178.81
Experience adjustment on plan liabilities (loss) / gain	**130.70**	**(69.93)**	55.42	(9.23)	33.03	8.90	73.00	(39.40)	90.97	22.73
Experience adjustment on plan assets (loss) / gain	**-**	**-**	-	-	-	-	-	-	-	-

* The expected of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

** The discount rate is based on the prevailing market yields of Indian government securities as at the Balance Sheet date for the estimated term of the obligations.

30. The business operations of the Company comprise manufacture and sales of Grey Iron Castings mainly in India. The inherent nature of these activities are governed by the same set of risks and returns and, therefore, fall within a single primary business segment, viz., manufacture and sale of Grey Iron Castings. Accordingly, disclosure requirements of Accounting Standard - 17 “Segment reporting” notified by the Companies (Accounting Standards) Rules, 2006 are not applicable.

31. **Earnings per share**

Particulars	**For the year ended 31 March 2013**	For the year ended 31 March 2012
Net (loss)/profit attributable to equity shareholders as per Statement of Profit and Loss (Rs. Lacs)	**(894.16)**	913.81
Weighted average number of equity shares outstanding during the year	**20,050,000**	20,050,000
Basic and diluted (loss)/earnings per share in rupees (face value per equity share Rs. 10)	**4.46**	4.56

Notes to the financial statements for the year ended 31 March 2013

32. Related party transactions

(a) Enterprises having control over the Company:
- DCM Limited (holding company)

Particulars	**For the year ended 31 March 2013 (Rs. lacs)**	For the year ended 31 March 2012 (Rs. lacs)
Dividend payment	**451.50**	451.50
Reimbursement of expenses	**15.00**	16.11

(b) Key management personnel:
- Dr. Vinay Bharat Ram [Executive Chairman (Director)]
- Mr. Sumant Bharat Ram [Executive Vice Chairman (Director)]
- Mr. J.K. Menon [Managing Director till 15.03.2013]

Particulars	**For the year ended 31 March 2013 (Rs. lacs)**	For the year ended 31 March 2012 (Rs. lacs)
Managerial remuneration*#		
Dr. Vinay Bharat Ram	**142.52**	**137.00**
Mr. Sumant Bharat Ram	**81.44**	**80.10**
Mr. J.K. Menon	**90.60**	**74.17**
Total	**314.56**	**291.27**

* excludes provision for gratuity and leave encashment, as these are determined on the basis of actuarial valuation for the Company as a whole.

Company has obtained necessary approvals from the Central Government for payment.

c) Enterprise over which key management personnel are able to exercise significant influence and with whom transactions have taken place:
- Purearth Infrastructure Limited

Particulars	**For the year ended 31 March 2013 (Rs. lacs)**	For the year ended 31 March 2012 (Rs. lacs)
Balance outstanding at the year end		
Investment in equity shares	**246.61**	246.61

d) Enterprise in respect of which the Company is an associate and with whom transactions have taken place:
- Aggresar Leasing and Finance Private Limited

Particulars	**For the year ended 31 March 2013 (Rs. lacs)**	For the year ended 31 March 2012 (Rs. lacs)
Dividend payment	**150.00**	150.00

33. The Company's significant operating lease arrangements entered into on or after April 1, 2001, are in respect of premises (residential, office, etc.). These leasing arrangements, which are cancellable, are renewable by mutually agreeable terms. The lease rentals charged in the other expenses as rent aggregate Rs. 129.15 lacs (previous year Rs. 125.74 lacs).

34. Long-term loans and advances include unsecured advances, considered good, Rs. 575.55 lacs (previous year Rs. 575.55 lacs) paid during previous years by DCM Limited (the holding company) to certain parties to acquire certain properties 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 advances given to acquire the property are good and fully recoverable.

Notes to the financial statements for the year ended 31 March 2013

35. Foreign currency exposures that are not hedged by derivatives instruments or otherwise is as follows:

Particulars	**Currency**	**As at 31 March 2013**		As at 31 March 2012	
		Amount in Foreign Currency (lacs)	**Amount in Local Currency (Rs. lacs)**	Amount in Foreign Currency (lacs)	Amount in Local Currency (Rs. lacs)
Receivables	USD GBP	**-** **-**	**-** **-**	0.467 0.045	23.74 3.64
Payables	EURO USD	**1.024** **0.002**	**71.17** **0.10**	1.050 0.002	71.25 0.09
Advances to vendors	GBP EURO	**-** **0.191**	**-** **13.29**	0.040 5.680	3.23 385.64
Deferred payment liability	EURO	**5.091**	**353.84**	3.260	221.13

36. Value of imported/indigenous raw materials, components and stores and spares consumed:

Particulars	**For the year ended 31 March 2013**		For the year ended 31 March 2012	
	Rs. Lacs	**% of Total**	Rs. Lacs	% of Total
(i) Raw materials				
Imported Indigenous	**92.01** **16,105.17**	**0.57%** **99.43%**	405.05 17,971.30	2.20% 97.80%
	16,197.18	**100.00%**	18,376.35	100.00%
(ii) Stores, spare parts and components				
Imported Indigenous	**87.68** **6,360.95**	**1.36%** **98.64%**	100.92 6,719.15	1.48% 98.52%
	6,448.63	**100.00%**	6,820.07	100.00%

37. Additional Information

Particulars	**For the year ended 31 March 2013 Rs. Lacs**	For the year ended 31 March 2012 Rs. Lacs
(a) Value of imports on CIF basis:		
Raw materials	**116.52**	397.08
Components and spare parts	**177.71**	105.54
Capital goods	**3,686.20**	514.08
	3,980.43	1,016.70
(b) Expenditure in foreign currency		
Traveling expense	**12.06**	12.94
Interest	**14.31**	6.22
Technical consultancy	**4.65**	46.60
	31.02	65.76
(c) Earnings in foreign exchange:		
Direct export of goods on FOB basis / as per contracts,	**-**	27.01
where FOB value is not readily ascertainable		
	-	27.01

NOTES

38. Capital work-in-progress includes Rs. 212.94 lacs (pevious year Rs. Nil) on account of borrowing costs capitalised during the year.

As per our report attached to the Balance Sheet

For BSR & Co.
Chartered Accountants
Firm Registration No.: 101248W

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

Dr. Vinay Bharat Ram
Executive Chairman (Director)

Sumant Bharat Ram
Executive Vice Chairman (Director)

Kaushal Kishore
Partner
Membership No. 090075

Ravi Vira Gupta
Director

Ramesh Goel
GM (Finance & Accounts)

Place : Gurgaon
Date: 17 May 2013

Place : New Delhi
Date : 17 May 2013

Apil Agrawal
Company Secretary