

DCM TEXTILES LIMITED

Regd. Office : 606, 6th Floor, Vikrant Tower, 4, Rajendra Place, New Delhi - 110008

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts of the company for the year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

The Net Profit of the Company for the current financial year is Rs. 15,692/- (Rs. Fifteen Thousand Six Hundred and Ninety Two only) after taking into account income tax of Rs. 14,097/- (Rs. Fourteen Thousand and Ninety Seven only).

DIVIDEND

The Director did not propose any dividend for the year under report.

FIXED DEPOSIT

The company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act, 1956.

DIRECTOR

Mr. Bhabagrahi Pradhan retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Director of the Company. His re-appointment is placed before the shareholders of the Company at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of energy conservation and technology absorption are not applicable to the Company. The Company has no earnings or outgo of foreign exchange in the financial year under review.

AUDITORS

The Auditors of the Company, M/s Grewal & Singh, Chartered Accountants, retires at the conclusion of ensuing 17th Annual General Meeting and are eligible for re-appointment from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

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AUDITORS' OBSERVATIONS

The observations of the auditors are self-explanatory and/or suitably explained in various notes to the Accounts.

PARTICULARS OF EMPLOYEES

There was no employee in the company during the year under the category specified under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENTS

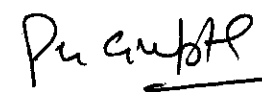
As required under section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) that the accounting policies selected and applied are consistent and the judgements and estimates made 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 or loss of the Company for that period.
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the annual accounts have been prepared on a going concern basis.

**On behalf of the Board
FOR DCM TEXTILES LIMITED**

Place: New Delhi
Dated: 03.05.2013


(Bhabgrahi Pradhan)
DIRECTOR


(Pawan Gupta)
DIRECTOR



GREWAL & SINGH

Chartered Accountants

A-17, L.G.F., Lajpat Nagar-III, New Delhi - 110 024
Tel. : 011-29842641, 29833394, 29839823
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Independent Auditor's Report For the year ended March 31, 2013

To the Members of DCM TEXTILES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **DCM TEXTILES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management 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 include 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.



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LUDHIANA OFFICE :
Preet Complex, 2nd Floor,
Near Nirankari Kucha No.-2, G.T. Road,
Millerganj, Ludhiana Tel.: 9999980496

YAMUNA NAGAR OFFICE :
S.C.O, 1/3, First Floor, Near District Library,
Civil Line, Jagadhri, Haryana - 135003
Tel.: 01732-242893, 9896044812

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 March 31, 2013,
- ii) In the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date.
- 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") 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:
 - a. 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;
 - b. 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;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of the Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For GREWAL & SINGH
Chartered Accountants
Firm No. 012322N


(JASPAL SINGH SAHNI)
PARTNER
M.NO. 501501



Place : NEW DELHI
Date : MAY 03, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended March 31, 2013 of DCM TEXTILES LIMITED)

1. The Company does not own any fixed assets. Hence no comment is made on the maintenance of records, procedure of physical verification and disposal of fixed assets.
2. The Company does not own any inventory. Hence no comment is made on the maintenance of records and physical verification thereof.
3.
 - a. The company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the company has not granted the said loans, the paragraphs 3(b), (c) and (d) of the statement of CARO report are not applicable.
 - b. Based on the information and explanations provided to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the company has not taken the said loans, the paragraphs 3(f) and (g) of the statement of CARO report are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has adequate internal control procedure commensurate with the size of the company and the nature of its business. During the course of our audit no major weakness has been noticed in the internal controls. We have not come across any failure on the part of the company to correct the weakness in internal control system.
5. Based on the procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions made in pursuance of contracts or arrangements that needs to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. Based on the procedure applied by us and according to the information and explanations provided to us by the management, the company has not accepted any deposit from the public under the provisions of section 58A, 58AA and any other relevant provisions of the Companies Act, 1956.
7. In our opinion the company has an internal audit system commensurate with the size and nature of business.
8. As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of Companies Act, 1956.
9.
 - a. As informed to us, the provisions of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Act, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess are not applicable to the Company. However, the company is regular in depositing undisputed applicable other statutory dues including Income Tax etc.
 - b. As informed and explained to us and as per the records of the Company, it has no amount which has not been deposited on account of any dispute.
10. On the basis of our audit procedure and information and explanations provided to us the company has no accumulated losses. Further we state that the company has not incurred cash loss during the financial year covered by audit and in the immediately preceding financial year.
11. Based on the audit procedures and on the information and explanation given to us, there are no borrowings from the financial institution or banks and no debentures have been issued by the company.
12. According to the information and explanations provided to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence, the provisions of special statute are not applicable on the company.



14. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, hence the paragraph xiv of the Order is not applicable.
15. According to the information and explanation provided to us, the company has not given any guarantee for the loans by others from banks and financial institutions.
16. The company has not raised any term loan during the year. Hence, no comment is made on utilization of term loan.
17. Based on the information and explanations given to us, the company has not raised any long term as well as short term fund, hence no comment is made on their utilization.
18. The company has not made any preferential allotment of shares to parties and companies covered under the registers maintained under section 301 of the Companies Act, 1956.
19. Based on the information and explanations given to us, the company has not issued debentures during the year. Hence, no comment is made on the creation of security or charge.
20. The company has not raised any money by way of Public Issue.
21. Based upon the audit procedures performed and information and explanations provided by the management, we report that no fraud by or on the company has been noticed or reported during the course of our audit.



PLACE : NEW DELHI
DATE : MAY 03, 2013

For GREWAL & SINGH
Chartered Accountants
FIRM No. 012322N


(JASPAL SINGH SAHNI)
PARTNER
M. No. 501501

DCM TEXTILES LIMITED

Balance Sheet as at March 31, 2013

(Amount in Rupees)

Particulars	Note No.	Figures as at the end of current reporting period 2013	Figures as at the end of previous reporting period 2012
1	2	3	4
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	5,00,000	5,00,000
(b) Reserve and Surplus	2.2	59,152	43,460
		<u>5,59,152</u>	<u>5,43,460</u>
(2) Current Liabilities			
(a) Other Current Liabilities	2.3	6,180	5,618
(b) Short-term Provisions	2.4	554	103
		<u>6,734</u>	<u>5,721</u>
TOTAL		<u>5,65,886</u>	<u>5,49,181</u>
II ASSETS			
(1) Current Assets			
(a) Cash and Cash Equivalents	2.5	5,15,786	5,21,863
(b) Other Current Assets	2.6	50,100	27,318
		<u>5,65,886</u>	<u>5,49,181</u>
TOTAL		<u>5,65,886</u>	<u>5,49,181</u>

Significant accounting policies and notes to financial statements form an integral part of the Balance Sheet and Statement of Profit and Loss.

In terms of our separate report of even date
For GREWAL & SINGH
FIRM No. 012322N

For and on behalf of the Board


JASPAL SINGH SAHNI
PARTNER
M. No. 501501


BHABAGRAHI PRADHAN
DIRECTOR
DIN NO.02148704


PAWAN KUMAR GUPTA
DIRECTOR
DIN NO.05172941



PLACE : NEW DELHI
DATE : MAY 03, 2013

DCM TEXTILES LIMITED

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

Particulars	Note No.	(Amount in Rupees)	
		Figures as at the end of current reporting period 2013	Figures as at the end of previous reporting period 2012
I Other income	2.7	45,463	33,972
II Total Revenue		<u>45,463</u>	<u>33,972</u>
III Expenses:			
Other expenses	2.8	15,674	11,276
Total Expenses		<u>15,674</u>	<u>11,276</u>
IV Profit before tax (II-III)		29,789	22,696
V Tax expenses:			
Current tax		14,100	10,500
Tax adjustment for earlier years		(3)	7,864
VI Profit for the period (IV-V)		<u>15,692</u>	<u>4,332</u>
VII Earnings per equity share:			
(1) Basic		0.31	0.09
(2) Diluted		0.31	0.09

Significant accounting policies and notes to financial statements form an integral part of the Balance Sheet and Statement of Profit and Loss.

