

**AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
DCM TEXTILES LIMITED**

1. We have audited the attached Balance Sheet of **DCM TEXTILES LIMITED** as at March 31, 2010 and the Profit & Loss Account for year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government of India in terms of sub – section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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 and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Profit & Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub – section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub – section (1) of Section 274 of the Companies Act, 1956.



f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes appearing in Schedule "8", give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- 1) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010: and
- 2) In the case of the Profit & Loss Account, of the profit for the year ended on that date.
- 3) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Place : New Delhi  
Date : MAY 07, 2010

for GREWAL & SINGH  
Chartered Accountants

  
(JASPAL SINGH SAHNI)  
PARTNER  
M.NO. 501501  
FIRM NO NRO367

**ANNEXURE TO THE AUDITORS' REPORT**  
**[Referred to in Paragraph 2 of our report of even date to the Members of**  
**DCM Textiles Limited]**  
**2009 – 2010**


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1. The company has not acquired any fixed assets so far.[Refer Clause (I) (a) of CARO]
2. The company has not taken/given any loans, secured or unsecured, from/to companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.[Refer Clause (III) (a) & (b) of CARO]
3. In our opinion and according to the information and explanation given to us, there are reasonable internal control procedures commensurate with the size of the company and the nature of its business in respect of its operations.[Refer Clause (IV) of CARO]
4. There has been no purchase / sale of goods and materials and services aggregating during the year to Rs.5,00,000/- or more in value in respect of each party made in pursuance of contracts or agreements entered with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956. [Refer Clause (V) of CARO]
5. The company has not accepted deposits from the public within the meaning of section 58 – A of the Companies Act, 1956.[Refer Clause (VI) of CARO]
6. According to the information and explanations given to us and the books and records examined by us, no undisputed amounts payable in respect of Income- tax, Wealth- tax, Sales- tax, Custom duty and Excise duty were outstanding on March 31, 2010 for a period of more than six months from the date of becoming payable.[Refer Clause (IX) (b) of CARO]
7. The company is not required to comply with the provisions of any special statue applicable to Chit Fund, Nidhi or a Mutual Benefit Society.[Refer Clause (XIII) of CARO]
8. There being no investments made by the company so far. [Refer Clause (XIV) of CARO]
9. The company has not given any guarantee for loans taken by others from banks and financial institutions.[Refer Clause (XV) of CARO]
10. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.[Refer Clause (XVIII) of CARO]
11. No fraud on or by the company has been noticed or reported during the year.[Refer Clause (XXI) of CARO]
12. The Clauses (I) (b) & (c), (II) (a) to (c), (III) (c) & (d), (VII), (VIII), (IX) (a), (X), (XI), (XII), (XVI), (XVII), (XIX) and (XX) of the said order being inapplicable so far have not been commented upon.



Place : New Delhi  
Date : MAY 07, 2010

for GREWAL & SINGH  
Chartered Accountants

  
(JASPAL SINGH SAHNI)  
PARTNER  
M.NO. 501501  
FIRM NO NRO367

# DCM TEXTILES LIMITED

**BALANCE SHEET AS AT : MARCH 31, 2010**

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b>I. SOURCES OF FUNDS</b>			
1. Shareholder's Funds			
Share Capital	1	5,00,000	5,00,000
2. Reserve Funds			
Profit and Loss Account	2	26,615	3,588
		<u>5,26,615</u>	<u>5,03,588</u>
<b>II APPLICATION OF FUNDS</b>			
1. Current Assets, Loans and Advances			
Cash and Bank Balances	3	5,41,597	5,08,549
Other Current Asset	4	-	785
Loans and Advances	5	14,942	9,322
		5,56,539	5,18,656
2. Less : Current Liabilities and Provisions			
Current Liabilities	6	6,454	4,248
Provisions	7	23,470	10,820
		29,924	15,068
Net Current Assets		5,26,615	5,03,588
		<u>5,26,615</u>	<u>5,03,588</u>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	8		

  
**SUMANT BHARAT RAM**  
**DIRECTOR**

  
**ASHWANI SINGHAL**  
**DIRECTOR**

**AUDITORS' REPORT**


In terms of our separate report of even date.

