

# DCM LIMITED ANNUAL REPORT

2017 -2018

BOARD OF DIRECTORS

Dr. Vinay Bharat Ram  
*Chairman and Managing Director*

Mr. Bipin Maira

Mr. Jitendra Tuli

Mr. L. Lakshman

Dr. Meenakshi Nayar

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

Dr. Raghupathi Singhania

Mr. Ravi Vira Gupta

Prof. Sudhir Kumar Jain

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

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

COMPANY SECRETARY

Mr. Yadvinder Goyal

BANKERS

Punjab National Bank

State Bank of India

HDFC Bank Limited

ICICI Bank Limited

AUDITORS

BSR & Co. LLP

Chartered Accountants

Gurgaon

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

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

## Notice of Annual General Meeting

### DCM LIMITED

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

CIN: L74899DL1889PLC000004

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

Ph: 011-25719967, Fax: 011-25765214

**Notice is hereby given that the 128<sup>th</sup> Annual General Meeting of DCM Limited ('the Company') will be held on Monday, September 24, 2018 at 11:30 A.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054 for transacting the following business:**

#### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the audited standalone financial statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and
  - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 together with Report of Auditors thereon.
2. To appoint a director in place of Mr. Jitendra Tuli, (DIN 00272930), who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded to continue the appointment of Mr. Ravi Vira Gupta, (DIN 00017410), aged around 80 Years, as a Non-Executive Independent Director of the Company, (whose present term of office as per the Companies Act, 2013 is for 5 (five) consecutive years with effect from August 4, 2014 upto August 3, 2019, and whose continuation in office with effect from 1<sup>st</sup> April, 2019 requires approval of shareholders by way of special resolution), for his remaining term of office with effect from 1<sup>st</sup> April, 2019 upto August 3, 2019."

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

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

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded to continue the appointment of Mr. Bipin Maira, (DIN 05127804), aged around 78 Years, as a Non-Executive Independent Director of the Company, (whose present term of office as

per the Companies Act, 2013 is for 5 (five) consecutive years with effect from August 4, 2014 upto August 3, 2019, and whose continuation in office with effect from 1<sup>st</sup> April, 2019 requires approval of shareholders by way of special resolution), for his remaining term of office with effect from 1<sup>st</sup> April, 2019 upto August 3, 2019."

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

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

**"RESOLVED THAT** subject to approval of shareholders of the Company to the resolution no. 2 for appointment of Mr. Jitendra Tuli, (DIN 00272930), as a director of the Company liable to retire by rotation, of this notice of the 128<sup>th</sup> Annual General Meeting of the Company and pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded to continue the appointment of Mr. Jitendra Tuli (DIN 00272930), aged around 78 Years, as a Non-Executive Director of the Company, (whose office of director is liable to retire by rotation and whose continuation in office with effect from 1<sup>st</sup> April, 2019, requires approval of shareholders by way of special resolution), to hold office for his remaining term of office with effect from 1<sup>st</sup> April, 2019 upto the period till he retires by rotation or ceases to be director of the company.

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

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

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded to continue the appointment of Dr. Vinay Bharat Ram (DIN 00052826), aged around 82 Years, in his capacity as a Director of the Company, liable to retire by rotation, (whose continuation in office with effect from 1<sup>st</sup> April, 2019, requires approval of shareholders by way of special resolution), to hold office for his remaining term of office with effect from 1<sup>st</sup> April, 2019 upto the period till he retires by rotation or ceases to be director of the company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may

be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and Schedule - V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Dr. Vinay Bharat Ram (DIN 00052826) as Managing Director of the Company w.e.f. January 30, 2019 for a period of 3 years on the remuneration and terms and condition as given below:

Particulars	Amount in Rs. (Per Month)	Amount in Rs. (Per Annum)
<b>A. SALARY</b>		
Basic	4,00,000	48,00,000
Special Allowance	1,50,000	18,00,000
<b>Sub-Total (A)</b>	<b>5,50,000</b>	<b>66,00,000</b>
<b>B. PERQUISITES &amp; ALLOWANCES</b>		
Rent Free Furnished Accommodation	6,45,000 (plus applicable tax)	77,40,000 (plus applicable tax)
Medical Allowance /Re-imbursment	5,000	60,000
Water, Electricity & Gas	75,000	9,00,000
<b>Sub-Total (B)</b>	<b>7,25,000</b>	<b>87,00,000</b>
<b>Grand Total (A)+(B)</b>	<b>12,75,000</b>	<b>1,53,00,000</b>

In addition to the above, he shall also be entitled to following facilities necessary for the purposes of business, which will not be considered as perquisites:

- Company maintained car(s) with driver(s);
- Telephone(s) facility.

However, for the personal use of car, the amount equivalent to the perquisite value of the car(s) as per Income Tax Act shall be recovered from him.

**OTHER TERMS AND CONDITIONS:**

- The Board in its discretion may pay to him lower remuneration than the maximum remuneration stipulated hereinabove and revise it from time to time within the limits stipulated herein.
- Subject to overall superintendence, direction and control of the Board of Directors, Dr. Vinay Bharat Ram is entrusted with substantial powers of management of the Company. He shall look after the working and shall manage the affairs of the Company, as may from time to time be assigned to him by the Board of Directors of the Company.
- For the discharge of duties, Dr. Vinay Bharat Ram shall report to and derive his authorities and functional responsibilities from the Board of Directors.
- Either party may terminate the appointment by giving to the other, three calendar months' notice in writing.

- In the event of termination of appointment by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013.
- Remuneration for a part of the year shall be computed on a pro-rata basis.
- He shall not be entitled to any sitting fees for attending the meeting of Board of Directors or Committee(s) thereof.
- He shall be entitled to Gratuity as per policy/rules of the Company, however pursuant to provisions of Paragraph 1 of Section IV of Part-II of Schedule V of the Companies Act, 2013, the same shall not be included in the computation of ceiling on remuneration.
- Subject to limits as prescribed in Company's Policies, he shall be entitled to re-imbursement of expenses including on entertainment and traveling incurred in the course of business of the Company, which will not be treated as an item of remuneration for the purpose of Section 197 of the Companies Act, 2013.

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

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

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

“**RESOLVED THAT** Mr. Dinesh Dhiman (DIN 08021624), who was appointed by the Board of Directors as an Additional Director of the Company on the recommendations of Nomination & Remuneration Committee, with effect from December 13, 2017 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

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

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and Schedule - V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment

of Mr. Dinesh Dhiman (DIN 08021624), as Whole-Time Director of the Company designated as Executive Director (Engineering Operation) with effect from December 13, 2017 for a period of three years from December 13, 2017 upto December 12, 2020 on the remuneration and terms and conditions as given below:

Sl. No.	Particulars	Amount in Rs. (Per Month)	Amount in Rs. (Per Annum)
<b>I</b>	<b>SALARY AND ALLOWANCES</b>		
	Basic Salary	90,000	10,80,000
	House Rent Allowance	54,000	6,48,000
	LTA	4,167	50,004
	Medical Allowance	7,500	90,000
	Special Allowance	1,38,500	16,62,000
	<b>Sub-Total (I)</b>	<b>2,94,167</b>	<b>35,30,004</b>
<b>II</b>	<b>OTHERS</b>		
	Company Contribution to Provident Fund as per policy/rules of the Company.	10,800	1,29,600
	Gratuity as per policy/rules of the Company.	4326	51,912
	<b>Sub-Total (II)</b>	<b>15,126</b>	<b>1,81,512</b>
<b>III</b>	<b>Total (I)+(II)</b>	<b>3,09,293</b>	<b>37,11,516</b>

In addition to the above, he shall also be entitled to following facilities necessary for the purposes of business, which will not be considered as perquisites:

- Company maintained car with driver;
- Telephone facility.

However, for the personal use of car, the amount equivalent to the perquisite value of the car as per Income Tax Act shall be recovered from him.

The annual increase in total remuneration (as stated at point no. III of table given above) of Mr. Dinesh Dhiman, Whole-Time Director of the Company designated as Executive Director (Engineering Operation) shall be as may be decided by the Board of Directors of the Company, from time to time, however the same shall not exceed Rs. 50,000/- per month or Rs. 6,00,000/- per annum, at each occasion of the annual increment.

#### Other Terms and Conditions:

- The Board may in its discretion pay to him lower remuneration than the maximum remuneration stipulated hereinabove and revise it from time to time within the limits stipulated herein or if it exceeds, then with the necessary approvals, if any, at the appropriate point of time.
- For the discharge of duties, Mr. Dinesh Dhiman shall report to and derive his authorities and functional responsibilities from Mr. Sushil Kapoor, Executive Director (Engineering Business) or as may be decided by the Board of Directors, from time to time.
- Subject to overall superintendence, direction and control of the Board of Directors, Mr. Dinesh Dhiman be responsible for Plant operations of the Engineering Division namely 'DCM Engineering Product' situated at Village Asron, Tehsil Balachur, District Shaheed Bhagat Singh Nagar, Punjab.

- Either party may terminate the appointment by giving to the other, 3 calendar months' notice in writing.
- In the event of termination of appointment by the Company, he shall not be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013.
- Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.
- Remuneration for a part of the year shall be computed on a pro-rata basis.
- Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.
- He shall not be entitled to any sitting fees for attending the meeting(s) of Board of Directors or Committee(s) thereof of the Company.
- For the purposes of retirement benefits like Gratuity, Provident Fund etc., the service of Mr. Dinesh Dhiman, Whole-Time Director designated as Executive Director (Engineering Operation) will be considered as continuation of service from the date of his joining with the Company.

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

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

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

**"RESOLVED THAT** Mr. Sushil Kapoor (DIN 02481289), who was appointed by the Board of Directors as an Additional Director of the Company on the recommendations of Nomination & Remuneration Committee, with effect from January 15, 2018 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

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

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and Schedule - V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Sushil Kapoor (DIN: 02481289), as Whole-Time Director of the Company designated as Executive Director (Engineering Business) w.e.f. January 15, 2018 for a period of one year from January 15, 2018 upto January 14, 2019 on the remuneration and terms and conditions as given below:

Sl. No.	Particulars	Amount in Rs. (Per Month)	Amount in Rs. (Per Annum)
1	Salary	7,75,000	93,00,000
2	Car Allowance	60,000	7,20,000
	<b>Total</b>	<b>8,35,000</b>	<b>1,00,20,000</b>

He shall also be entitled to following:

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

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

**Other Terms and Conditions:**

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

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

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to Cost Auditors appointed by the Board of Directors of the Company, as stated below be and is hereby ratified and confirmed:

- Rs. 50,000/- (Rupees fifty thousand only) plus GST & out-of-pocket expenses, if any, to M/s K G Goyal & Associates, Cost Accountants (Firm Registration Number 000024), as Cost Auditors, for financial year 2018-19, for audit of cost accounting records of 'Cotton Textiles' manufactured by the Company;
- Rs. 1,25,000/- (Rupees one lac and twenty five thousand only) plus GST & out-of-pocket expenses, if any, to M/s V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2018-19, for audit of the Cost Accounts pertaining to Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab; and
- Rs. 60,000/- (Rupees sixty thousand only) plus GST & out-of-pocket expenses, if any, to M/s V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Lead Cost Auditor, for financial year 2018-19, for consolidation of the Cost Audit Reports etc. of the Company.

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

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

**Place :** New Delhi  
**Date :** August 10, 2018

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

**Sd/-  
Yadvinder Goyal  
Company Secretary**



**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item nos. 3 to 12 under Special Business of this Notice is annexed hereto.

B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 125<sup>th</sup> Annual General Meeting held on August 18, 2015 for a period of 5 years from the conclusion of 125<sup>th</sup> Annual General Meeting held on August 18, 2015 to hold office till conclusion of 130<sup>th</sup> Annual General Meeting of the Company subject to ratification of their appointment by the members at every intermittent AGM of the Company. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018, the mandatory requirement for ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting ("AGM") is no longer required, and hence the Company is not proposing an item on ratification of appointment of Statutory Auditors at this 128<sup>th</sup> Annual General Meeting of the Company.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution / authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 18, 2018 to Monday, September 24, 2018 (both days inclusive).
4. A. Members holding shares in physical form are requested to notify/ send the following to the Registrar & Transfer Agent (RTA) of the Company i.e. MCS Share Transfer Agents Limited:
  - i) their bank account details in order to receive payment of dividend through electronic mode,
  - ii) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
  - iii) any change in their address/e-mail id/ECS mandate/ bank details,
  - iv) share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
- B. Members holding shares in dematerialized form are requested to notify to their Depository Participant:
  - i) their email id.
  - ii) all changes with respect to their address/email id/ ECS mandate/ bank details.
- C. Kindly note that as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), it is mandatory

for the Company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/ RTA/ Depository Participant, as the case may be.

5. Members are requested to bring their copy of Annual Report.
6. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
7. The members intending to seek any information on Annual Accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of the meeting.
8. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
9. In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchanges, hence members are requested to convert their physical share certificates into electronic form.
10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, M/s MCS Share Transfer Agent Limited.
11. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), for securities market transactions and/or for off -market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) (including joint holders) shall furnish copy of PAN card to the Company for registration of such transfer of securities. Accordingly, all the shareholders/ transferor(s) / transferee(s) of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.  
  
Pursuant to above please note that MCS Share Transfer Agents Limited (MCS), Registrars and Transfer Agent and the Company will not accept any request for transfer of shares in physical form with effect from December 5, 2018. This restriction shall not be applicable to the request received for transmission or transposition of physical shares. Shareholders are requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact any office of the nearest MCS branch to guide you in the demat procedure. You may visit website of depositories viz., NSDL or CDSL or websites of stock exchanges for further understanding about the demat procedure.
13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.

14. Annual Report including Notice of AGM and Attendance Slip is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s). However, physical copy of the Annual Report including Notice of AGM and Attendance Slip is also being sent to all members.
15. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays & Public Holidays) during 11.00 a.m. to 2.00 p.m. up to one day prior to date of the Meeting.
16. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings, in respect of person seeking appointment /re-appointment as Director of the Company under Item No. 2, 3-11 of the Notice, are provided at page nos. 15&16 of the Annual Report.
17. All unclaimed/unencashed dividend, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unencashed for a period of seven years from the date they became due for payment, have been/will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, from time to time, in accordance with applicable provisions of the Companies Act, 1956 and / or the Companies Act, 2013.
18. Pursuant to circular issued by Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded the Form 5 INV containing the details of amount lying unclaimed / un-encashed, as on the date of last Annual General Meeting, on account of matured Fixed Deposits/Debtentures and Dividend on the website of MCA as well as on its website www.dcm.in. Deposit-holders/Debtenture-holders/Shareholders may kindly check the said information and if any amount on account of matured deposits, matured debtentures, or interest thereon or dividend is appearing as unclaimed / un-encashed against their name, they may lodge their claim, duly supported by relevant documents to the Company.
19. Also, in terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.
20. Any person whose shares, unclaimed/un-encashed dividend, matured deposits, matured debtentures, or interest thereon, have been transferred to the IEPFA, can claim back the shares or apply for refund from IEPFA, as the case may be, by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of deposit-holders/debtenture-holders/shareholders to claim the unclaimed / un-encashed amount of dividend, matured deposits, matured debtentures or interest thereon with in scheduled time.
21. Mrs. Pragnya Parimita Pradhan, Company Secretary in whole-time practice, Proprietor of M/s Pragnya Pradhan & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting at AGM in a fair and transparent manner.
22. The facility for voting through polling paper shall also be made available at the Annual General Meeting and Members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.
23. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
24. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting).
25. The instructions for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL :**
    - i. Open the PDF file 'DCM remote e-Voting.pdf' attached to the e-mail, using your client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
    - ii. Launch an internet browser and open <https://www.evoting.nsdl.com/>
    - iii. Click on Shareholder - Login.
    - iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
    - v. Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
    - vi. Home page of e-voting will open. Click on remote e-Voting -Active Voting Cycles.
    - vii. Select 'EVEN' (i.e. Remote e-voting Event Number) 109000 of DCM Limited.
    - viii. Now you are ready for remote e-voting as 'Cast Vote' page opens.
    - ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
    - x. Upon confirmation, the message 'Vote cast successfully' will be displayed.
    - xi. Once you have confirmed your vote on the resolution, you cannot modify your vote.
    - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [pragnyap.pradhan@gmail.com](mailto:pragnyap.pradhan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM:**
    - I. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM, in the manner as stated below:
 

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD /PIN
-	-	-
    - II. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.



**C. Other Instructions:**

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- III. The remote e-voting period commences on Friday, September 21, 2018 (9.00 a.m. IST) and ends on Sunday, September 23, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 17, 2018 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- IV. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on September 17, 2018 i.e. cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the Annual General Meeting through polling paper.
- V. Any person, who acquires and/or allotted/issued shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact NSDL at toll free no. 1800-222-990. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

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

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

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

26. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.
27. The result shall be declared not later than 48 hours from conclusion of this Annual General Meeting. The result declared shall be communicated to BSE Limited, National Stock Exchange of India Limited, National Securities Depository Limited (NSDL), MCS Share Transfer Agent Limited (i.e. Registrar & Share Transfer Agent of the Company) and shall also be displayed on the website of the Company i.e. [www.dcm.in](http://www.dcm.in)
28. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on date of Annual General Meeting i.e. September 24, 2018.
29. The route map to the venue of the Annual General Meeting is given at page no. 17 of this Annual Report.