In terms of our separate report of even date For and on behalf of the Board
For GREWAL & SINGH
FIRM No. 012322N


JASPAL SINGH SAHNI
PARTNER
M. No. 501501


BHABAGRAHI PRADHAN
DIRECTOR
DIN NO.02148704


PAWAN KUMAR GUPTA
DIRECTOR
DIN NO.05172941



PLACE : NEW DELHI
DATE : MAY 03, 2013

DCM TEXTILES LIMITED

Cash Flow Statement for the year ended March 31, 2013

(Amount in Rupees)

PARTICULARS	Figures as at the end of current reporting period 2013	Figures as at the end of previous reporting period 2012
Cash flow from Operation Activities		
Net profit before tax	29,789	22,898
Adjustments for :-		
Interest Income on Fixed Deposits	(45,463)	(33,971)
Operating Loss before Working Capital Changes	(15,674)	(11,275)
Adjustments for changes in :-		
other current assets	(22,782)	(27,318)
other current liabilities	562	102
Cash used in operations	(37,894)	(38,491)
Direct Taxes (Paid) / Refunds (Net)	(13,646)	(16,107)
Net Cash used in Operating Activities	(51,540)	(54,598)
Cash flow from Investing Activities		
Interest received on fixed deposits	45,463	33,971
Net Cash generated from Investing Activities	45,463	33,971
Cash flow from Financing Activities		
Net Cash Generated from Financing Activities	-	-
Net Decrease in Cash and Cash equivalents	(A+B+C) (6,077)	(20,627)
Cash and Cash equivalents at the beginning of the year	5,21,863	5,42,490
Cash and Cash equivalents at the end of the year	5,15,786	5,21,863

Notes :

- 1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements".
- 2 Previous year figures have been regrouped and rearranged wherever necessary.

In terms of our separate report of even date
For GREWAL & SINGH
FIRM No. 012322N

For and on behalf of the Board


JASPAL SINGH SAHNI
PARTNER
M. No. 501501


BHABAGRAHI PRADHAN
DIRECTOR
DIN NO.02148704


PAWAN KUMAR GUPTA
DIRECTOR
DIN NO.05172941



PLACE : NEW DELHI
DATE : MAY 03, 2013

DCM TEXTILES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements are prepared under the historical cost convention in accordance with applicable mandatory accounting standards and presentational requirements of the Companies Act, 1956.
- 1.2 The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.



DCM TEXTILES LIMITED

Notes to Financial Statements for the year ended March 31, 2013.

Note No.	Particulars	Figures as at the end of current reporting period 2013	Figures as at the end of previous reporting period 2012
2.1	SHARE CAPITAL		
	Authorised		
	2,50,000 Equity shares of Rs.10/- each (Previous year 2,50,000 Equity shares of Rs.10/- each)	25,00,000	25,00,000
		<u>25,00,000</u>	<u>25,00,000</u>
	Issued, Subscribed and Fully Paid-Up		
	50,000 Equity shares of Rs.10/- each (Previous year 50,000 Equity shares of Rs.10/- each)	5,00,000	5,00,000
		<u>5,00,000</u>	<u>5,00,000</u>

(a) Rights, Preferences and restrictions attached to Shares
Equity Shares

Each holder of equity share having a par value of Rs.10/- is entitled to one vote per share.

(b) Details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	Figures as at the end of current reporting period 2013		Figures as at the end of previous reporting period 2012	
	Nos.	%	Nos.	%
Equity Shares				
DCM Limited, the Holding Company	50,000	100%	50,000	100%

(c) Reconciliation of number of shares

There is no change in issued, subscribed and paid up share capital during the current year and corresponding previous year.



DCM TEXTILES LIMITED

Notes to Financial Statements for the year ended March 31, 2013.