for **GREWAL & SINGH**

Chartered Accountants



**PLACE : NEW DELHI**  
**DATE : MAY 07, 2010**


  
**(JASPAL SINGH SAHNI)**  
**PARTNER**  
**M. No. 501501**  
**FIRM NO NRO367**

# DCM TEXTILES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b>INCOME</b>			
Interest Received on Fixed Deposit (TDS Rs.4,090/-, Previous Year Rs. 9,322/-)		40,897	35,020
Miscellaneous Income		-	90
		<u>40,897</u>	<u>35,110</u>
<b>EXPENDITURE</b>			
Filing Fees		1,000	2,500
Auditor's Remuneration			
- Audit Fees		1,103	1,000
- Certification Fees		1,103	1,000
Certification Charges		900	974
Bank Charges		1,100	1,650
Miscellaneous Expense		14	98
		<u>5,220</u>	<u>7,222</u>
<b>Profit before Tax</b>		<b>35,677</b>	<b>27,888</b>
Less : Provision for Tax		12,650	10,820
Less : Income tax adjustment for earliar years		-	4,467
<b>Profit after Tax</b>		<b>23,027</b>	<b>12,601</b>
Profit / (Loss) brought forward from previous year		3,588	(9,013)
Balance carried to Balance Sheet		<u>26,615</u>	<u>3,588</u>
Basic and Diluted Earning per Share (Rs. Per Share of Rs.10/- each)		0.46	0.25
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	8		

  
**SUMANT BHARAT RAM**  
 DIRECTOR


  
**ASHWANI SINGHAL**  
 DIRECTOR

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PLACE : NEW DELHI  
 DATE : MAY 07, 2010

  
**(JASPAL SINGH SAHNI)**  
 PARTNER  
 M. No. 501501  
 FIRM NO NRO367

**DCM TEXTILES LIMITED**

**SCHEDULES ATTACHED TO ANNUAL ACCOUNTS : 2009 – 2010**

SCHEDULE	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	<b>SHARE CAPITAL AUTHORISED</b>		
	2,50,000 (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>
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	50,000 (Previous year 50,000) Equity Shares of Rs. 10/- each fully paid up (Equity Shares are held by DCM Limited the Holding Company)	5,00,000	5,00,000
		<u>5,00,000</u>	<u>5,00,000</u>
2	<b>RESERVES AND SURPLUS</b>		
	Profit and Loss Account	26,615	3,588
		<u>26,615</u>	<u>3,588</u>
	<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
3	<b>Cash and Bank Balances</b>		
	Cash on hand	2,259	2,159
	Balance with Schedule Bank		
	- Current Account	5,39,338	56,390
	- Deposit Account	-	4,50,000
		<u>5,41,597</u>	<u>5,08,549</u>
4	<b>Other Current Asset</b>		
	Interest accrued on Fixed Deposit	-	785
5	<b>Loans and Advances</b>		
	Advances recoverable in cash or in kind or for value to be received		
	Advance Tax / Self Assessemnt Tax (Including TDS)	14,942	9,322
		<u>5,56,539</u>	<u>5,18,656</u>
	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
6	<b>Current Liabilities</b>		
	Expenses Payable	6,454	4,248
7	<b>Provisions</b>		
	Provision for Income Tax	23,470	10,820
		<u>29,924</u>	<u>15,068</u>



# DCM TEXTILES LIMITED

ANNUAL ACCOUNTS – 2009-2010

## 8. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### SIGNIFICANT ACCOUNTING POLICIES

- a) 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.
- b) The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

### NOTES TO ACCOUNTS

- a) The main object of the company mainly comprise to carry on the business of ginners, 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.
- b) Disclosures as per Accounting Standard (AS) – 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India:

1. Related Parties where control exists

1. DCM LIMITED
2. DCM FINANCE & LEASING LIMITED
3. DCM ENGINEERING LIMITED
4. DCM TOOLS & DIES LIMITED
5. DCM REALTY INVESTMENT & CONSULTING LIMITED

Key Management Personnel and / or Individuals having direct or indirect control or significant influence, and their relatives: -

1. MR. SUMANT BHARAT RAM

2. Disclosure of Transactions between the Company and Related Parties:


Nature of Transaction	(Rs.)
	NIL

Status of Outstanding Balances between the Company and the Related Parties as on March 31, 2010.