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

**Item Nos. 3 & 4**

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

Mr. Ravi Vira Gupta, aged 80 years (date of birth 19<sup>th</sup> November, 1937) and Mr. Bipin Maira aged 78 years (date of birth 7<sup>th</sup> November, 1939) were appointed as Non-Executive Independent Directors of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from August 4, 2014 upto August 3, 2019 under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under.

Mr. Ravi Vira Gupta and Mr. Bipin Maira are more than 75 years of age as on date of this notice of 128<sup>th</sup> Annual General Meeting i.e. August 10, 2018 and accordingly as per Regulation 17(1A) of Listing Regulations, their continuation as Non-Executive Independent Directors of the Company with effect from 1<sup>st</sup> April, 2019 shall require approval of shareholders by way of special resolution.

A brief justification for their continuation as Non-Executive Independent Directors on the Board of the Company with effect from 1<sup>st</sup> April, 2019 is as under:

Mr. Ravi Vira Gupta joined the Indian Administrative Service in 1962. He had worked in various states and held challenging assignment at the field. He was associated with various aspects of cooperatives as well as agriculture. He was Registrar of Cooperatives as well as Managing Director of National Cooperative Development Corporation. In Madhya Pradesh, he was the Managing Director of the MP Federation of Dairy Cooperatives for over three years. Between 1991 and 1998, he was closely associated with the economic reforms at the level of Additional Secretary / Secretary in the Government of India in the Ministries of Fertilizer, Food as well as Finance. He was also Deputy Governor of the Reserve Bank of India for about three years. He was associated with many committees over the years including at Reserve Bank Committee on agricultural credit.

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

Mr. Bipin Maira has around 53 years of industry experience; He started his career with Delhi Cloth & General Mills Co. Ltd. as Senior Management Trainee in 1962 & grew to the position of General Manager of DCM before leaving in 1982. He has served for seven years with the renowned Kewalram Chanrai Group as Chief Executive for their Nigerian manufacturing operations, including one of the largest textile complexes in Africa. He was associated for thirteen years as director & Partner with Resource Management Associates overseeing the International assignments in Management Consultation & H R. Currently since 2007, as Group H R Advisor, to the Singapore-based Kewalram Chanrai Group.

Mr. Bipin Maira's judgment and knowledge of the sector in which the Company operates are very important elements in the debates and business decisions adopted by the Board of Directors. He inspires great confidence to the Board.

The Board of Directors are of the opinion that Mr. Ravi Vira Gupta and Mr. Bipin Maira are persons of integrity, possess relevant expertise and vast experience and their association as Non-Executive Independent Directors will be beneficial and in the best interest of the Company. Their presence on the Board of the Company adds more value and gives confidence to the Board in its decisions. Further, their association supports a good balance in the composition of the Board.

Mr. Ravi Vira Gupta and Mr. Bipin Maira fulfils all conditions specified by applicable laws for the position of an Independent Director of the Company. The Company has also received necessary declarations from Mr. Ravi Vira Gupta and Mr. Bipin Maira that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations, presently applicable. Further, they have also confirmed that they are not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013.

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

Other than Mr. Ravi Vira Gupta and Mr. Bipin Maira, their relatives, for their respective appointments, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in their respective proposed Special Resolutions as set out in Item Nos. 3 & 4 of this Notice.

Accordingly, the Board recommends the Special Resolutions as set out at Item Nos. 3 & 4 of this Notice for approval of the members of the Company.

#### **Item No. 5**

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

Mr. Jitendra Tuli, aged 78 years (date of birth 20<sup>th</sup> September, 1939) was appointed as Non-Executive Director of the Company under Section 149 and 152 of the Companies Act, 2013 and Rules made there under, liable to retire by rotation.

Mr. Jitendra Tuli is more than 75 years of age as on date of this notice of 128<sup>th</sup> Annual General Meeting i.e. August 10, 2018 and accordingly as per Regulation 17(1A) of Listing Regulations, his continuation as Non-Executive Director of the Company, liable to retire by rotation, with effect from 1<sup>st</sup> April, 2019 shall require approval of shareholders by way of special resolution.

A brief justification for his continuation as Non-Executive Director on the Board of the Company with effect from 1<sup>st</sup> April, 2019 is as under:

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

Mr. Jitendra Tuli has around 54 years of vast experience in communications, external relations, media management and social responsibility. Due to his long association with the Company including in his capacity as Chairman & Managing Director of the Company in the past, he has ample experience and understanding of the business of the Company. In view of Board, the presence

of Mr. Jitendra Tuli on the Board further enhances the diversity of the Board in terms of its composition.

The Board of Directors are of the opinion that Mr. Jitendra Tuli possess relevant expertise and vast experience and his association as Non-Executive Director will be beneficial and in the best interest of the Company. His presence on the Board of the Company adds more value and gives confidence to the Board in its decisions. Further, his association supports a good balance in the composition of the Board.

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

Other than Mr. Jitendra Tuli, his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution as set out in Item No. 5 of this Notice.

Mr. Jitendra Tuli, retires by rotation at this 128<sup>th</sup> Annual General Meeting of the Company and being eligible offers himself for re-appointment as a director of the Company. Accordingly, an ordinary resolution as set out at Item No. 2 for his appointment as a director of the Company, liable to retire by rotation, forms part of this Notice of 128<sup>th</sup> Annual General Meeting of the Company, for seeking approval of members of the Company.

Therefore, the Special Resolution as set out at Item No. 5, of this Notice of 128<sup>th</sup> Annual General Meeting of the Company, for approval of the members of the Company, is subject to approval of ordinary resolution as set out at Item No. 2 of this Notice 128<sup>th</sup> Annual General Meeting of the Company, by members of the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 5 of this Notice for approval of the members of the Company.

#### **Item Nos. 6 & 7**

Dr. Vinay Bharat Ram, aged 82 years (date of birth 18<sup>th</sup> February, 1936) was appointed in his capacity as Non-Executive Director of the Company under Section 149 and 152 of the Companies Act, 2013 and Rules made there under, subject to retirement by rotation.

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

Dr. Vinay Bharat Ram is more than 75 years of age as on date of this notice of 128<sup>th</sup> Annual General Meeting i.e. August 10, 2018 and accordingly as per Regulation 17(1A) of Listing Regulations, his continuation in his capacity as a Director of the Company, liable to retire by rotation, with effect from 1<sup>st</sup> April, 2019 shall require approval of shareholders by way of special resolution.

Details given under Table II in this item herein below shall also be treated as brief justification for his continuation in his capacity as a Director of the Company, liable to retire by rotation, with effect from 1<sup>st</sup> April, 2019.

Accordingly, it is proposed to seek the members' approval for the continuation of Dr. Vinay Bharat Ram in his capacity as a Director of the Company, liable to retire by rotation, with effect from 1<sup>st</sup> April, 2019, by way of Special Resolution, as required under Regulation 17(1A) of Listing Regulations.

## Notice continued

Dr. Vinay Bharat Ram was also appointed as Managing Director of the Company for a period of three years with effect from January 30, 2016. His said term as Managing Director of the Company will complete on January 29, 2019.

The Board of Directors of the Company, on the recommendations of Nomination & Remuneration Committee, have re-appointed Dr. Vinay Bharat Ram as Managing Director of the Company for a period of three years with effect from January 30, 2019, subject to the approval of members, on payment of remuneration and on such terms and conditions as stated in the resolution.

Since Dr. Vinay Bharat Ram has attained the age of more than 70 years, it is proposed to seek the members' approval for the re-appointment of Dr. Vinay Bharat Ram, as Managing Director of the Company, by way of Special Resolution, as required under Part-I of Schedule V and sub-section (3) of Section 196 of the Companies Act, 2013.

Keeping in view that Dr. Vinay Bharat Ram has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to appoint Dr. Vinay Bharat Ram as Managing Director of the Company.

The proposed remuneration is in line with the remuneration being paid to the Whole Time Directors/Managing Directors in the Industry for similar sized Companies. Further, the educational background, experience and job profile of Dr. Vinay Bharat Ram and the demand of the office of Managing Director justify his entitlement to the remuneration proposed as above.

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

The Board of Directors recommends the resolutions as set out under item nos. 6 & 7 of this Notice for the approval of members of the Company.

None of the directors and their relatives except Dr. Vinay Bharat Ram are interested or concerned, financially or otherwise, in the aforesaid resolutions as set out under item nos. 6 & 7. However, Mr. Sumant Bharat Ram, Chief Executive & Financial Officer of the Company and Mr. Hemant Bharat Ram, President (Textiles), being relatives of Dr. Vinay Bharat Ram and also as Key Managerial Personnel of the Company are interested in the said resolutions. Except as stated above, no other Key Managerial Personnel is interested or concerned, financially or otherwise in the aforesaid resolutions as set out under item nos. 6 & 7.

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

### I. GENERAL INFORMATION :

(1)	Nature of Industry	The Company is primarily engaged in the business of production / sale of Cotton Textile Yarn and IT Infrastructure Services.
(2)	Date of or expected date of commencement of commercial production :	<p>DCM Limited established in 1889 has been engaged in diversified business over the years. Presently, the Company is in following businesses:</p> <p><b>a. Textile Business:</b> DCM Textile (Division of the Company) is engaged in production / sale of Cotton Textile Yarn having an installed capacity of 1,15,048 spindles. The plant is located at Hisar, Haryana. Textile division is highly focused on exports with around 50% turnover in export market.</p> <p>A Scheme of Arrangement (hereinafter referred to as 'Scheme'), for demerger of Cotton Textile Business Undertaking of the Company into DCM Nouvelle Limited ('Resulting Company') with effect from the appointed date of January 1, 2017, has been approved by the Board of Directors of the Company.</p> <p>The Company has received No Objection letter(s) from both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of aforesaid Scheme. Equity Shareholders, Secured Creditors and unsecured Creditors of the Company have approved the said scheme in their respective meetings convened &amp; held on Saturday, July 14, 2018, at New Delhi, as per directions of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ('NCLT'). This scheme is subject to sanction of NCLT.</p> <p><b>b. IT Business:</b> The IT Division of the Company is an established service provider for managed IT Services globally. The Division has over a decade's experience in IT Infrastructure services specializing in networking, analytics, cloud, and digital technologies.</p> <p><b>c. Engineering Business:</b> DCM Engineering Products (Division of the Company) is primarily engaged inter alia in the manufacturing and supply of castings across all segments in automotive market: car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipment etc. The plant is located at Shaheed Bhagat Singh Nagar, Punjab with capacity of 72,000 MT per annum. It is associated with top automotive players and specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings.</p>
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not applicable

(4) Financial Performance based on the given indicators:

(Rs. Lacs)

Particulars	FY 2017-18 *	FY 2016-17 *	FY 2015-16
Revenue from operations	97,058.03	99,020.49	93,929.26
Other income	896.46	1,564.92	1,329.08
Total Income	97,954.49	100,585.41	95,258.34
Other expenditure	95,272.14	94,167.45	88,344.93
Finance costs	2,613.03	3,017.85	3,255.88
Depreciation and amortisation	3,624.32	3,637.19	3,639.74
Profit/ (loss) before tax	(3,555.00)	(237.08)	17.79
Provision for taxation (including deferred taxes)	(0.74)	13.50	(311.01)
Profit/ (loss) after tax	(3,554.26)	(250.58)	328.80

\* As per Ind AS, prescribed under section 133 of the Companies Act 2013, applicable w.e.f. 01.04.2017.

(5) Foreign investments or collaborators, if any:

NIL

II) INFORMATION ABOUT THE APPOINTEE

(1)	Background Details	Dr. Vinay Bharat Ram is educated from the University of Delhi (BA), Michigan University (MBA) and Harvard Business School (MDP) and holds Ph.D in Economics from the University of Delhi. He has wide industry experience of around 53 years.  Dr. Vinay Bharat Ram (DIN 00052826) is Managing Director of the Company and his said term as Managing Director of the Company will complete on January 29, 2019.
(2)	Past Remuneration	Dr. Vinay Bharat Ram is drawing remuneration from DCM Limited as Managing Director of the Company. During the financial years ended 31-03-2017 and 31-03-2018 he has drawn remuneration of Rs. 153.95 Lacs and Rs. 147.85 Lacs per annum respectively. Central Govt. vide its letter no.- SRN No: G06005904/2016-CL-VII dated 22 <sup>nd</sup> December, 2016 gave its approval for his remuneration for the period from 30.01.2016 to 11.09.2016 as his remuneration for period from 12.09.2016 to 29.01.2019 was within limits of Revised Schedule V of the Companies Act, 2013 notified vide GSR No. 2922E dated 1/09/2016.
(3)	Recognition or Awards	1. Past President of Harvard Club of Delhi, Manufacturers Association of Information Technology 2. Ex- Member of the International Council of the Asia Society, New York, U.S.A 3. Honored and admired as member of the Textile Association of India. 4. Recipient of the National Citizen's Award 1990 for Entrepreneurship from the Ex-Prime Minister of India. 5. Recipient of the National Excellence Award for Art & Culture for 1996-97 from T.P. Jhunjhunwala Foundation 6. Nominated as Life Trustee of the Institute of Economic Growth, Delhi by Ex-Prime Minister Dr. Manmohan Singh 7. Chairman of the Governing Board of Population Foundation of India

(4)	Job Profile and his suitability	Dr. Vinay Bharat Ram (DIN 00052826) was Chief Executive Officer of the Company. Thereafter, he was appointed as Managing Director of the Company for a period of three years with effect from January 30, 2016. His said term as Managing Director of the Company will complete on January 29, 2019.  Dr. Vinay Bharat Ram has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.  He has outstanding knowledge/ vast experience in the industry. Further in order to have his continuous guidance & leadership in the business of the Company and his educational background, role & responsibilities undertaken by him makes him suitable for re-appointment as Managing Director of the Company.
(5)	Proposed Remuneration	As set out in the Special resolution above relating to his appointment as Managing Director of the Company
(6)	Comparative Remuneration	The remuneration proposed to be paid to Dr. Vinay Bharat Ram is in line with the remuneration paid to the Executive Chairman and/or Managing Director of the similar sized companies in the Industry.
(7)	Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel; if any	Dr. Vinay Bharat Ram holds 14,437 equity shares in the Company.  Mr. Sumant Bharat Ram, Chief Executive & Financial Officer and Mr. Hemant Bharat Ram – President (Textiles) of the Company are sons of Dr. Vinay Bharat Ram.

III) OTHER INFORMATION

(1)	Reasons of loss or inadequate profits	The Company has recorded a Net Loss after Tax of Rs. 35.54 Crores during the financial year 2017-18 against Net Loss after Tax of Rs. 2.51 Crores of previous financial year 2016-17. The dip in profit during the financial year 2017-18 is due to lower profitability of the Textile Division on account of reduction in yarn prices, lower market demand and rupee appreciation etc. resulting decrease in margin in the first half of the year.  Due to production constraints on account of go slow activities by the workers, decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads, Engineering Division continued to make losses during the year.
(2)	Steps taken or proposed to be taken for improvement	The steps taken or proposed to be taken to improve the profitability inter-alia includes: <ul style="list-style-type: none"> <li>Continued focus to achieve improved quality standard, skill set improvement and enhancement of machine efficiencies for better productivity and cost effectiveness across all areas of operations.</li> <li>Better product mix /development of new items to match with the increased market dynamics to further increase the market share and better realization.</li> <li>Various measures undertaken/to be undertaken to improve the productivity and cost reductions in the area of power, manpower and material cost.</li> <li>Implementation of new TQM modules to further improve the overall efficiency and cost effectiveness in the system.</li> </ul>
(3)	Expected increase in productivity and profits in measurable terms	The series of steps taken/to be taken by the company would increase productivity and profits. With these measures the company would expect increase in sales as well as cash accruals.



#### IV) DISCLOSURES:

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

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

#### Item Nos. 8 & 9

The Board of Directors (the 'Board') of the Company, on the recommendations of Nomination & Remuneration Committee, have appointed Mr. Dinesh Dhiman as an Additional Director of the Company with effect from December 13, 2017, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. Further, in terms of the aforesaid provisions, he would hold office as such upto the date of next Annual General Meeting of the Company.

Accordingly, it is proposed to seek the members' approval for the appointment of Mr. Dinesh Dhiman as a director of the Company, liable to retire by rotation, by way of an Ordinary resolution.

The Board of Directors of the Company, on the recommendations of Nomination & Remuneration Committee, have also appointed Mr. Dinesh Dhiman as Whole-time director designated as Executive Director (Engineering Operation) of the Company for a period of three years with effect from December 13, 2017 upto December 12, 2020, subject to the approval of members, on payment of remuneration and on such terms and conditions as stated in the resolution.

It is proposed to seek the members' approval for the appointment of Mr. Dinesh Dhiman, as Whole-time director designated as Executive Director (Engineering Operation) of the Company, by way of Ordinary Resolution, as required under Part-I of Schedule V and sub-section (3) of Section 196 of the Companies Act, 2013.

Keeping in view of Mr. Dinesh Dhiman's experience in the Industry and his involvement in the operations of the Company, it would be in the interest of the Company to appoint Mr. Dinesh Dhiman as Whole-time director designated as Executive Director (Engineering Operation) of the Company.

The proposed remuneration is in line with the remuneration being paid to the Whole Time Directors in the Industry for similar sized Companies. Further, the educational background, experience and job profile of Mr. Dinesh Dhiman justify his entitlement to the remuneration proposed as above.

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

The Board of Directors recommends the resolutions as set out under item nos. 8&9 of this Notice for the approval of members of the Company.