Note No.	Particulars	Figures as at the end of current reporting period 2013	Figures as at the end of previous reporting period 2012
2.2	Reserve and Surplus		
	Surplus in Statement of Profit & Loss		
	Opening Balance	43,460	39,128
	Add : Profit for the year	15,692	4,332
		<u>59,152</u>	<u>43,460</u>
2.3	Other Current Liabilities		
	Expense payable		
	- Audit Fees payable	6,180	5,618
		<u>6,180</u>	<u>5,618</u>
2.4	Short-Term Provisions		
	Provision for Income Tax (net of advance tax of Rs.13,546/-, Previous year Rs.10,397/-)	554	103
		<u>554</u>	<u>103</u>
2.5	Cash and Cash Equivalents		
	(a) Balance with banks		
	- In Current account	62,127	19,104
	- In Deposit account	4,50,000	-
	- In Deposit account with more than 12 months maturity	-	5,00,000
	(b) Cash on hand	3,659	2,759
		<u>5,15,786</u>	<u>5,21,863</u>
2.6	Other Current Assets		
	Others		
	Interest accrued on fixed deposits	50,100	27,318
		<u>50,100</u>	<u>27,318</u>

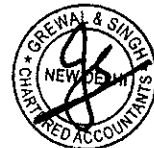


DCM TEXTILES LIMITED

Notes to Financial Statements for the year ended March 31, 2013.

(Amount in Rupees)

Note No.	Particulars	Figures as at the end of current reporting period 2013	Figures as at the end of previous reporting period 2012
2.7	Other Income		
	Interest received on Fixed Deposits	45,463	33,972
		<u>45,463</u>	<u>33,972</u>
2.8	Other Expenses		
	ROC Filing Fees	4,545	1,500
	Auditors' Remuneration		
	As Auditors		
	- Audit fees	3,090	2,809
	In other Capacity		
	- Verification of Statements and other reports	3,090	5,567
	Miscellaneous Expenses		
	- Professional Charges	800	1,200
	- Bank Charges	534	200
	- Postage Expenses	2,015	-
	- Other Charges	1,600	-
		<u>15,674</u>	<u>11,276</u>



DCM TEXTILES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

2.9 The main object of the company mainly comprise to carry on the business of ginner, weavers, spinners, dyers, manufactures, importers, exporters in all kinds of yarn, cloth and as such there are no separate reportable segments as per Accounting Standard Segment reporting (AS-17) issued by the Institute of Chartered Accountants of India.

2.10 Related Party Disclosures as per AS-18 "Related Party Disclosures"

A) Name of Related Party and Nature of Related Party Relationship

Key Management Personnel	Holding Company	Fellow Subsidiary
(1)	(2)	(3)
Mr. Bhabhagrahi Pradhan, Director	DCM Limited	DCM Finance & Leasing Ltd.
		DCM Engineering Ltd.
		DCM Realty Investment & Consulting Ltd.
		DCM Tools & Dies Ltd.
		DCM Data Systems Ltd.

B) Transactions during the year and Balances as on March 31, 2013 with related parties referred to in (A) above : NIL

2.11 The Company had executed a Surety Bond on the request of DCM Ltd., the holding Company, in favour of Land Acquisition Collector – Delhi Administration, Delhi in connection with the release of certain compensation to DCM Limited.

2.12 The company has not taken any leased assets and therefore disclosure requirement of Accounting Standard (AS) – 19 "Leases" issued by the Institute of Chartered Accountants of India are not applicable.

2.13 The income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961 and after complying with the provisions of Accounting Standard 22 regarding 'Accounting for Taxes on Income' and as such there is no deferred tax liability so far.

2.14 Based on the information available with the company, it has no outstanding dues in respect of Micro, Small and Medium Enterprises at the year end, therefore no disclosure is required under the Micro, Small and Medium Enterprises Development Act, 2006.

2.15 Earnings per share

	Current Year	Previous Year
Profit after Tax	15,692	4,332
Weighted average number of equity shares outstanding	50,000	50,000
Basic Earnings per share (Face value – Rs.10 per share)	0.31	0.09



DCM TEXTILES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

2.16 Figures have been rounded off to the nearest rupee.

2.17 The figures for the previous year have been regrouped / rearranged wherever necessary.

Signature to Significant accounting policies and notes to financial statements

In terms of our separate report of even date
for GREWAL & SINGH
FIRM No. 012322N

for and on behalf of the Board


JASPAL SINGH SAHNI
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