Particulars	Holding Company
50,000 Equity Shares of Rs.10/- each	5, 00,000/-




- c) 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.
- d) 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.
- e) 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’. There is no deferred tax liability due to uncertainty of profit and no timing difference between Taxable and Accounting Income.
- f) Quantitative details pursuant to Part II of Schedule VI to the Companies Act, 1956 are either nil or not applicable to the company so far
- g) Figures have been rounded off to the nearest rupee.
- h) The figures for the previous year have been regrouped / rearranged wherever necessary


  
**SUMANT BHARAT RAM**  
**DIRECTOR**



**Place : New Delhi**  
**Date : MAY 07, 2010**

  
**ASHWANI SINGHAL**  
**DIRECTOR**

**AUDITORS' REPORT**  
In terms of our separate report of even date,  
for GREWAL & SINGH  
Chartered Accountants

  
**(JASPAL SINGH SAHNI)**  
**PARTNER**  
**M.NO. 501501**  
**FIRM NO NRO367**



# DCM TEXTILES LIMITED

Balance Sheet Abstract and Company's General Business Profile  
[Refer Schedule VI Part IV]

## I. Registration Details

Registration No.

Balance Sheet date         State Code    
Date Month Year

## II. Capital raised during the Year : (Amount in Rs. Thousands)

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Right Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

## III. Position of Mobilization and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="7"/>	Total assets	<input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="7"/>
<i>Sources of Funds</i>			
Paid-up Capital	<input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserve and Surplus	<input type="text" value="2"/> <input type="text" value="7"/>
Secured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<i>Application of Funds</i>			
Net Fixed Assets	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Investments	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets	<input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="7"/>	Misc. Expenditure	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>		

## IV. Performance of the company : (Amount in Rs. Thousands)

Turnover	<input type="text" value="4"/> <input type="text" value="1"/>	Total expenditure	<input type="text" value="5"/>
+ - Profit/Loss before Tax	<input checked="" type="checkbox"/> <input type="text" value="3"/> <input type="text" value="6"/>	+ - Profit/Loss after tax	<input checked="" type="checkbox"/> <input type="text" value="2"/> <input type="text" value="3"/>

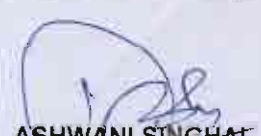
(Please tick the appropriate box + for profit, --- for loss)

Earning per Share in Rs.    Dividend Rate %

## V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.     
(ITC Code)  
Product Description

  
SUMANT BHARAT RAM  
DIRECTOR


  
ASHWANI SINGHAL  
DIRECTOR

AUDITORS' REPORT

In terms of our separate report of even date.  
for GREWAL & SINGH  
Chartered Accountants



PLACE : NEW DELHI  
DATE : MAY 07, 2010

  
(JASPAL SINGH SAHNI)  
PARTNER  
M. No. 501501  
FIRM NO NRO367

# DCM TEXTILES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	CURRENT YEAR	PREVIOUS YEAR
<b>A. CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	35,677	27,888
Adjustments for: -		
Interest income	(40,897)	(35,020)
Operating profit/(loss) before working capital changes	(5,220)	(7,132)
Adjustments for changes in: -		
Trade and other receivables	785	(785)
Trade payables	2,206	(248)
<b>Cash generated from operations</b>	<b>(2,229)</b>	<b>(8,165)</b>
Direct taxes (Paid) / Refund (Net)	(5,620)	(11,926)
<b>Net Cash Outflow from Operating Activities - A</b>	<b>(7,849)</b>	<b>(20,091)</b>
<b>B. CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES</b>		
Interest received	40,897	35,020
<b>Net Cash Inflow from Investing Activities - B</b>	<b>40,897</b>	<b>35,020</b>
<b>C. CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>		
<b>Net Cash Flow from Financing Activities - C</b>	-	-
<b>Net Changes in Cash and Cash Equivalents (A+B+C)</b>	<b>33,048</b>	<b>14,929</b>
Cash and Cash equivalents (Opening Balance)	5,08,549	4,93,620
Cash and Cash equivalents (Closing Balance)	5,41,597	5,08,549

Previous year figures, wherever necessary, have been regrouped to make them comparable with current period.

  
**SUMANT BHARAT RAM**  
 DIRECTOR

  
**ASHWANI SINGHAL**  
 DIRECTOR

**AUDITORS' REPORT**

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 for **GREWAL & SINGH**  
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PLACE : NEW DELHI  
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