None of the directors and their relatives except Mr. Dinesh Dhiman is interested or concerned, financially or otherwise, in the aforesaid resolutions as set out under item nos. 8&9. Further no Key Managerial Personnel is interested or concerned, financially or otherwise in the aforesaid resolutions as set out under item nos. 8 & 9.

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

#### I. GENERAL INFORMATION :

(1)	Nature of Industry	The Company is primarily engaged in the business of production / sale of Cotton Textile Yarn and IT Infrastructure Services.
(2)	Date of or expected date of commencement of commercial production :	<p>DCM Limited established in 1889 has been engaged in diversified business over the years. Presently, the Company is in following businesses:</p> <p><b>a. Textile Business:</b> DCM Textile (Division of the Company) is engaged in production / sale of Cotton Textile Yarn having an installed capacity of 1,15,048 spindles. The plant is located at Hisar, Haryana. Textile division is highly focused on exports with around 50% turnover in export market.</p> <p>A Scheme of Arrangement (hereinafter referred to as 'Scheme'), for demerger of Cotton Textile Business Undertaking of the Company into DCM Nouvelle Limited ('Resulting Company') with effect from the appointed date of January 1, 2017, has been approved by the Board of Directors of the Company.</p> <p>The Company has received No Objection letter(s) from both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of aforesaid Scheme. Equity Shareholders, Secured Creditors and unsecured Creditors of the Company have approved the said scheme in their respective meetings convened &amp; held on Saturday, July 14, 2018, at New Delhi, as per directions of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ('NCLT'). This scheme is subject to sanction of NCLT.</p> <p><b>b. IT Business:</b> The IT Division of the Company is an established service provider for managed IT Services globally. The Division has over a decade's experience in IT Infrastructure services specializing in networking, analytics, cloud, and digital technologies.</p> <p><b>c. Engineering Business:</b> DCM Engineering Products (Division of the Company) is primarily engaged inter alia in the manufacturing and supply of castings across all segments in automotive market: car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipment etc. The plant is located at Shaheed Bhagat Singh Nagar, Punjab with capacity of 72,000 MT per annum. It is associated with top automotive players and specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings.</p>
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not applicable



(4) Financial Performance based on the given indicators: (Rs. Lacs)

Particulars	FY 2017-18 *	FY 2016-17 *	FY 2015-16
Revenue from operations	97,058.03	99,020.49	93,929.26
Other income	896.46	1,564.92	1,329.08
Total Income	97,954.49	100,585.41	95,258.34
Other expenditure	95,272.14	94,167.45	88,344.93
Finance costs	2,613.03	3,017.85	3,255.88
Depreciation and amortisation	3,624.32	3,637.19	3,639.74
Profit/ (loss) before tax	(3,555.00)	(237.08)	17.79
Provision for taxation (including deferred taxes)	(0.74)	13.50	(311.01)
Profit/ (loss) after tax	(3,554.26)	(250.58)	328.80

\* As per Ind AS, prescribed under section 133 of the Companies Act 2013, applicable w.e.f. 01.04.2017.

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

II) INFORMATION ABOUT THE APPOINTEE

(1) Background Details	Mr. Dinesh Dhiman joined Engineering Division in 2008. He was heading the Plant Operation of Engineering Division and designated as AVP-Operations. He did his BE in Mechanical Engineering from BIT Dhanbad in 1989 and is having more than 22 years of experience in foundry and other automotive component industry. During his tenure with the Company, he has contributed in new product development, continuous improvements like castings weight optimisation / yield improvements and lead time reduction etc. besides supporting expansion / introduction of new technologies of the Engineering Division.
(2) Past Remuneration	Mr. Dinesh Dhiman has drawn remuneration of Rs. 30.77 Lacs per annum and Rs. 35.70 Lacs per annum from DCM Limited during the financial years ended 31-03-2017 and 31-03-2018 respectively.
(3) Recognition or Awards	---
(4) Job Profile and his suitability	His 22 years of experience in the foundry and other automotive component industry and his contribution during with his stay with the Company makes him suitable for appointment as Whole-time director designated as Executive Director (Engineering Operation) of the Company. [Please refer point no. 1 above (i.e. Background details)]
(5) Proposed Remuneration	As set out in the Ordinary Resolution above relating to his appointment as Whole-Time Director, designated as Executive Director (Engineering Operation) of the Company.
(6) Comparative Remuneration	The remuneration proposed to be paid to Mr. Dinesh Dhiman is in line with the remuneration paid to the Whole-Time Directors of the similar sized companies in the Industry.
(7) Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel; if any	Mr. Dinesh Dhiman holds NIL equity shares in the Company. Mr. Dinesh Dhiman does not have any relationship financial or otherwise with Board of Directors of the Company.

III) OTHER INFORMATION

(1) Reasons of loss or inadequate profits	The Company has recorded a Net Loss after Tax of Rs. 35.54 Crores during the financial year 2017-18 against Net Loss after Tax of Rs. 2.51 Crores of previous financial year 2016-17. The dip in profit during the financial year 2017-18 is due to lower profitability of the Textile Division on account of reduction in yarn prices, lower market demand and rupee appreciation etc. resulting decrease in margin in the first half of the year. Due to production constraints on account of go slow activities by the workers, decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads, Engineering Division continued to make losses during the year.
(2) Steps taken or proposed to be taken for improvement	The steps taken or proposed to be taken to improve the profitability inter-alia includes: <ul style="list-style-type: none"> <li>Continued focus to achieve improved quality standard, skill set improvement and enhancement of machine efficiencies for better productivity and cost effectiveness across all areas of operations.</li> <li>Better product mix /development of new items to match with the increased market dynamics to further increase the market share and better realization.</li> <li>Various measures undertaken/to be undertaken to improve the productivity and cost reductions in the area of power, manpower and material cost.</li> <li>Implementation of new TQM modules to further improve the overall efficiency and cost effectiveness in the system.</li> </ul>
(3) Expected increase in productivity and profits in measurable terms	The series of steps taken/to be taken by the company would increase productivity and profits. With these measures the company would expect increase in sales as well as cash accruals.

IV) DISCLOSURES:

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

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

Item Nos. 10&11

The Board of Directors (the 'Board') of the Company, on the recommendations of Nomination & Remuneration Committee, have appointed Mr. Sushil Kapoor as an Additional Director of the Company with effect from January 15, 2018, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. Further, in terms of the aforesaid provisions, he would hold office as such upto the date of next Annual General Meeting of the Company.

Accordingly, it is proposed to seek the members' approval for the appointment of Mr. Sushil Kapoor as a director of the Company, liable to retire by rotation, by way of an Ordinary resolution.

The Board of Directors (the 'Board') of the Company, on the recommendations of Nomination & Remuneration Committee, have also appointed Mr. Sushil Kapoor as Whole-time director designated as Executive Director (Engineering Business) of the Company for a period of one year with effect from January 15, 2018 upto January 14, 2019, subject to the approval of members, on payment of remuneration and on such terms and conditions as stated in the resolution.

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

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

The proposed remuneration is in line with the remuneration being paid to the Whole Time Directors in the Industry for similar sized Companies. Further, the educational background, experience and job profile of Mr. Sushil Kapoor justify his entitlement to the remuneration proposed as above.

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

The Board of Directors recommends the resolutions as set out under item nos. 10 & 11 of this Notice for the approval of members of the Company.

None of the directors and their relatives except Mr. Sushil Kapoor is interested or concerned, financially or otherwise, in the aforesaid resolutions as set out under item nos. 10&11. Further no Key Managerial Personnel is interested or concerned, financially or otherwise in the aforesaid resolutions as set out under item nos. 10&11.

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

#### I. GENERAL INFORMATION :

(1)	Nature of Industry	The Company is primarily engaged in the business of production / sale of Cotton Textile Yarn and IT Infrastructure Services.
(2)	Date of or expected date of commencement of commercial production :	<p>DCM Limited established in 1889 has been engaged in diversified business over the years. Presently, the Company is in following businesses:</p> <p><b>a. Textile Business:</b> DCM Textile (Division of the Company) is engaged in production / sale of Cotton Textile Yarn having an installed capacity of 1,15,048 spindles. The plant is located at Hisar, Haryana. Textile division is highly focused on exports with around 50% turnover in export market.</p> <p>A Scheme of Arrangement (hereinafter referred to as 'Scheme'), for demerger of Cotton Textile Business Undertaking of the Company into DCM Nouvelle Limited ('Resulting Company') with effect from the appointed date of January 1, 2017, has been approved by the Board of Directors of the Company.</p> <p>The Company has received No Objection letter(s) from both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of aforesaid Scheme. Equity Shareholders, Secured Creditors and unsecured Creditors of the Company have approved the said scheme in their respective meetings convened &amp; held on Saturday, July 14, 2018, at New Delhi, as per directions of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ('NCLT'). This scheme is subject to sanction of NCLT.</p> <p><b>b. IT Business:</b> The IT Division of the Company is an established service provider for managed IT Services globally. The Division has over a decade's experience in IT Infrastructure services specializing in networking, analytics, cloud, and digital technologies.</p> <p><b>c. Engineering Business:</b> DCM Engineering Products (Division of the Company) is primarily engaged inter alia in the manufacturing and supply of castings across all segments in automotive market: car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipment etc. The plant is located at Shaheed Bhagat Singh Nagar, Punjab with capacity of 72,000 MT per annum. It is associated with top automotive players and specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings.</p>

(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not applicable
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(4) Financial Performance based on the given indicators: (Rs. Lacs)

Particulars	FY 2017-18 *	FY 2016-17 *	FY 2015-16
Revenue from operations	97,058.03	99,020.49	93,929.26
Other income	896.46	1,564.92	1,329.08
Total Income	97,954.49	100,585.41	95,258.34
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Profit/ (loss) before tax	(3,555.00)	(237.08)	17.79
Provision for taxation (including deferred taxes)	(0.74)	13.50	(311.01)
Profit/ (loss) after tax	(3,554.26)	(250.58)	328.80

\* As per Ind AS, prescribed under section 133 of the Companies Act 2013, applicable w.e.f. 01.04.2017.

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

#### II) INFORMATION ABOUT THE APPOINTEE

(1)	Background Details	<p>Mr. Sushil Kapoor is B.Tech in Mechanical Engineering from IIT, Delhi and has also completed Professional course on Strategy &amp; Organization from Stanford University.</p> <p>Mr. Sushil Kapoor had joined DCM Group as Management Trainee in 1982 and has work experience of over 35 years at various positions with the SRF Limited across Engineering, Chemical and Textiles business segments.</p> <p>Mr. Sushil Kapoor was CEO of Technical Textiles Business of SRF Ltd. from June 2005 till Sep 2017, comprising of 6 business segments, 7/8 manufacturing units, 3500 employees with a revenue in the range of 2000-2200 crores.</p> <p>He has well-rounded experience with:</p> <ul style="list-style-type: none"> <li>Multiple function exposure (purchasing, marketing, plant operations, projects etc.);</li> <li>Expertise in growing business segments organically and inorganically;</li> <li>Successful track record of turning around acquisitions, in India and overseas;</li> <li>Experience in running plants across multiple geographies (India, Dubai, South Africa, and Thailand);</li> <li>End to end experience of setting up plants, running them, acquiring them and turning them around, Profit Generation and Relocation etc.</li> </ul>
(2)	Past Remuneration	N.A.

(3)	Recognition or Awards	DEMING APPLICATION PRIZE in 2004 for the global Tyre cord business for its TQM practices
(4)	Job Profile and his suitability	His 35 years of experience in multiple functions across Engineering, Chemical and textile business segments makes him suitable for appointment as Whole-time director designated as Executive Director (Engineering Operation) of the Company. [Please refer point no. 1 above (i.e. Background details)].
(5)	Proposed Remuneration	As set out in the Special Resolution above relating to his appointment as Whole-Time Director, designated as Executive Director (Engineering Business) of the Company.
(6)	Comparative Remuneration	The remuneration proposed to be paid to Mr. Sushil Kapoor is in line with the remuneration paid to the Whole-Time Directors of the similar sized companies in the Industry.
(7)	Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel; if any	Mr. Sushil Kapoor holds NIL equity shares in the Company. Mr. Sushil Kapoor does not have any relationship financial or otherwise with Board of Directors of the Company.

### III OTHER INFORMATION

(1)	Reasons of loss or inadequate profits	The Company has recorded a Net Loss after Tax of Rs. 35.54 Crores during the financial year 2017-18 against Net Loss after Tax of Rs. 2.51 Crores of previous financial year 2016-17. The dip in profit during the financial year 2017-18 is due to lower profitability of the Textile Division on account of reduction in yarn prices, lower market demand and rupee appreciation etc. resulting decrease in margin in the first half of the year.  Due to production constraints on account of go slow activities by the workers, decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads, Engineering Division continued to make losses during the year.
(2)	Steps taken or proposed to be taken for improvement	The steps taken or proposed to be taken to improve the profitability inter-alia includes: <ul style="list-style-type: none"> <li>Continued focus to achieve improved quality standard, skill set improvement and enhancement of machine efficiencies for better productivity and cost effectiveness across all areas of operations.</li> <li>Better product mix /development of new items to match with the increased market dynamics to further increase the market share and better realization.</li> <li>Various measures undertaken/to be undertaken to improve the productivity and cost reductions in the area of power, manpower and material cost.</li> <li>Implementation of new TQM modules to further improve the overall efficiency and cost effectiveness in the system.</li> </ul>
(3)	Expected increase in productivity and profits in measurable terms	The series of steps taken/to be taken by the company would increase productivity and profits. With these measures the company would expect increase in sales as well as cash accruals.

### IV) DISCLOSURES:

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

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

### Item No. 12

The Board of Directors of the Company at their meeting held on August 10, 2018, on the recommendation of the Audit Committee, have approved the following appointments:

- M/s K G Goyal & Associates, Cost Accountants (Firm Registration Number 000024), as Cost Auditors, for financial year 2018-19, for audit of cost accounting records of the 'Cotton Textiles' manufactured by the Company at a remuneration of Rs. 50,000/- (Rupees fifty thousand only) plus GST & out-of-pocket expenses, if any;
- M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2018-19, for audit of Cost Accounts pertaining to Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab at a remuneration of Rs. 1,25,000/- (Rupees one lac and twenty five thousand only);
- M/s V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Lead Cost Auditors, for financial year 2018-19, for consolidation of the Cost Audit Report etc. of the Company, at a remuneration of Rs. 60,000/- (Rupees sixty thousand only) plus GST & out-of-pocket expenses, if any.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for financial year 2018-19.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 12 of the Notice.

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

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

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

**Place :** New Delhi  
**Date :** August 10, 2018

**Sd/-**  
**Yadvinder Goyal**  
**Company Secretary**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT 128<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY

<b>Name of the Director</b>	Mr. Ravi Vira Gupta	Mr. Bipin Maira	Mr. Jitendra Tuli
<b>Director Identification Number (DIN)</b>	00017410	05127804	00272930
<b>Date of Birth</b>	19.11.1937	07.11.1939	20.09.1939
<b>Date of Appointment</b>	04.08.2014 (as Non-Executive Independent Director of the Company)	04.08.2014 (as Non-Executive Independent Director of the Company)	20.12.2005
<b>Qualification</b>	IAS (Retd.)	Senior Cambridge from the Premier Public School Sherwood College, Nainital, B. Sc - University of Agra Business Management – DCM Senior Management Trainee Scheme	B Com (Hon.), Post Graduate Diploma from London School of Journalism. Attended the School of Public Relations and communications at Boston University, USA
<b>Experience &amp; Expertise in specific functional area</b>	He has around 56 years of experience in Finance, Economics and Operations Management	He has around 53 years of experience in Textile Operations and Management Consultancy & HR	He has around 54 years of vast experience in Communications, external relations, media management and social responsibility.
<b>Profile of the Director</b>	Mr. Ravi Vira Gupta, joined the Indian Administrative Service in 1962. He had worked in various states and held challenging assignment at the field. He was associated with various aspects of cooperatives as well as agriculture. He was Registrar of Cooperatives as well as Managing Director of National Cooperative Development Corporation. In Madhya Pradesh, he was the Managing Director of the MP Federation of Dairy Cooperatives for over three years. Between 1991 and 1998, he was closely associated with the economic reforms at the level of Additional Secretary / Secretary in the Government of India in the Ministries of Fertilizer, Food as well as Finance. He was also Deputy Governor of the Reserve Bank of India for about three years. He was associated with many committees over the years including at Reserve Bank Committee on agricultural credit.	Mr. Bipin Maira started his career with Delhi Cloth & General Mills Co. Ltd. as Senior Management Trainee in 1962 & grew to the position of General Manager of DCM before leaving in 1982. He has served for seven years with the renowned Kewallam Chanrai Group as Chief Executive for their Nigerian manufacturing operations, including one of the largest textile complexes in Africa. He was associated for thirteen years as director & Partner with Resource Management Associates overseeing the International assignments in Management Consultation & H R. Currently since 2007 as Group H R Advisor, to the Singapore-based Kewallam Chanrai Group.	Mr. Jitendra Tuli is an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for Nineteen years. He has written for leading Newspapers and Magazines. He is deeply involved in the work for the less privileged ones, as trustee of Amariyoti Charitable Trust and as founder member of Cancer Sahyog.
<b>Terms &amp; Conditions of re-appointment along with details of remuneration sought to be paid and last drawn by him</b>	Mr. Ravi Vira Gupta is Non-executive Independent Director of the Company. Please refer resolution no. -3 and explanatory statement in respect of Resolution No.-3 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.	Mr. Bipin Maira is Non-Executive Independent Director of the Company. Please refer resolution no. -4 and explanatory statement in respect of Resolution No.-4 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.	Please refer respective Resolution no. 5 and explanatory statement in respect of said resolution no.-5 for terms and conditions of his appointment. He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and committees thereof.
<b>Shareholding in the Company as on 31.03.2018</b>	Nil	Nil	Nil
<b>Relationship with other directors and KMPs of the Company</b>	Nil	Nil	Nil
<b>No. of Meetings of Board attended during the year</b>	5 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	7 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	7 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)
<b>List of Companies in which outside directorship held</b>	4	Nil	Nil
<b>Chairman/Member of the Committees of Board of Directors of Indian Companies</b>	<b>Chairmanship(s) of Committees of the Board</b> <u>DCM Limited</u> - Nomination & Remuneration Committee <u>Seshasayee Paper &amp; Board Ltd.</u> - Audit Committee <b>Memberships(s) of Committees of the Board</b> <u>DCM Limited</u> - Corporate Social Responsibility Committee - Share Transfer, Finance Facilities and Stakeholders Relationship Committee <u>Honda Sidel Power Product Ltd</u> - Audit Committee	<b>Chairmanship(s) of Committees of the Board</b> <u>DCM Limited</u> - Audit Committee <b>Memberships(s) of Committees of the Board</b> <u>DCM Limited</u> - Nomination & Remuneration Committee - Share Transfer, Finance Facilities and Stakeholders Relationship Committee - Review Committee - Textile & IT Divisions	<b>Chairmanship(s) of Committees of the Board</b> Nil <b>Memberships(s) of Committees of the Board</b> <u>DCM Limited</u> - Corporate Social Responsibility Committee - Share Transfer, Finance Facilities and Stakeholders Relationship Committee - Review Committee- 'Textile & IT Divisions'



DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT 128<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY

<b>Name of the Director</b>	Dr. Vinay Bharat Ram	Mr. Dinesh Dhiman	Mr. Sushil Kapoor
<b>Director Identification Number (DIN)</b>	00052826	08021624	02481289
<b>Date of Birth</b>	18.02.1936	11.02.1967	11.09.1959
<b>Date of Appointment</b>	Appointed as an Additional Director of the Company w.e.f. 29.01.2016; Appointed as Managing Director of the Company w.e.f. 30.01.2016. Re-appointed as Managing Director of the Company w.e.f. 30.01.2019	He was appointed as an Additional Director on the Company w.e.f. 13.12.2017. He was also appointed as Whole-Time Director designated as Executive Director (Engineering Operation) of the Company w.e.f. 13.12.2017 for a period of three years, subject to the approval of shareholders of the Company.	He was appointed as an Additional Director on the Company w.e.f. 15.01.2018. He was also appointed as Whole-Time Director designated as Executive Director (Engineering Business) of the Company w.e.f. 15.01.2018 for a period of one year, subject to the approval of shareholders of the Company.
<b>Qualification</b>	B.A. (Hons.) Economics, University of Delhi, MBA, Michigan University (Ann Arbor), Management Development Programme, Harvard University, Ph.D. in Economics from University of Delhi	BE in Mechanical Engineering from BIT Dhanbad	B. Tech in Mechanical Engineering from IIT, Delhi and has also completed Professional course on Strategy & Organization from Stanford University
<b>Experience &amp; Expertise in specific functional area</b>	Industry and Management experience of more than five decades	He has more than 22 years of experience in foundry and other automotive component industry.	He has experience of over 35 years across Engineering, Chemical and Textiles business segments.
<b>Profile of the Director</b>	Dr. Vinay Bharat Ram was Past President of the Manufacturers' Association of Information Technology, Ex-member of International Council of the Asia Society, New York, U.S.A. He was honored and admitted as Member of the Textile Association of India. He is the recipient of the National Citizen's Award 1990 for Entrepreneurship from the Prime Minister of India and National Excellence Award for Art & Culture for 1996-97 from T.P. Jhunjhunwala Foundation. He was nominated as Life Trustee of the Institute of Economic Growth, Delhi by the Ex-Prime Minister Dr. Manmohan Singh. He is also Chairman of the Governing Board of Population Foundation of India.	Mr. Dinesh Dhiman joined Engineering Division in 2008. He was heading the Plant Operation of Engineering Division and designated as AVP-Operations. During his tenure with the Company, he has contributed in new product development, continuous improvements like castings weight optimisation / yield improvements and lead time reduction etc. besides supporting expansion / introduction of new technologies of the Engineering Division.	Mr. Sushil Kapoor had joined DCM Group as Management Trainee in 1982 and has work experience of over 35 years at various positions with the SRF Limited across Engineering, Chemical and Textiles business segments. Mr. Sushil Kapoor was CEO of Technical Textiles Business of SRF Ltd. from June 2005 till Sep 2017, comprising of 6 business segments, 718 manufacturing units, 3500 employees with a revenue in the range of 2000-2200 crores. He has well-rounded experience with: <ul style="list-style-type: none"> <li>Multiple function exposure (purchasing, marketing, plant operations, projects etc.);</li> <li>Expertise in growing business segments organically and inorganically;</li> <li>Successful track record of turning around acquisitions, in India and overseas;</li> <li>Experience in running plants across multiple geographies (India, Dubai, South Africa, and Thailand);</li> <li>End to end experience of setting up plants, running them, acquiring them and turning them around, Profit Generation and Relocation etc.</li> </ul>
<b>Terms &amp; Conditions of re-appointment along with details of remuneration sought to be paid and last drawn by him</b>	Please refer respective Resolutions nos. 6&7 and explanatory statement in respect of said resolutions nos. 6&7 for terms and conditions of his appointment along with details of remuneration sought to be paid and last drawn by him.	Please refer respective Resolutions nos. 8&9 and explanatory statement in respect of said resolutions nos. 8&9 for terms and conditions of his appointment along with details of remuneration sought to be paid and last drawn by him.	Please refer respective Resolutions nos. 10&11 and explanatory statement in respect of said resolutions nos. 10&11 for terms and conditions of his appointment along with details of remuneration sought to be paid and last drawn by him.
<b>Shareholding in the Company as on 31.03.2018</b>	6,525 Equity Shares*	Nil	Nil
<b>Relationship with other directors and KMPs of the Company</b>	He is not related to any other director on the Board of Company. However Mr. Hemant Bharat Ram, President (Textiles) and Mr. Sumant Bharat Ram, Chief Executive & Financial Officer of the Company are sons of Dr. Vinay Bharat Ram.	Nil	Nil
<b>No. of Meetings of Board attended during the year</b>	7 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	3 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	2 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)
<b>List of Companies in which outside directorship held</b>	Purearth Infrastructure Ltd. Aggressor Leasing & Finance Pvt. Ltd. Crescita Enterprises Pvt. Ltd.	Nil	Nil
<b>Chairman/Member of the Committees of Board of Directors of Indian Companies</b>	<b>Chairmanship(s) of Committees of the Board</b> DCM Limited <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee</li> <li>Review Committee- Textile &amp; IT Division</li> </ul> <b>Membership(s) of Committees of the Board</b> Nil	<b>Chairmanship(s) of Committees of the Board</b> Nil <b>Membership(s) of Committees of the Board</b> Nil	<b>Chairmanship(s) of Committees of the Board</b> Nil <b>Membership(s) of Committees of the Board</b> Nil

\*7,912 equity shares of late Mrs. Panna Bharat Ram have been transmitted in the name of Dr. Vinay Bharat Ram on April 28, 2018, therefore as on date Dr. Vinay Bharat Ram holds 14,437 equity shares of Transferee Company.





## DIRECTORS' REPORT

Your directors have pleasure in presenting this 128<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2018.

## ECONOMIC SCENARIO

Global economy picked up on the cyclical recovery that started in late 2016 and experienced broad based growth in 2017-18. In particular, economic activity gained momentum in the US and Europe. Global manufacturing activity continued to grow on account of favourable financing conditions, accommodative policies, rising investor confidence and increase in commodity prices.

India's economy picked up some pace in FY 2017-18 and the gross domestic product growth was better than FY 2016-17. In terms of economic performance in the year under consideration, India stood tall amongst its global peers and continues to maintain prospect of significant growth. With an improving business ecosystem, stable macroeconomic indicators and a liberal FDI regime, foreign capital inflow has provided impetus to the domestic economy.

Currently, India is witnessing remarkable transformation. Ease of doing business, mega tax reforms, financial inclusion, universal health insurance, mass digitalisation, infrastructure development and the growth of manufacturing and service sectors are some of the change enablers. More so, the country currently enjoys prudent fiscal conditions, stable inflation, growing trade and steady employment creation to support sustainable GDP growth. Not surprisingly, the country is in the spotlight globally.

There were several structural reforms implemented in the country including the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code amongst others, during the year under review. These structural initiatives are important for enhancing the country's future competitiveness.

Though increasing oil prices remains a major risk to the country's external balance, we are optimistic about the future. Indian economy is expected to grow at 7.4% in FY2018-19 on the back of higher private consumption & investment, improved global demand, better monsoon, credit uptick and continued reforms undertaken by the Government.

## FINANCIAL DATA

Rs. / Crores

	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Profit before Interest, Depreciation and Tax	26.82	64.18
Less: -Finance Cost	26.13	30.18
-Depreciation	36.24	36.37
Profit before Tax	(35.55)	(2.37)
Less -Provision for tax	(0.01)	0.14
Profit after tax	(35.54)	(2.51)
Other Compressive income	0.46	(1.72)
Total Compressive income	(35.08)	(4.23)
Add - Profit brought forward	133.49	137.72
Profit available for appropriation	98.41	133.49
Appropriations:		
Interim Dividend on equity shares	-	-
Proposed Final Dividend on equity shares	-	-
Corporate Dividend Tax	-	-
General Reserves	-	-
Balance Profit carried forward	98.41	133.49

The Company has adopted Indian Accounting Standard (Ind AS) with effect from 1<sup>st</sup> April, 2017. Accordingly, financial statements for the year ended 31<sup>st</sup> March 2018 have been prepared in accordance with Indian Accounting Standard (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act, 2013. Accordingly, financial statement for the year ended 31<sup>st</sup> March, 2017 have been restated as per Ind AS Rules to make them comparable.

## TRANSFER TO RESERVES

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

## DIVIDEND

Your directors do not recommend any dividend for the financial year 2017-18.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with provisions of the Companies Act, 2013 and relevant Accounting Standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report.

## OPERATIONS OVERVIEW

### Textile Division

The Textile Division of the Company is located at Hisar in Haryana with a capacity of 1,14,096 Spindles. During the year under review, the Profit Before Tax (PBT) decreased to Rs. 15.51 crores in financial Year 2017-18 as compared to Rs. 31.21 crores in the previous financial year 2016-17. During the year, the profitability of the Textile Division was lower primarily due to decrease in margin in the first half of the year on account of reduction in yarn prices, lower market demand, rupee appreciation etc. However, in the 2<sup>nd</sup> half with the arrival of new crop in India, cotton prices fell, thereby improving margins.

### Engineering Division

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

During the year, the Division achieved total dispatch of 40,957 MT (previous year 44,970 MT). The Engineering Division continued to make losses because of lower volume due to production constraints primarily on account of IR issues, decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads. The interaction with the workmen by officials of Division at different level have been increased to maintain cordial relations with them and to improve their morale,

The Division is continuously focusing to achieve improved quality standard, skill set improvement and enhancement of manpower and machine efficiencies for better productivity and cost effectiveness across all areas of operations.

### IT Division

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

During the year under review, the sales and other income of the Division was Rs. 44.98 crores (previous year Rs. 60.11 crores) and Profit before Tax (PBT) was Rs. 1.63 crores (Previous year Rs. 5.98 crores).

The performance of the Division was adversely affected due to IT budget cut backs of primary customers and slow offtake in the US market. The business operations have now been aligned to cater to the newer opportunities in cloud, automation, and digital services in the overseas market, and special thrust on Smart Cities in India. This should help the Division to grow faster in future.

## MATERIAL CHANGES AND COMMITMENTS

There was no change in the nature of the business of the Company. There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2018 and the date of this Report.

## SCHEMES OF ARRANGEMENT/AMALGAMATION

1. The Board of Directors of the Company in its meeting held on October 15, 2016, approved a composite scheme of arrangement, which was further amended by the Board in its subsequent meetings held on February 13, 2017 and May 30, 2018 for the:-
  - a. Amalgamation of Tiara Investment Holdings Limited into Purearth Infrastructure Limited, a joint venture company with effect from December 31, 2016;
  - b. Demerger of the Real Estate Undertaking of DCM Limited into DCM Realty and Infrastructure Limited, on a going concern basis with effect from January 1, 2017; and
  - c. Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Purearth into the Resulting DCM Realty leading to Amalgamated DCM Realty, with effect from January 1, 2017.

The above composite scheme is subject to approval from concerned regulatory authorities and sanction of Hon'ble National Company Law Tribunal, New Delhi.

2. The Board of Directors of the Company in its meeting held on October 15, 2016, approved a Scheme of Arrangement between DCM Limited and DCM Nouvelle Limited, a wholly owned subsidiary of DCM Limited, for the demerger of the cotton textile business undertaking of DCM Limited and vesting of the same with DCM Nouvelle Limited, on a going concern basis with effect from appointed date of January 1, 2017.
3. The Board of Directors of the Company, in its meeting held on March 31, 2017, approved a scheme of amalgamation of Crescita Enterprises Private Limited ("Transferor Company") with the Company with effect from appointed date of March 31, 2017 for the purpose of restructuring of shareholding of 'Promoters and Promoter group' of the Company.

The Company has received No Objection letter(s) from both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of schemes mentioned at 2 & 3 above. Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company have approved both of these schemes in their respective meetings convened & held on Saturday, July 14, 2018, at New Delhi, as per directions of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ('NCLT'). Both of these schemes are subject to sanction of NCLT.

## SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

As on April 1, 2017, the Company had seven subsidiaries and one associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively.

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

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

Pursuant to provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 read with Rules made there under, a statement containing

salient features of the financial statements, performance and financial position of each of the subsidiaries, associates and joint venture companies in Form AOC-1 is provided as part of the standalone financial statements of the Company at page no. 113 and hence not repeated here for the sake of brevity.

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

## DIRECTORS

Mr. Jitendra Tuli, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as a director of the Company. Accordingly, a resolution is included in the Notice of forthcoming 128<sup>th</sup> Annual General Meeting of the Company for seeking approval of members for his appointment as a director of the Company.

During the year under review, Mr. Dinesh Dhiman was appointed as Executive Director (Engineering Operation) of the Company for a period of 3 years with effect from December 13, 2017 and Mr. Sushil Kapoor was appointed as Executive Director (Engineering Business) of the Company for a period of 1 year with effect from January 15, 2018. Their appointments are subject to approval of shareholders of the Company.

Further Dr. Vinay Bharat Ram has been re-appointed as Managing Director of the company for a period of 3 years with effect from January 30, 2019, subject to approval of shareholders of the Company.

Mr. Chandra Mohan, Non-Executive Independent Director of the Company has resigned from the directorship of the Company with effect from August 7, 2018. Your Board placed on record its appreciation for the contributions made by him during his tenure as Non-Executive Independent Director of the Company.

Mr. Ravi Vira Gupta, Mr. Bipin Maira, Mr. Jitendra Tuli and Dr. Vinay Bharat Ram are more than 75 years of age. Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, necessary resolution(s) for continuation of remaining term of appointments of following directors of the Company w.e.f. April 1, 2019, have been included in the Notice of forthcoming 128<sup>th</sup> Annual General Meeting of the Company for their continuation as Non-Executive Directors of the Company with effect from 1<sup>st</sup> April, 2019, for seeking approval of members of the Company:

- i. Mr. Ravi Vira Gupta and Mr. Bipin Maira as Non-Executive Independent Directors of the Company; and
- ii. Mr. Jitendra Tuli and Dr. Vinay Bharat Ram in their capacity as directors of the Company, liable to retire by rotation.

All the Independent Directors of the Company have given declaration(s) and have confirmed that they meet the criteria of independence as provided in the Section 149(6) of the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### KEY MANAGERIAL PERSONNEL

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

- a. Dr. Vinay Bharat Ram – Chairman & Managing Director
- b. Mr. Sushil Kapoor - Executive Director (Engineering Business) (w.e.f. January 15, 2018)
- c. Mr. Dinesh Dhiman- Executive Director (Engineering Operation) (w.e.f. December 13, 2018)
- d. Mr. Hemant Bharat Ram – President (Textiles)
- e. Mr. Sumant Bharat Ram – Chief Executive & Financial Officer
- f. Mr. Rakesh Kumar Goel – CEO, Textile Division
- g. Mr. Varun Sarin – Chief of Operations & Finance, IT Division
- h. Mr. Yadvinder Goyal – Company Secretary

#### NUMBER OF BOARD MEETINGS

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

#### EVALUATION OF BOARD PERFORMANCE

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred as 'Listing Regulations'), the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter-alia*, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

Evaluation of the Board and its Committees is based on various aspects of their functioning, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of individual Director's performance, various parameters like Director's profile, contribution in Board and Committee meetings, regulatory compliances and governance etc., are considered.

Further, the performance of Chairman, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities.

For the Chairman the criteria includes leadership, relationship with stakeholders etc., for the Executive Directors the criteria includes execution of business plans, risk Management, achievement of business targets, development of plans

and policies aligned to the vision and mission of the Company, etc. Similarly, criteria for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, adherence to applicable codes and policies, effective participation during meetings, etc.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2017-18.

The Independent Directors had met separately on February, 8, 2018 without the presence of Non-Independent Directors and the Members of Management and discussed, *inter-alia*, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors of the Company.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever their respective term expires.

The Directors expressed their satisfaction with the evaluation process.

#### INTERNAL FINANCIAL CONTROL

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

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

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

#### STATUTORY AUDITORS

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

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

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

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

## DIRECTORS' VIEW ON AUDITORS' OBSERVATIONS

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

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

Purearth Infrastructure Limited (PIL), a joint venture company, has received advances Rs. 3,196.19 lacs (share of the Group in these advances of joint venture are amounting Rs. 529.29 lacs) for sale bookings of units in Plaza 4 of Central Square project. These advances have been presented as 'advances from customers' under 'other current liabilities' shown as share of joint venture under other current liabilities. The management of PIL is yet to draw up construction plans for Plaza 4 of Central Square project. Further, the revenue including price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived with the booking holders of the project cannot be determined at this stage. Thus, the management of PIL could not be able to estimate the likely losses for such bookings under the Plaza 4 of Central Square project and hence has not provided such losses in its financial statements. Therefore, DCM Limited is also not able to provide for its shares of such losses in these consolidated financial statements. (Refer **note 57(c)** to the consolidated financial statements annexed.)

## FIXED DEPOSIT / DEBT REPAYMENT

In terms of the Scheme of Restructuring and Arrangement (SORA) approved by the Hon'ble Delhi High Court vide its order dated October 29, 2003 under sections 391 – 394 of the Companies Act, 1956 and subsequent modification thereto vide Hon'ble Delhi High Court order dated April 28, 2011, the Company has complied with its debt repayment obligation under SORA including in respect of fixed deposits, debentures, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien/Designated Account' with scheduled banks.

In case an invested amount remains unclaimed and un-encashed for a period of seven years from the date it becomes due for payment, the same has been /will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Govt.

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

Any person whose unclaimed/un-encashed matured fixed deposits, matured debentures, or interest thereon, have been transferred to the IEPF, can apply for refund, as the case may be, by following the prescribed procedure. Therefore, it is in the interest of deposit-holders/debenture-holders to claim the unclaimed / un-encashed amount of matured fixed deposits, matured debentures or interest thereon with in scheduled time.

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

## RISK MANAGEMENT

The Company has in place Risk Management Process for identifying / managing risks. The Company's Risk Management Framework helps in identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining

a response strategy. The risk management process consists of risk identification, risk assessment, risk monitoring & risk mitigation. During the year, the Board was informed about measures taken for minimization of risks. The Board provides oversight and reviews the Risk Management framework. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

## AUDIT COMMITTEE

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

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

Further, pursuant to the approval given by the members of the Company, in its capacity as title holder of land at Bara Hindu Rao / Kishanganj, Delhi (Project land), in respect of which the development rights were vested with joint venture company in terms of SORA, has mortgaged the said land for loans availed in connection with development of real estate project on the said land by joint venture company and also by a body corporate who has been developing the real estate project along with the said joint venture company. The outstanding amount of loans, on which mortgage was created, as on 31.03.2018 was Rs. 334.62 crores (previous year Rs. 213.41 crores).

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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



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

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

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

#### **COST AUDIT**

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

The Board of Directors in its meeting held on August 10, 2018 had approved the following appointments:

- i. M/s K G Goyal & Associates, Cost Accountants (Firm Registration Number 000024), as Cost Auditors, for financial year 2018-19, for audit of cost accounting records of the 'Cotton Textiles' manufactured by the Company at a remuneration of Rs. 50,000/- (Rupees fifty thousand only) plus GST & out-of-pocket expenses, if any;
- ii. M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2018-19, for audit of Cost Accounts pertaining to Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab at a remuneration of Rs. 1,25,000/- (Rupees one lac and twenty five thousand only) plus GST & out-of-pocket expenses, if any; and
- iii. M/s V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Lead Cost Auditors for consolidation of the Cost Audit Report etc. of the Company, for financial year 2018-19, at a remuneration of Rs. 60,000/- (Rupees sixty thousand only) plus GST & out-of-pocket expenses, if any.

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder, remuneration of Cost Auditors as stated above is to be ratified by members of the Company. Accordingly, suitable resolution has been included in the Notice of forthcoming 128<sup>th</sup> Annual General Meeting for ratification of remuneration payable to Cost Auditors, for financial years 2018-19, by members of the Company.

#### **SECRETARIAL AUDIT**

The Board has appointed Mrs. Pragnya Parimita Pradhan, Company Secretary in whole time practice, Proprietor of M/s. Pragnya Pradhan & Associates, Company Secretaries, to conduct Secretarial Audit for financial year 2017-18.

The Secretarial Audit Report for the financial year 2017-18 is enclosed herewith as Annexure - V and forms part of this Report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

#### **CORPORATE GOVERNANCE**

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

#### **DISCLOSURE REQUIREMENTS**

1. Details of the familiarization programme of the independent directors are available on the website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Familiarisation-Program-for-Independent-Directors.pdf>
2. Policy for determining material subsidiaries of the Company is available on the website of the Company at weblink: <http://dcm.in/wp-content/uploads/2016/10/Material-subsidiary-policy.pdf>
3. Policy on materiality of related party transactions and dealing with related party transactions is available on the website of the Company at weblink <http://dcm.in/wp-content/uploads/2016/10/DCM-Ltd.-Policy-on-Determination-of-Materiality.pdf>
4. The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns, which is available on Company's website [www.dcm.in](http://www.dcm.in). The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The Company's Remuneration Policy is enclosed as Annexure - VI and forms part of this Report.
6. Annual Report on CSR Activities is enclosed as Annexure - VII and forms part of this Report.
7. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
8. The Company has constituted Internal Complaints Committee(s) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were no cases reported under the said Act.
9. During the year under review, the Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India (ICSI).

#### **ACKNOWLEDGEMENT**

The Directors wish to acknowledge and thank the Central and State Governments and all regulatory bodies for their continued support and guidance. The Directors thank the shareholders, customers, business associates, Financial Institutions and Banks for the faith reposed in the Company and its management. The Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

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

**Place : New Delhi  
Date : August 10, 2018**

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

## ANNEXURE – I

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2018

## (A) CONSERVATION OF ENERGY

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

**Textile Division:**

The Textile division is continuously endeavoring to develop most energy efficient process and to upgrade it with latest energy efficient devices. Various steps has been taken by the Division in respect of energy conservation including:

- Variable frequency drives installed on 23 Nos of ring frame's pneuma fan and on blow room bale plucker of unit No. 1.
- Four Nos of WCS collection system modified and 0.37 KW motors removed from each WCS.
- 410 CFL lights replace with lower watt of LED lamps.
- 2 MVA and 1 MVA two old transformer replaced with high efficiency level-II transformers.
- Installation of inverter attached with suction fans.

**Engineering Division:**

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

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

**IT Division:**

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

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

**Textile Division** - The Division has proposed to install a 1.20 MW solar power plant during current fiscal 2018-19 at a cost of Rs. 5.00 crores.

**Engineering Division** - Nil

**IT Division** - Nil

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

**Textile Division** - Nil

**Engineering Division** - Nil

**IT Division** - Nil

## (B) TECHNOLOGY ABSORPTION

## (i) The efforts made towards technology absorption

**Textile Division** - Nil

**Engineering Division** - Nil

**IT Division** - Nil

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

**Textile Division** - NA

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

**IT Division** - NA

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

**Textile Division** - Nil

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

(b) The year of import – N.A.

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

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

**Engineering Division**

(a) The details of technology imported:

Loramendi Sand Mixer  
Boroscope  
Accumulator  
Carbon/Sulphur element analyser  
Sand Mixer Gear Box

(b) The year of import:-

Loramendi Sand Mixer FY 2015-16  
Boroscope- FY 2016-17  
Accumulator- FY 2016-17  
Carbon/Sulphur element analyser – FY 2017-18  
Sand Mixer Gear Box – FY 2017-18

(c) Whether the technology been fully absorbed: Yes

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

**IT Division – Nil**

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

(b) The year of import – N.A.

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

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

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

**Textile Division – Nil****Engineering Division**

The Division has got approval from Department of Scientific & Industrial Research, Ministry of Science and Technology, Delhi for Recognition of In house R&D Unit for the period from 28.05.2015 to 31.03.2018. Application for registration for further three years has been submitted.

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

Rs. In Lacs

Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Capital expenditure	7.13	4.73
Revenue expenditure	152.90	176.24
Development expenditure	138.56	118.61
<b>Total</b>	<b>298.59</b>	<b>299.58</b>

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

**IT Division – Nil**

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

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

Rs. In Lacs

Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Foreign Exchange Earned	33439	33680.40
Foreign Exchange Used	3393.44	5060.92

For and on behalf of the Board of Directors

For DCM Limited

Sd/-

Dr. Vinay Bharat Ram  
Chairman and Managing Director

Place : New Delhi  
Date : August 10, 2018

## ANNEXURE – II

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

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

Sr. No.	Name	Age (Year)	Designation	Qualification	Total Experience (Year)	Date of Commencement of employment	Remuneration received (Rs. In lacs)	Particulars of last Employment	% age of Equity Shares held in the Company	Whether relative of Director or manager, if yes, then Name of Director or manager
1	Mr. Hemant Bharat Ram	52	President (Textiles)	B.S. (Math & Comp. Sc.), MS (IA)	27	August 1, 1991	240.06	DCM Technologies Ltd.	NIL	Yes, Dr. Vinay Bharat Ram, (Chairman & Managing Director)
2	Dr. Vinay Bharat Ram	82	Chairman & Managing Director	B.A. (Hons.) Economics, University of Delhi, MBA, Michigan University (Ann Arbor), Management Development Programme, Harvard University, Ph.D. in Economics from University of Delhi	56	January 30, 2016	147.85#	DCM Engineering Ltd.	0.034%	No
3	Mr. Sumant Bharat Ram	51	Chief Executive & Financial Officer	B.A. (Hons) Economics, MBA	26	March 1, 2013	152.31	DCM Engineering Ltd.	0.064%	Yes, Dr. Vinay Bharat Ram, (Chairman & Managing Director)
4	Mr. Rakesh Kumar Goel	61	CEO- Textile Division, Hisar	M.B.A.	38	November 23, 1990	118.40	Hafed Spinning Mills	Nil	No
5	Mr. Varun Sarin	56	Chief of Operations & Finance-IT Division	B. Com, CA	31	March 8, 1999	64.32	PT Indorama, Indonesia	Nil	No
6	Mr. Ashwani Kumar Singhal	61	Executive Vice President (Finance & Accounts)	B. Com. (H), FCA, Ph.D.	38	February 5, 1993	48.72	Modi Rubbers Ltd.	Nil	No
7	Mr. Ramendra Agarwal	58	Chief Operating Officer & Head HR-IT Division	B Tech (IIT-Kanpur)	38	July 15, 1980	39.87	Not Applicable	Nil	No
8	Mr. Dinesh Dhiman	51	Executive Directors- (Engineering Operation)	B.E.	25	June 30, 2008**	35.70**	Amtek India Limited	Nil	No
9	Mr. V K Bhatia	54	Chief Technical Officer-IT Division	B.E (Electrical & Electronic)	32	October 18, 1986	32.80	Indian Communication Network	Nil	No
10	Mr. Sudip Nandy	48	Sr. General Manager (Prodn.)	B.Tech.(Textiles)	24	February 28, 2008	31.55	Arihant Spinning Mill, Malerkotla	Nil	No

\*\* Prior to his appointment as Executive Director (Engineering Operation) of the Company w.e.f. December 13, 2017, he was heading Plant Operations of Engineering Division of the Company and was designated as AVP-Operations. Accordingly remuneration drawn by him from the Company for whole financial year 2017-18 has been stated here.

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

**Note:**

1. Remuneration include basic salary, contribution to provident and superannuation funds, allowances and taxable value of perquisites. 2. Pursuant to proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month have not been included in this statement.

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

Sd/-

Place : New Delhi  
Date : August 10, 2018

Dr. Vinay Bharat Ram  
Chairman and Managing Director

DCM

## Annexure - IIA to the Directors' Report

### ANNEXURE - IIA

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

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

Particulars	Ratio to median remuneration
<b>Non-Executive Director(s)<sup>#</sup></b>	
Mr. Bipin Maira	NA
Mr. Chandra Mohan	NA
Mr. Jitendra Tuli	NA
Mr. L. Lakshman	NA
Dr. Meenakshi Nayar	NA
Mr. Narendra Pal Chawla	NA
Mr. Ravi Vira Gupta	NA
Mr. Raghupati Singhania	NA
Prof. Sudhir Kumar Jain	NA
<b>Executive Director(s)</b>	
Dr. Vinay Bharat Ram	92.0359
Mr. Sushil Kapoor	NA <sup>**</sup>
Mr. Dinesh Dhiman	NA <sup>**</sup>

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

## Remained in employment in his capacity as Executive Directors of the Company, for the part of year, therefore, the said ratio of remuneration of each director to median remuneration of the employee of the company is not applicable

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

#### Directors

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

Particulars	% increase in remuneration in the financial year
<b>Executive Director(s)</b>	
Dr. Vinay Bharat Ram	(3.96%)
Mr. Sushil Kapoor*	NA
Mr. Dinesh Dhiman**	NA

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

\* He has drawn remuneration and remained in employment of the Company for part of the year 2017-18. Therefore, the said percentage increase in his remuneration is not applicable.

\*\* He has drawn remuneration and remained in employment in his capacity as Executive Director(s) of the Company for part of the year 2017-18. Therefore, the said percentage increase in his remuneration is not applicable.

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

Particulars	% increase in remuneration in the financial year
Mr. Sumant Bharat Ram, Chief Executive & Financial Officer	13.48
Mr. Hemant Bharat Ram, President (Textiles)	31.14
Mr. Rakesh Kumar Goel, CEO, Textile Division	9.22
Mr. Varun Sarin, Chief of Operations & Finance- IT Division	(0.97)
Mr. Yadvinder Goyal, Company Secretary	15.74

- (C) The percentage increase in the median remuneration of employees in the financial year: 10.23%.

- (D) The number of permanent employees on the rolls of Company: 3456

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

The average annual percentile increase in the salaries of employees other than the managerial personnel during the FY 2017-18 over FY 2016-17 was around 7.58%. Non-Executive Directors of the company were not paid any managerial remuneration in the financial year 2017-18. The average annual percentile decrease in managerial remuneration during the FY 2017-18 over FY 2016-17 was around (3.96%).

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

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

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

Sd/-

Place : New Delhi  
Date : August 10, 2018

Dr. Vinay Bharat Ram  
Chairman and Managing Director

**DCM**

## Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
  - (a) Name(s) of the related party and nature of relationship: N.A.
  - (b) Nature of contracts/arrangements/transactions: N.A.
  - (c) Duration of the contracts / arrangements/transactions: N.A.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
  - (e) Justification for entering into such contracts or arrangements or transactions: N.A.
  - (f) Date(s) of approval by the Board: N.A.
  - (g) Amount paid as advances, if any: N.A.
  - (h) Date on which the resolution was passed in general meeting as required under first proviso to section 188: N.A.

**2. Details of material contracts or arrangements or transactions at arm's length basis**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as follows:

- (a) Name of related party and Nature of relationship:  
Purearth Infrastructure Limited (Joint Venture Company)
- (b) Nature of contracts/arrangements/transactions:  
The Company, in its capacity as title holder of land located at Bara Hindu Rao / Kishanganj, Delhi (Project land), in respect of which the development rights were vested with joint venture company, has mortgaged part of Project land in favour of lender(s) to secure the loan(s) availed for development of Project land by Joint Venture company and/or Basant Projects Limited, a body corporate engaged in joint development of Residential Project on part of the said Project land along with Joint venture company.
- (c) Duration of the contracts / arrangements/transactions:  
Loan availed by joint venture company: 60 months  
Loan availed by Basant Projects Limited: 72 months.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
Mortgage of part of the Project land in favour of HDFC Limited for securing the:
  - Loan of Rs. 400 crores availed by Basant Project Limited for development of Residential Project known as 'Park Square' on part of Project land situated at Kishan Gang, Delhi,
  - Loan of Rs. 100 crores availed by Joint Venture Company in connection with development of Central Square Project on part of the Project land situated at Bara Hindu Rao, Delhi and General Corporate requirements.
- (e) Date of approval by the Board/Committee: In terms of authorisation given by the Board of Directors of the Company, 'Share Transfer, Finance Facilities and Stakeholders Relationship Committee' in its meeting held on 30.11.2017 has given its approval.
- (f) Amount paid as advances, if any: N.A

**For and behalf of the Boards Directors  
For DCM Limited**

Sd/-

Dr. Vinay Bharat Ram  
Chairman and Managing Director

Place : New Delhi

Date : August 10, 2018



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS**

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

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

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

S. No.	Name and Description of main products /services	NIC Code of the Product/service*	% to total turnover of the company
1	Manufacture of cotton yarn	13111	59.53
2	Manufacture of other iron and steel casting and products	24319	35.64

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

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

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

Annexure - IV to the Directors' Report continued

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	36,089	-	36,089	0.19	36,089	-	36,089	0.19	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	90,30,495	-	90,30,495	48.35	90,30,495	-	90,30,495	48.35	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>90,66,584</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4,087	67,465	71,552	0.38	4,389	67,465	71,854	0.38	-
b) Banks/ FI	13,512	4,234	17,746	0.10	16,636	4,234	20,870	0.11	0.01
c) Central Govt.	-	2,964	2,964	0.02	0	2,964	2,964	0.02	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	14,95,730	-	14,95,730	8.01	11,48,512	-	11,48,512	6.15	(1.86)
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1):-</b>	<b>15,13,329</b>	<b>74,663</b>	<b>15,87,992</b>	<b>8.51</b>	<b>11,69,537</b>	<b>74,663</b>	<b>12,44,200</b>	<b>6.66</b>	<b>(1.85)</b>
<b>2. Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	13,02,371	20,812	13,23,183	7.08	13,62,778	20,812	13,83,590	7.41	0.33
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs. 1 Lakh	29,63,415	8,01,250	37,64,665	20.16	29,04,738	7,78,054	36,82,792	19.72	(0.44)
ii) Individual Shareholders holding nominal Share capital in excess of Rs. 1 Lakh	22,11,425	-	22,11,425	11.84	25,74,845	-	25,74,845	13.79	1.95
c) Others									
c-i) Trust and Foundation	12,274	959	13,233	0.07	1,386	959	2,345	0.01	(0.06)
c-ii) Non Resident Individual*	7,03,541	6,853	7,10,394	3.80	7,16,597	6,796	7,23,393	3.87	0.007
c-iii) NBFC registered with SEBI	273	-	273	0.00	-	-	-	-	-
<b>Sub -total (B) (2):-</b>	<b>71,93,299</b>	<b>8,29,874</b>	<b>80,23,173</b>	<b>42.95</b>	<b>75,60,344</b>	<b>8,06,621</b>	<b>83,66,965</b>	<b>44.80</b>	<b>1.85</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>87,06,628</b>	<b>9,04,537</b>	<b>96,11,165</b>	<b>51.46</b>	<b>87,29,881</b>	<b>8,81,284</b>	<b>96,11,165</b>	<b>51.46</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,77,73,212</b>	<b>9,04,537</b>	<b>1,86,77,749</b>	<b>100.00</b>	<b>1,77,96,465</b>	<b>8,81,284</b>	<b>1,86,77,749</b>	<b>100.00</b>	<b>-</b>

# Non Resident Shareholders include 71 shareholders (consisting of 70 demat and 1 physical folio) holding 44278 equity Shares of Rs. 10/- each which are in custody of the Custodian of Enemy Property for India.

Annexure - IV to the Directors' Report continued

(ii) Shareholding of Promoters

S. No.	Name	Shareholding at the beginning of the Year i.e. 01.04.2017			Shareholding at the end of the year i.e. 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	CRESCITA ENTERPRISES PRIVATE LIMITED	90,30,495	48.35	15.84	90,30,495	48.35	15.84	Nil
2	MR. SUMANT BHARAT RAM	12,000	0.06	-	12,000	0.06	-	Nil
3	MRS. PANNA BHARAT RAM (Deceased)*	7,912	0.04	-	7,912	0.04	-	Nil
4	DR. VINAY BHARAT RAM*	6,525	0.03	-	6,525	0.03	-	Nil
5	MR. RAHIL BHARAT RAM	4,852	0.03	-	4,852	0.03	-	Nil
6	MR. YUV BHARAT RAM	4,800	0.03	-	4,800	0.03	-	Nil
	<b>TOTAL</b>	<b>90,66,584</b>	<b>48.54</b>	<b>-</b>	<b>90,66,584</b>	<b>48.54</b>	<b>15.77</b>	<b>Nil</b>

\* 7,912 equity shares of late Mrs. Panna Bharat Ram have been transmitted in the name of Dr. Vinay Bharat Ram on April 28, 2018, therefore as on date Dr. Vinay Bharat Ram holds 14,437 equity shares of Transferee Company. Due to same, no shares of Transferee Company are now registered in the name of late Mrs. Panna Bharat Ram and therefore her name no more forms part of Promoters & Promoter Group of the Transferee Company.

(iii) Change in Promoters Shareholding

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	CRESCITA ENTERPRISES PRIVATE LIMITED	90,30,495	48.35	01.04.2017		No Change in shareholding during the year				
							90,30,495	48.35		
				31.03.2018			90,30,495	48.35	90,30,495	48.35
2	MR. SUMANT BHARAT RAM	12,000	0.06	01.04.2017		No Change in shareholding during the year				
				31.03.2018			12,000	0.06	12,000	0.06
3	MRS. PANNA BHARAT RAM (Deceased)*	7,912	0.04	01.04.2017		No change in shareholding during the year				
				31.03.2018			7,912	0.04	7,912	0.04
4	DR. VINAY BHARAT RAM*	6,525	0.03	01.04.2017		No Change in shareholding during the year				
				31.03.2018			6,525	0.03	6,525	0.03
5	MR. RAHIL BHARAT RAM	4,852	0.03	01.04.2017		No Change in shareholding during the year				
				31.03.2018			4,852	0.03	4,852	0.03
6	MR. YUV BHARAT RAM	4,800	0.03	01.04.2017		No Change in shareholding during the year				
				31.03.2018			4,800	0.03	4,800	0.03

\*7,912 equity shares of late Mrs. Panna Bharat Ram have been transmitted in the name of Dr. Vinay Bharat Ram on April 28, 2018, therefore as on date Dr. Vinay Bharat Ram holds 14,437 equity shares of Transferee Company. Due to same, no shares of Transferee Company are now registered in the name of late Mrs. Panna Bharat Ram and therefore her name no more forms part of Promoters & Promoter Group of the Transferee Company.

Annexure - IV to the Directors' Report continued

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	1495730	8.01	01.04.2017						
				01.12.2017	(16277)	transfer	1479453	7.92		
				08.12.2017	(41874)	transfer	1437579	7.70		
				15.12.2017	(1736)	transfer	1435843	7.69		
				22.12.2017	(30000)	transfer	1405843	7.53		
				30.12.2017	(60000)	transfer	1345843	7.21		
				05.01.2018	(116622)	transfer	1229221	6.58		
				12.01.2018	(3378)	transfer	1225843	6.56		
				26.01.2018	(50000)	transfer	1175843	6.30		
				02.02.2018	(27331)	transfer	1148512	6.15		
2	KANWALJEET SINGH DHILLON	410000	2.20	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			410000	2.20	410000	2.20
3	RELIGARE FINVEST LTD	257415	1.38	01.04.2018						
				07.04.2017	(11297)	transfer	246118	1.32		
				12.05.2017	(9351)	transfer	236767	1.27		
				09.06.2017	(1847)	transfer	234920	1.26		
				07.07.2017	(6790)	transfer	228130	1.22		
				28.07.2017	(14292)	transfer	213838	1.14		
				01.09.2017	(2405)	transfer	211433	1.13		
				08.09.2017	(4100)	transfer	207333	1.11		
				22.09.2017	1830	transfer	209163	1.12		
				06.10.2017	(6500)	transfer	202663	1.09		
				03.11.2017	(6500)	transfer	196163	1.05		
				08.12.2017	(6800)	transfer	189363	1.01		
				09.03.2018	(24532)	transfer	164831	0.88		
				16.03.2018*	(105889)	transfer	58942	0.32		
				31.03.2018					NA	NA

\* ceased to be part of top 10 shareholders on March 16, 2018

4	SATPAL KHATTAR	200000	1.07	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			200000	1.07	200000	1.07
5	ANIL KUMAR GOEL	175000	0.94	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			175000	0.94	175000	0.94
6	APARNA JAIN	148000	0.79	01.04.2017						
				08.09.2017	(10000)	transfer	138000	0.74		
				24.11.2017	(10000)	transfer	128000	0.69		
				09.02.2018	(30000)	transfer	98000	0.52		
				31.03.2018			98000	0.52	98000	0.52



Annexure - IV to the Directors' Report continued

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	ASHLAR SECURITIES PRIVATE LIMITED	129050	0.69	01.04.2017	-	-	-			
				07.04.2017*^	(121333)	transfer	7717	0.04		
				07.07.2017*^	78000	transfer	96862	0.52		
				14.07.2017	(3700)	transfer	93162	0.50		
				21.07.2017*^	(18077)	transfer	75085	0.40		
				09.03.2018*^	70000	transfer	82135	0.44		
				16.03.2018	(50)	transfer	82085	0.44		
				31.03.2018*^					NA	NA

\*^ ceased to be top 10 Shareholder on April 7, 2017, July 21, 2017 and March 31, 2018.

^^ Re-entered in top 10 Shareholder on July 7, 2017 and March 9, 2018

8	VINODCHANDRA MAN-SUKHLAL PAREKH/ SANJEEV VINODCHANDRA PAREKH	99213	0.53	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			99213	0.53	99213	0.53
9	BHAVESH DHIRESHBHAI SHAH IN301774/14972936	79857	0.43	01.04.2017						
				01.12.2017**			79857	0.43		
				08.12.2017#			79857	0.43		
				15.12.2017**			79857	0.43		
				22.12.2017#			79857	0.43		
				16.02.2018**			79857	0.43		
				31.03.2018					NA	NA

\*\* Ceased to be part of top 10 shareholder on December 1, 2017, December 15, 2017 and February 16, 2018

# Re-entered in top ten shareholders on December 8, 2017 and December 22, 2017

10	BHAVESH DHIRESHBHAI SHAH (1201060001965660)	74800	0.40	01.04.2017						
				14.04.2017^^#		transfer	74800	0.40		
				28.04.2017*&*		transfer	74800	0.40		
				02.06.2017^^#		transfer	74800	0.40		
				31.03.2018					NA	NA

^^# ceased to be top 10 shareholder on April 14, 2017 and June 2, 2017

\*&\* Re-entered in top 10 shareholder on April 28, 2017

11	SMC GLOBAL SECURITIES LTD. IN303655/10000116	NA	NA	01.04.2017						
				07.04.2017*#	75052	transfer	75052	0.40		
				14.04.2017*#	(75052)	transfer	0	0.00		
				31.03.2018					NA	NA

\*# first time entered in top 10 shareholders on April 7, 2017

\*#\* ceased to be top 10 shareholder on April 14, 2017

Annexure - IV to the Directors' Report continued

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	NDA SECURITIES LTD.	NA	NA	01.04.2017						
				14.04.2017 <sup>^</sup>	24531	transfer	92621	0.50		
				21.04.2017	9269	transfer	101890	0.55		
				28.04.2017	32320	transfer	134210	0.72		
				05.05.2017	6978	transfer	141188	0.76		
				12.05.2017	6269	transfer	147457	0.79		
				19.05.2017	(9070)	transfer	138387	0.74		
				26.05.2017	22938	transfer	161325	0.86		
				02.06.2017	29098	transfer	190423	1.02		
				09.06.2017	10974	transfer	201397	1.08		
				16.06.2017	(67111)	transfer	134286	0.72		
				23.06.2017	(20557)	transfer	113729	0.61		
				30.06.2017	24344	transfer	138073	0.74		
				07.07.2017	(50113)	transfer	87960	0.47		
				14.07.2017	28944	transfer	116904	0.63		
				21.07.2017	(24822)	transfer	92082	0.49		
				28.07.2017	(4230)	transfer	87852	0.47		
				04.08.2017	(2961)	transfer	84891	0.45		
				11.08.2017	(546)	transfer	84345	0.45		
				18.08.2017	(1989)	transfer	82356	0.44		
				25.08.2017	21407	transfer	103763	0.56		
				01.09.2017	(11760)	transfer	92003	0.49		
				08.09.2017	(11497)	transfer	80506	0.43		
				15.09.2017	35857	transfer	116363	0.62		
				22.09.2017	(21751)	transfer	94612	0.51		
				30.09.2017	73934	transfer	168546	0.90		
				06.10.2017	(1040)	transfer	167506	0.90		
				13.10.2017	(31773)	transfer	135733	0.73		
				20.10.2017	11336	transfer	147069	0.79		
				27.10.2017	(2223)	transfer	144846	0.78		
				03.11.2017	3691	transfer	148537	0.80		
				10.11.2017	(7248)	transfer	141289	0.76		
				17.11.2017	6694	transfer	147983	0.79		
				24.11.2017	4740	transfer	152723	0.82		
				01.12.2017	(32444)	transfer	120279	0.64		
				08.12.2017 <sup>***</sup>	(51703)	transfer	68576	0.37		
				15.12.2017 <sup>^^</sup>	13268	transfer	81844	0.44		
				22.12.2017 <sup>***</sup>	(10310)	transfer	71534	0.38		
				31.03.2018					NA	NA

<sup>^</sup>First Time entered in top 10 shareholders on April 14, 2017

<sup>^^</sup> Re-entered in top ten shareholders on December 15, 2017

<sup>\*\*\*</sup> Ceased to be top 10 shareholders on December 8, 2017 and December 22, 2017

13	SMC GLOBAL SECURITIES LIMITED IN301348/20072267	NA	NA	01.04.2017						
				14.04.2017 <sup>**&amp;</sup>	77142	transfer	85742	0.46		
				21.04.2017	(1150)	transfer	84592	0.45		
				28.04.2017 <sup>^^</sup>	(70000)	transfer	14592	0.08		
				31.03.2018					NA	NA

<sup>\*\*&</sup> first time entered in top 10 shareholders on April 14, 2017

<sup>^^</sup> ceased to be top 10 shareholders on April 28, 2017

14	NISHI GUPTA	NA	NA	01.04.2017						
				02.06.2017 <sup>@@</sup>	2500	transfer	75763	0.41		
				09.06.2017	7558	transfer	83321	0.45		
				07.07.2017 <sup>^**</sup>	(78000)	transfer	5321	0.03		
				31.03.2018					NA	NA

<sup>@@</sup> first time entered in top 10 shareholders on June 2, 2017

<sup>^\*\*</sup> ceased to be top 10 shareholder on July 7, 2017

Annexure - IV to the Directors' Report continued

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
15	PRIYANKA LOONKER	NA	NA	01.04.2017						
				21.07.2017 <sup>^</sup> @	3043	transfer	75543	0.40		
				03.11.2017 @ <sup>^</sup>			75543	0.40		
				31.03.2018					NA	NA

<sup>^</sup>@ first time entered in top 10 shareholders on July 21, 2017

@<sup>^</sup> ceased to be top 10 shareholder on November 3, 2017

16	BHARAT JAMNADAS DATTANI	NA	NA	01.04.2017						
				03.11.2017 <sup>**</sup>	13875	transfer	88401	0.47		
				16.02.2018	6967	transfer	95368	0.51		
				31.03.2018			95368	0.51	95368	0.51

<sup>\*\*</sup> First time entered in top 10 shareholders as on November 3, 2017

17	G SHANKAR	NA	NA	01.04.2017						
				01.12.2017 <sup>&amp;&amp;^</sup>	21542	transfer	83198	0.45		
				08.12.2017	7000	transfer	90198	0.48		
				15.12.2017	8000	transfer	98198	0.53		
				05.01.2018	1802	transfer	100000	0.54		
				12.01.2018	8845	transfer	108845	0.58		
				31.03.2018			108845	0.58	108845	0.58

<sup>&&^</sup> first time entered in top 10 shareholders on December 1, 2017

18	AFFLUENCE SHARES & STOCKS PRIVATE LIMITED	NA	NA	01.04.2017						
				16.02.2018 <sup>\$\$</sup>	22500	transfer	80000	0.43		
				09.03.2018 <sup>*&amp;***</sup>		transfer	80000	0.43		
				31.03.2018					NA	NA

<sup>\$\$</sup> first time entered in top 10 shareholder on February 16, 2018

<sup>\*&\*\*\*</sup> ceased to be top 10 shareholder on March 9, 2018

19	INNOVATE SECURITIES PRIVATE LIMITED.	NA	NA	01.04.2017						
				16.03.2018 <sup>*&amp;</sup>	96070	transfer	96070	0.51		
				31.03.2018					96070	0.51

<sup>\*&</sup> first time entered in top 10 shareholders on March 16, 2018

20	M.G. SHARES AND STOCKS PVT. LTD.	NA	NA	01.04.2017						
				31.03.2018 <sup>%^^</sup>	10000	transfer	90000	0.48	90000	0.48

<sup>%^^</sup> First time entered in top 10 shareholders on March 31, 2018

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

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. Vinay Bharat Ram (Chairman & Managing Director - KMP)*	6,525	0.03	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			6,525	0.03	6,525	0.03
2	Mr. Jitendra Tuli (Non- Independent - Non Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0

Annexure - IV to the Directors' Report continued

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	Mr. Bipin Maira (Independent - Non-Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
4	Prof. Sudhir Kumar Jain (Independent - Non-Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
5	Mr. Ravi Vira Gupta (Independent - Non-Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
6	Dr. Meenakshi Nayar (Independent - Non-Executive Director)	100	0.0005	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			100	0.0005	100	0.0005
7	Mr. Narendra Pal Chawla (Non Independent - Non Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
8	Mr. Chandra Mohan (Independent - Non-Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
9	Mr. L Lakshman (Independent - Non-Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
10	Dr. Raghupati Singhania (Independent - Non-Executive Director)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0



Annexure - IV to the Directors' Report continued

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	Mr. Dinesh Dhiman [Executive Director (Engineering Operation)** (KMP)]	NA	NA	01.04.2017						
		0	0	13.12.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
12	Mr. Sushil Kapoor [Executive Director (Engineering Business)# (KMP)]	NA	NA	01.04.2017						
		0	0	15.01.2018						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
13	Mr. Sumant Bharat Ram (Chief Executive & Financial Officer - KMP)	12,000	0.06	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			12,000	0.06	12,000	0.06
14	Mr. Hemant Bharat Ram [President (Textiles) - KMP]	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
15	Mr. Rakesh Kumar Goel (CEO-Textile Division - KMP)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
16	Mr. Varun Sarin (Chief of Operations & Finance -IT Division - KMP)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0
17	Mr. Yadvinder Goyal (Company Secretary - KMP)	0	0	01.04.2017						
						No change in shareholding during the year				
				31.03.2018			0	0	0	0

\*7,912 equity shares of late Mrs. Panna Bharat Ram have been transmitted in the name of Dr. Vinay Bharat Ram on April 28, 2018, therefore as on date Dr. Vinay Bharat Ram holds 14,437 equity shares of Transferee Company.

\*\* Appointed as Executive Director-(Engineering Operation) of the Company w.e.f. December 13, 2017

# Appointed as Executive Director-(Engineering Business) of the Company w.e.f. January 15, 2018

# Annexure - IV to the Directors' Report continued

## V. INDEBTEDNESS

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

(Amount in Rs. Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2017</b>				
i) Principal Amount	34,108.86	2,000.00	-	36,108.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	119.84	-	-	119.84
iv) Impact of Ind AS	(31.26)	(17.25)	-	(48.51)
<b>Total (i+ii+iii+iv)</b>	<b>34,197.44</b>	<b>1,982.75</b>	<b>-</b>	<b>36,180.19</b>
<b>Change in indebtedness during the financial year</b>				
Addition	761.01	-	-	761.01
Reduction	8,051.93	-	-	8,051.93
Change in interest accrued but not due	(32.09)	-	-	(32.09)
Impact of Ind AS	139.21	4.83	-	144.04
<b>Net Change</b>	<b>(7,183.80)</b>	<b>4.83</b>	<b>-</b>	<b>(7,178.97)</b>
<b>Indebtedness at the end of the financial year i.e. 31.03.2018</b>				
i) Principal Amount	26,817.94	2,000.00	-	28,817.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	87.75	-	-	87.75
iv) Impact of Ind AS	107.95	(12.42)	-	95.53
<b>Total (i+ii+iii+iv)</b>	<b>27,013.64</b>	<b>1,987.58</b>	<b>-</b>	<b>29,001.22</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Dr. Vinay Bharat Ram Chairman and Managing Director	Mr. Dinesh Dhiman (Executive Director – Engineering Operation)*	Mr. Sushil Kapoor (Executive Director – Engineering Business)**	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	66,60,000	11,12,723	21,27,903	99,00,626
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	81,25,020	9,755	-	81,34,775
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify....	-	-	-	-
5.	Others - PF Contribution		38,900	-	38,900
	<b>Total (A)</b>	<b>1,47,85,020</b>	<b>11,61,378</b>	<b>21,27,903</b>	<b>1,80,74,301</b>
	<b>Annual Ceiling as per the Act (10 % of the profits calculated u/s 198 of the Companies Act, 2013)</b>				<b>Not Applicable</b>

\* Mr. Dinesh Dhiman was appointed as Executive Directors-(Engineering Operation) of the Company w.e.f December 13, 2017.

\*\*Mr. Sushil Kapoor was appointed as Executive Directors- (Engineering Business) of the Company w.e.f January 15, 2018.

**Annexure - IV to the Directors' Report continued**

**B. Remuneration to other Directors:**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Director							Total Amount
		Mr. Bipin Maira	Mr. Chandra Mohan	Mr. L Lakshman	Dr. Meenakshi Nayar	Mr. Raghupati Singhania	Mr. Ravi Vira Gupta	Prof. Sudhir Kumar Jain	
<b>1</b>	<b>Independent Directors</b>								
	-Fee for attending board and committee meetings	3,30,000	1,10,000	1,10,000	3,60,000	70,000	1,90,000	4,10,000	15,80,000
	- Commission	-	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>3,30,000</b>	<b>1,10,000</b>	<b>1,10,000</b>	<b>3,60,000</b>	<b>70,000</b>	<b>1,90,000</b>	<b>4,10,000</b>	<b>15,80,000</b>

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Director		Total Amount
		Mr. Jitendra Tuli	Mr. Narendra Pal Chawla (Nominee of LIC)	
<b>2</b>	<b>Other Non-Executive Directors</b>			
	-Fee for attending board and committee meetings	2, 50,000	60,000	3,10,000
	- Commission	-	-	-
	-Others, please specify	-	-	-
	<b>Total (2)</b>	<b>2, 50,000</b>	<b>60,000</b>	<b>3, 10,000</b>
	<b>Total (B) = (1+2)</b>			<b>18,90,000</b>
	Overall Annual Ceiling as per the Act (1% of the profits calculated u/s 198 of the Companies Act, 2013)			<b>Not Applicable</b>

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

	Total Managerial Remuneration (A+B)			1,99,64,301
	Overall Annual Ceiling as per the Act (11% of the profits calculated u/s 198 of the Companies Act, 2013)			<b>Not Applicable</b>

Annexure - IV to the Directors' Report continued

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

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		Mr. Sumant Bharat Ram Chief Executive & Financial Officer	Mr. Hemant Bharat Ram President (Textiles)	Mr. Rakesh Kumar Goel CEO-Textile Division, Hisar	Mr. Varun Sarin- Chief of Operation & Finance- IT Division	Mr. Yadvinder Goyal - Company Secretary	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	1,15,80,070	1,61,96,070	80,26,300	56,70,802	18,27,220	4,33,00,462
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	19,72,248	26,64,600	8,29,363	21,600	Nil	54,87,811
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify....	-	-	-	-	-	-
5	Others, please specify						
	- Bonus	Nil	30,00,000	16,00,000	-	-	46,00,000
	- PF and Superannuation Contribution	16,80,000	21,45,000	13,69,500	7,39,140	1,88,160	61,21,800
	<b>Total</b>	<b>1,52,32,318</b>	<b>2,40,05,670</b>	<b>1,18,25,163</b>	<b>64,31,542</b>	<b>20,15,380</b>	<b>5,95,10,073</b>

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

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

Sd/-

Place : New Delhi  
Date : August 10, 2018

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

**DCM**



## ANNEXURE - V

Form No. MR-3  
SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2018

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

No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DCM Limited ("the Company") for the financial year ended 31<sup>st</sup> March, 2018 according to the provisions of:

- I. The Companies Act, 1956 (the Old Act) and the Rules made thereunder, to the extent applicable;
- II. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- V. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- VI. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VII. We have relied on the systems/mechanism formed by the Company for compliances under other Applicable Acts, laws and regulations applicable to the Company and the management explanation in this regard. The list of major Acts, Laws and Regulations as applicable to the Company is given in Annexure -A

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

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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

The Company has received No Objection letter(s) from both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of following scheme(s) of Arrangements/ Amalgamation approved by the Board of Directors of the Company. Hon'ble National Company Law Tribunal, Principal Bench, New Delhi (NCLT) vide its order(s) dated March 28, 2018 has fixed Saturday, July 14, 2018 for holding the meeting(s) of shareholders, Secured & Unsecured creditors of the Company for these schemes. Further, these schemes are subject to approval of Shareholders, Secured Creditors and Unsecured Creditors and sanction of Hon'ble NCLT :

- i. Scheme of Arrangement between DCM Limited and DCM Nouvelle Limited, a wholly owned subsidiary of DCM Limited, for the demerger of the cotton textile business undertaking of DCM Limited and vesting of the same with DCM Nouvelle Limited, on a going concern basis with effect from appointed date of January 1, 2017.
- ii. Scheme of Amalgamation of Crescita Enterprises Private Limited ('the Transferor Company') into & with the Company with effect from the appointed date of March 31, 2017.

**For Pragnya Pradhan & Associates  
Company Secretaries**

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

Place : New Delhi  
Date : May 30, 2018

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

**Annexure A**

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

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

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

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

For Pragna Pradhan & Associates  
Company Secretaries

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

Place : New Delhi  
Date : May 30, 2018

#### ANNEXURE - VI

##### REMUNERATION POLICY

#### 1. PREAMBLE

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy has been approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

#### 2. OBJECTIVE

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

#### 3. DEFINITIONS

- a) **"Board"**:- Board means Board of Directors of the Company.
- b) **"Director"**:- Directors means Directors of the Company.
- c) **"Committee"**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- d) **"Company"**:- Company means DCM Limited
- e) **"Independent Director"**:- As provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or under the Companies Act, 2013 and relevant rules thereto.

#### Annexure B

f) **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-

- (i) the Chairman and Managing Director;
- (ii) the Company Secretary;
- (iii) the Chief Financial Officer; and
- (iv) such other officer as may be prescribed under the applicable statutory provisions / regulations and / or approved by Board from time to time.

g) **"Senior Management Personnel"**:- shall mean the personnel of the Company who are members of its Core Management team, excluding the Board of Directors, comprising all members of management that are one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### 4. KEY PRINCIPLES

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

- (i) Attract, retain and motivate the right talent, including the directors, KMP and employees, required to meet the goals of the Company.
- (ii) Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.
- (iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual and overall Company's performance.
- (iv) Reflect market trends and practices, competitive positions to attract the required talent.

#### 5. APPOINTMENT CRITERIA AND QUALIFICATIONS

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

#### 6. REMUNERATION PAID TO MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S)

- (i) The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.
- (ii) The compliance of the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges regarding the limits of remuneration will be ensured.

(iii) The remuneration will include the following components:

**a) Basic Salary**

- Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
- Subject to such annual increment as per the recommendations of the Committee and the approval of the Board of Directors.

**b) Commission / Variable Component**

- Commission/Variable Component, if any, as per the recommendations of the Committee and the approval of the Board of Directors in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.

**c) Perquisites and Allowances**

- Perquisites and Allowances commensurate to the position of Executive Directors, as per the recommendations of the Committee and the approval of the Board of Directors

**d) Contribution to Provident, Superannuation fund and Gratuity payments**

In the event, the remuneration and commission/variable component, if any, payable to Managing Director/ Whole-Time Director exceed the limits laid down under Section 197 and 198 read with Schedule V of the Companies Act, 2013, the same shall be subject to approval of Central Govt. & other statutory authorities as prescribed under Companies Act, 2013.

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

The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as may be recommended by the Committee and approved by the Board of Directors and Shareholders of the Company. The amount of such fees and commissions shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

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

The Remuneration to be paid to KMP's/ Senior Management Personnel/ other officers & staff is based on the role and responsibilities in the Company, the experience, qualification, skills and competencies of the related personnel / employees, the market trends, practices and benchmarks. The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

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

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

**9. EVALUATION**

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval.

**10. RETIREMENT**

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

**11. WORKMEN COMPENSATION**

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

**12. DIRECTORS' AND OFFICERS' INSURANCE**

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

**13. AMENDMENTS**

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

**14. DISCLOSURE**

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

## ANNUAL REPORT ON CSR ACTIVITIES

1.	<b>A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.</b>	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://dcm.in/wp-content/uploads/2016/10/CSR-Policy-DCM-Ltd.pdf">http://dcm.in/wp-content/uploads/2016/10/CSR-Policy-DCM-Ltd.pdf</a>
2.	<b>The Composition of the CSR Committee.</b>	1) Dr. Vinay Bharat Ram – Chairman 2) Mr. Ravi Vira Gupta - Member 3) Dr. Meenakshi Nayar – Member 4) Mr. Jitendra Tuli - Member
3.	<b>Average net profit of the company for last three financial years</b>	Rs. 310.13 Lacs
4.	<b>Prescribed CSR Expenditure (two percent, of the amount as in item 3 above)</b>	Rs.6.20 Lacs
5.	<b>Details of CSR spent during the financial year 2017-18.</b> (1) Total amount to be spent for the F. Y. (2) Amount unspent, if any : (3) Manner in which the amount spent during the financial year:	(1) Rs. 6.20 Lacs (2) Nil (3) Necessary details are provided in the table given below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or Programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Contribution for running of School at Hissar up to Class 10 <sup>th</sup>	Promoting of education	Hissar in the state of Haryana	Rs. 15.00 lacs for F.Y.2017-18	Rs.15.85 lacs	Rs.15.85 lacs	Direct
2.	Sports - Contribution towards Gibson Goodwill Golf	Promotion of sports activities	Ajmer in the state of Rajasthan	Rs. 1.00Lacs	Rs. 1.00 Lacs	Rs. 1.00 Lacs	
3	Etasha Society	Promoting of Education	Delhi	Rs. 0.51 Lacs	Rs. 0.51 Lacs	Rs. 0.51 Lacs	
	<b>Total</b>			Rs. 16.51 Lacs	Rs. 17.36 Lacs	Rs. 17.36 Lacs	

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

N.A.

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

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

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

**Sd/-**

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

Place : New Delhi  
Date : August 10, 2018



## CORPORATE GOVERNANCE REPORT

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is about credibility, transparency and accountability of the Board and Management towards shareholders and other investors of the Company. We believe in a Board of appropriate size, composition and commitment to adequately discharge its responsibilities and duties. We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound systems of risk management and internal control.

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

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

The Corporate Governance philosophy is further strengthened with the adherence to Total Quality Management as a mean to drive excellence and articulating the Company's values and ethics with a Code of Conduct policy. Given below is a brief report for the year April 01, 2017 to March 31, 2018 on the practices followed at DCM Limited towards achievement of good Corporate Governance.

## 2. BOARD OF DIRECTORS

**Composition and Category of Directors, attendance of the Directors at the Board Meetings and the last Annual General Meeting, Outside Directorships and Membership(s) or Chairmanship(s) of Board Committees and numbers of shares or convertible instruments held**

Above information as on March 31, 2018, as applicable, is tabulated hereunder:

**Composition of the Board**

As at March 31, 2018, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company's Board of Directors comprised of total Twelve directors namely, Dr. Vinay Bharat Ram, Chairman and Managing Director, Mr. Bipin Maira, Mr. Chandra Mohan, Mr. Dinesh Dhiman, Mr. Jitendra Tuli, Mr. Lakshman Lakshminarayan, Dr. Meenakshi Nayar, Mr. Narendra Pal Chawla, Mr. Ravi Vira Gupta, Dr. Raghupati Singhania, Prof. Sudhir Kumar Jain, and Mr. Sushil Kapoor.

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

All the directors bring with them rich and varied experience in different facets of the corporate functioning. They play an active role in the meetings of the Board.

Name of Director	DIN	Category of Director*	Number of equity shares of the Company held	No. of Board meetings held during FY 2017-18	No. of Board meetings attended	Attendance at last AGM held on 22.09.2017	No. of outside Directorships held#	No. of membership(s) /Chairmanship(s) in Board Committees ##	
								Member	Chairman
Dr. Vinay Bharat Ram	00052826	ED/PD	6525	8	7	Yes	3	0	0
Mr. Bipin Maira	05127804	I -NED	-	8	7	Yes	0	1	1
Mr. Chandra Mohan	00017621	I -NED	-	8	5	No	5	1	1
Mr. Dinesh Dhiman**	08021624	ED	-	3	3	NA	0	0	0
Mr. Jitendra Tuli	00272930	NI-NED	-	8	7	Yes	0	1	0
Mr. L. Lakshman	00012554	I -NED	-	8	4	No	7	6	1
Dr. Meenakshi Nayar	06866256	I -NED	100	8	8	Yes	0	1	0
Mr. Narendra Pal Chawla (Nominee LIC)	06412645	NI-NED	-	8	3	No	0	0	0
Dr. Raghupati Singhania	00036129	I -NED	-	8	3	No	17	2	2
Mr. Ravi Vira Gupta	00017410	I -NED	-	8	5	Yes	4	3	1
Prof. Sudhir Kumar Jain	06419514	I -NED	-	8	8	Yes	0	1	1
Mr. Sushil Kapoor***	02481289	ED	-	2	2	NA	0	0	0

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

\*Category of Directors is as on March 31, 2018.

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

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

\*\* Mr. Dinesh Dhiman was appointed as Whole-Time Director and designated as Executive Director (Engineering Operation) of the Company with effect from December 13, 2017.

\*\*\* Mr. Sushil Kapoor was appointed as Whole-Time Director and designated as Executive Director (Engineering Business) of the Company with effect from January 15, 2018.

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

During the year, the Board met eight times on May 30, 2017, July 06, 2017 August 09, 2017, September 06, 2017, December 13, 2017, January 13, 2018, February 08, 2018 and March 21, 2018. The maximum time gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the Listing Regulations.

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

### 3. Compliance with the Code of Conduct

The Company's Board has laid down a Code of Conduct for all the Board members and senior management of the Company, which has been provided to all concerned executives. The updated Code incorporate the duties of Independent Directors. The Code of Conduct is available on the website of the Company (web link <http://dcm.in/wp-content/uploads/2016/10/Directors-senior-management.pdf>)

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

### 4. Audit Committee

As on March 31, 2018, the Audit Committee of the Company consists of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Mr. L Lakshman, Prof. Sudhir Kumar Jain and Dr. Meenakshi Nayar as members. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

All members of Audit Committee are independent directors.

The terms of reference of Audit Committee covers all areas mentioned under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable. The broad terms of reference of Audit committee as on March 31, 2018, include, *inter-alia*, systematic review of Accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function and quarterly/ half-yearly financial statements. It also recommends appointment of Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and fixation of their audit fees. Mr. Bipin Maira, Mr. L Lakshman, Mr. Ravi Vira Gupta and Dr. Meenakshi Nayar have knowledge of finance and accounts. Prof. Sudhir Kumar Jain has expertise in managerial economics and has knowledge of finance.

Audit Committee meetings are attended by Chief Executive and Financial Officer, Sr. Executives of Accounts & Finance Department of the Company. Representatives of Statutory / Cost Auditors and Internal Auditors also attend the Audit Committee Meetings on invitation.

During the year April 01, 2017 to March 31, 2018, Six (6) Audit Committee meetings have taken place on May 30, 2017, July 6, 2017, August 09, 2017, September 6, 2017, December 13, 2017 and February 08, 2018. The attendance of each director at these meetings was as under:

S. No.	Name	Designation	No. of meetings held during FY 2017-18	No. of meetings attended
1.	Mr. Bipin Maira	Chairman	6	5
2.	Prof. Sudhir Kumar Jain	Member	6	6
3.	Mr. Ravi Vira Gupta	Member	6	3
4.	Mr. L Lakshman	Member	6	3
5.	Dr. Meenakshi Nayar	Member	6	6

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

### 5. Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. As on March 31, 2018, the 'Nomination and Remuneration Committee' comprised of Mr. Ravi Vira Gupta, Chairman, Prof. Sudhir Kumar Jain, Mr. Bipin Maira and Dr. Meenakshi Nayar as members of the Committee.

#### Terms of Reference

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

During the year April 01, 2017 to March 31, 2018, Five (5) meetings of the 'Nomination and Remuneration Committee' have taken place on May 30, 2017, August 09, 2017, December 13, 2017, January 13, 2018 and February 08, 2018. The attendance of each director at these meetings was as under:

S. No.	Name	Designation	No. of meetings held during FY 2017-18	No. of meetings attended
1.	Mr. Ravi Vira Gupta	Chairman	5	3
2.	Prof. Sudhir Kumar Jain	Member	5	5
3.	Mr. Bipin Maira	Member	5	4
4.	Dr. Meenakshi Nayar	Member	5	5

#### Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

## 6. Remuneration of Directors

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

The details of sitting fee & remuneration paid to directors of the Company during the year April 01, 2017 to March 31, 2018 are as under:

S. No.	Name	Sitting Fees # (Rs. /lacs)	Salary & Allowances (Rs. / lacs)	Perquisites	Contribution to PF etc.	Commission and performance linked Incentive	Total
1.	Dr. Vinay Bharat Ram	-	66,60,000	81,25,020	-	-	1,47,85,020
2	Mr. Bipin Maira	3,30,000	-	-	-	-	3,30,000
3	Mr. Chandra Mohan	1,10,000	-	-	-	-	1,10,000
4	Mr. Jitendra Tuli	2,50,000	-	-	-	-	2,50,000
5	Mr. L Lakshman	1,10,000	-	-	-	-	1,10,000
6	Dr. Meenakshi Nayar	3,60,000	-	-	-	-	3,60,000
7	Mr. Narendra Pal Chawla (Nominee-LIC)	60,000	-	-	-	-	60,000
8	Mr. Raghupati Singhania	70,000	-	-	-	-	70,000
9	Mr. Ravi Vira Gupta	1,90,000	-	-	-	-	1,90,000
10	Prof. Sudhir Kumar Jain	4,10,000	-	-	-	-	4,10,000
11	Mr. Sushil Kapoor*	-	21,27,903	-	-	-	21,27,903
12	Mr. Dinesh Dhiman**	-	11,12,723	9,755	38,900	-	11,61,378
	<b>TOTAL</b>	<b>18,90,000</b>	<b>99,00,626</b>	<b>81,34,775</b>	<b>38,900</b>	<b>-</b>	<b>1,99,64,301</b>

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

\*Appointed as Executive Director- (Engineering Business) of the Company w.e.f January 15, 2018.

\*\*Appointed as Executive Director- (Engineering Operation) of the Company w.e.f December 13, 2017.

### Service Contract and Severance Fees

- The remuneration of Dr. Vinay Bharat Ram, Chairman and Managing Director of the Company, was fixed by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee, which was subject to approval of the shareholders of the Company and Central Government. The Company had obtained approvals from Shareholders of the Company as well as Central Govt. Either of Dr. Vinay Bharat Ram or Company can terminate the appointment by giving to other, three calendar months' notice in writing. The appointment of Dr. Vinay Bharat Ram is governed by the resolution(s) of the Board of

Directors and shareholders of the Company as well as approval of central govt. which covers the terms & conditions of such appointment.

- The remuneration of Mr. Dinesh Dhiman, Executive Director (Engineering Operation) and Mr. Sushil Kapoor, Executive Director (Engineering Business) of the Company, was fixed by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee, which is subject to approval of the shareholders of the Company. Necessary resolutions for obtaining approvals from Shareholders of the Company have been included in Notice of this 128<sup>th</sup> Annual General Meeting of the Company. Either of aforesaid Executive Directors or Company can terminate the appointment by giving to other, 3 calendar months' notice in writing. Their appointment is governed by the resolution(s) of the Board of Directors and shareholders of the Company which covers the terms & conditions of such appointment.
- Non- Executive Directors are paid sitting fees for attending the meetings of Board of Directors and Committees thereof.

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

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

The powers, role and terms of reference of the Share Transfer, Finance Facilities and Stakeholders' Relationship Committee covers the areas as contemplated under Regulation 20 of Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. As on March 31, 2018, 'Share Transfer, Finance Facilities and Stakeholders' Relationship Committee' comprised of Prof. Sudhir Kumar Jain, Chairman, Mr. Jitendra Tuli, Mr. Ravi Vira Gupta and Mr. Bipin Maira, members of committee.

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

S. No.	Name	Designation	No. of meetings held during FY 2017-18	No. of Committee meetings attended
1.	Prof. Sudhir Kumar Jain	Chairman	6	6
2.	Mr. Jitendra Tuli	Member	6	3
3.	Bipin Maira	Member	6	2
4.	Mr. Ravi Vira Gupta	Member	6	1

The status of complaints received, disposed off & pending during the year ended March 31, 2018 is as under:

No. of Complaints Received	No. of Complaints not solved to the satisfaction of shareholders' / Investors'	No. of Complaints pending at end of year
12	0	0

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

## 1. GENERAL BODY MEETINGS

### Details of last three AGMs

Year	Location	Date	Time	Details of Special Resolutions passed
2017	127 <sup>th</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054	22.09.2017	11.00 A.M	Nil
2016	126 <sup>th</sup> AGM Shankar Lal Murli Dhar Auditorium (Shri Ram Centre - Auditorium ), 4, Safdar Hashmi Marg, Mandi House, New Delhi - 110001	14.09.2016	11.00 A.M.	Nil
2015	125 <sup>th</sup> AGM MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054	18.08.2015	1.00 P.M.	Re- appointment of Mr. Jitendra Tuli as Managing Director of the Company for a period of one (1) year w.e.f. December 20, 2014.

### POSTAL BALLOTS

#### A. Details of Special Resolution(s) passed through Postal ballot last year

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

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

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

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

S. No	Particulars	Through Physical Postal Ballot forms	Through e- voting	Total
Special Resolution authorising the Board of Directors of the Company or any committee constituted by the Board ('hereinafter referred to as Board') to mortgage/pledge/hypothecate and/or create charge etc. on whole or part of land of the company including the land converted / to be converted into freehold from leasehold at Bara Hindu Rao/Kishan Ganj, Delhi ('Project Land') to secure any loan raised /to be raised by Purearth Infrastructure Ltd. (PIL) and/or other company/firm and /or body corporate engaged/to be engaged in joint development of Real Estate Project at Project Land along with PIL, not exceeding Rs. 1000 Crores (Rupees one thousand Crores).				
1.	Total Valid Votes* casted in favour of the Resolution	4,14,610	17,10,044	21,24,654
2.	Total Valid Votes* casted against the Resolution	16	10,416	10,432
3.	Invalid Votes*	7	0	7
4.	Valid Votes* casted in favour as percentage of total valid votes polled	99.9961%	99.3946%	99.5114%

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

#### B. Whether any Special resolution is proposed to be conducted through Postal ballot : –NIL

##### 1. Means of Communication

The quarterly / half yearly / annual financial results are announced within the stipulated period and are generally published in Financial Express (English) and Jansatta (Hindi) newspapers and are also forwarded to the stock exchanges as per requirements of Listing Regulations. The results are put up on their website(s) by the Stock Exchanges. All financial results and other shareholder information are also available at the website of the Company at [www.dcm.in](http://www.dcm.in). The quarterly/ half yearly financial results are not sent to shareholders individually.

No presentation of financial results has been made to Financial Institutions/ analysts during the year ended March 31, 2018.

## 2. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Day & Date : Monday, September 24, 2018  
Time : 11.30 A.M  
Place : MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Line, New Delhi - 110054

ii. Book Closure Date : Tuesday, September 18, 2018 to  
Monday September 24, 2018  
(both days inclusive)

iii. Financial Year : April 01 to March 31

iv. Dividend Payment : Not Applicable

v. Listing : Shares of Company are listed on following stock exchanges :  
Name : BSE Limited  
Address : Phiroje Jeebhoy Towers,  
Dalal Street, Mumbai-400001

Name : National Stock Exchange of India Limited  
 Address : Exchange Plaza, 5th Floor, Plot No. C/1,  
 G Block, Bandra Kurla Complex,  
 Bandra (E), Mumbai-400051  
 Listing fee up to financial year 2018-19 has been  
 paid to both of above Stock Exchanges.

vi. Securities code : Securities code for Company's equity shares on the  
 Stock Exchanges are as follows:  
 BSE Ltd. : 502820

National Stock Exchange of India Limited : DCM

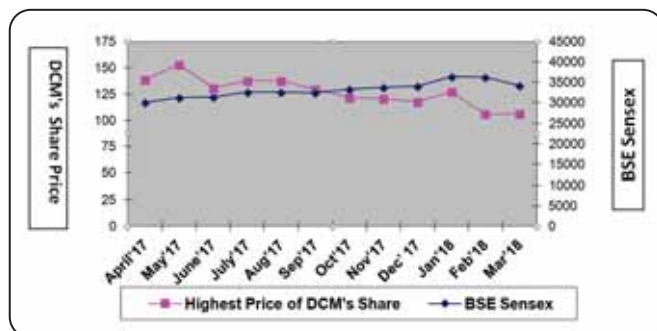
vii. Stock Market Data and Share price performance in comparison to broad  
 base indices

a) DCM LIMITED vs BSE SENSEX

	DCM LIMITED		BSE SENSEX	
	High	Low	High	Low
April-2017	138.90	123.50	30,184.22	29,241.48
May-2017	153.00	120.40	31,255.28	29,804.12
June-2017	130.95	114.05	31,522.87	30,680.66
July-2017	137.75	113.90	32,672.66	31,017.11
August-2017	137.60	111.00	32,686.48	31,128.02
September-2017	129.60	112.10	32,524.11	31,081.83
October-2017	121.50	114.00	33,340.17	31,440.48
November-2017	120.55	111.60	33,865.95	32,683.59
December-2017	117.90	104.20	34,137.97	32,565.16
January-2018	127.30	102.05	36,443.98	33,703.37
February-2018	106.00	92.50	36,256.83	33,482.81
March-2018	106.10	84.55	34,278.63	32,483.84

Source: BSE website

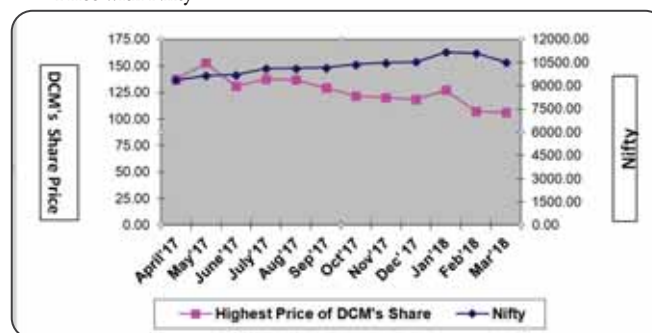
Chart of comparison of DCM Limited's Share Price with BSE Sensex



b) DCM LIMITED vs. NIFTY

	DCM LIMITED		NIFTY	
	High	Low	High	Low
April-2017	137.00	123.55	9367.15	9075.15
May-2017	152.80	118.90	9649.60	9269.90
June-2017	131.00	114.80	9709.30	9448.75
July-2017	137.50	114.20	10114.85	9543.55
August-2017	136.90	110.15	10137.85	9685.55
September-2017	129.35	111.05	10178.95	9687.55
October-2017	121.75	111.40	10384.50	9831.05
November-2017	120.20	111.30	10490.45	10094.00
December-2017	118.35	103.65	10552.40	10033.35
January-2018	127.00	101.00	11171.55	10404.65
February-2018	107.00	93.10	11117.35	10276.30
March-2018	106.10	84.00	10525.50	9951.90

Source: NSE website Chart of Comparison of DCM Limited's Share Price with Nifty



viii. Registrar & Share Transfer Agent

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

ix. Share Transfer System

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



**x. Distribution of shareholding as on March 31, 2018**

Category	No. of Equity Shares	% of Shareholding
Promoters and Promoters group	90,66,584	48.54
Mutual fund, FIs, Banks, Insurance Companies, Central Govt. and State Govt.(s)	12,44,200	6.66
Bodies Corporates	13,83,590	7.41
NRIs, Trusts and NBFC's	7,25,738	3.89
Individuals	62,57,637	33.50
<b>TOTAL</b>	<b>1,86,77,749</b>	<b>100%</b>

Shareholdings	No. of folios	No. of Equity Shares	% of Shareholding
Up to 5,000	43,546	35,09,071	18.79
5,001-10,000	94	6,64,865	3.56
10,001 – 50,000	95	20,77,942	11.13
50,001-1,00,000	18	13,53,019	7.24
Above 1,00,000	6	1,10,72,852	59.28
<b>Total</b>	<b>43,759</b>	<b>1,86,77,749</b>	<b>100</b>

**xi. Dematerialization of Shares and liquidity**

The Equity Shares of the Company are compulsorily tradable in Dematerialized form by all categories of investors and placed under rolling settlement by SEBI. The Company has signed agreement with NSDL & CDSL for dematerialization of shares. ISIN of the Company for dematerialization of equity shares is INE 498A01018. As on March 31, 2018, 95.28% of paid-up share capital of the Company has been dematerialized.

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

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

The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2017-18.

**xiii. Location of Works:**

Textile Division : Hisar (Haryana)

Engineering Division : Shahed Bhagat Singh Nagar (Punjab)

IT Division : Gurgaon (Haryana)

**xiv. Address for Correspondence**

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

**3. Disclosures**

- i. All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. During the year, there are no materially significant related party transactions made by the Company with Promoters, Directors

or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Related party transactions have been dealt with in note no. 49 to the Standalone Financial Statements annexed. These transactions are not in conflict with the interest of the Company.

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

- ii. The Company has not been imposed with any penalty by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to Capital Markets during the last three years.
- iii. The Company has a separate Legal Department, which deals with the legal issues. The Secretarial Department is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws.
- iv. The Company has in place Whistle Blower policy which is also available on Company's website [www.dcm.in](http://www.dcm.in). No personnel has been denied access to the audit committee.
- v. All mandatory requirements as specified under Listing Regulations have been appropriately complied with. However, the Company has not adopted the non-mandatory requirements as specified in Part-E of Schedule II of Listing Regulations.
- vi. Management Discussion and Analysis report forming part of the Annual Report is enclosed.

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

Pursuant to the Regulation 36 of Listing Regulations, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is given in at page no. 15& 16 of this annual report.

**viii. Risk Management**

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

**ix. Subsidiary Company**

All the subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

During the year under review, the Company had no material subsidiary. Accordingly the requirement of composition of Board of Directors of unlisted material subsidiary as specified under Regulation 24(1) of Listing Regulation is not applicable.

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

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

The annual audited accounts of all the subsidiary companies and the related detailed information is available at the website of the Company at [www.dcm.in](http://www.dcm.in). The annual accounts of the subsidiary companies are also kept for inspection by any shareholder in the head office of the Company and of the

subsidiary companies concerned. Also the Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on request.

**x. CEO/CFO Certification**

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

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

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

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

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

During the year 2017-18, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 53 to the standalone financial statement.

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

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

Place : New Delhi  
Date : May 30, 2018

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

**ANNEXURE – A**

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

**CHIEF EXECUTIVE OFFICER DECLARATION**

I, Sumant Bharat Ram, Chief Executive & Financial Officer of DCM Limited, certify based on annual disclosures received, that all Board members and senior management personnel have abided by the code of Conduct for Directors & Senior Management laid down by the Company.

**For DCM Limited**

Place : New Delhi  
Date : May 30, 2018

Sd/-  
**Sumant Bharat Ram**  
Chief Executive & Financial Officer

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of **DCM Limited**

This Certificate is issued in accordance with the terms of our agreement dated 28 May 2018.

This report contains details of compliance of conditions of Corporate Governance by DCM Limited ('the Company') for the year ended 31 March 2018, as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

**Managements' Responsibility**

The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

**Auditor's responsibility**

Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which management has conducted the affairs of the Company.

**Restrictions on use**

This Certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For BSR & Co. LLP**  
Chartered Accountants

Firm registration no.: 101248W/W-100022

Place : Gurugram  
Date : May 30, 2018

Sd/-  
**Kaushal Kishore**  
Partner  
Membership No.: 090075

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### TEXTILE DIVISION

#### Industry Structure and Developments

Textile is an extremely labour intensive industry. Large consumption regions like Europe and US have higher labour costs and hence prefer to outsource their requirement to lower-wage countries. The textile sector is largely dominated by Asia with 71% market share followed by America and Europe, with 12% and 11% market share, respectively. Asia is the largest exporter of textile and apparel with nearly 60% production share across the entire value chain. The industry growth is strongly driven by growing consumption of textile and apparel products in developing countries and a gradual economic recovery of major developed markets. China and India are the major producers and exporters, the US and EU are expected to continue driving import demand for textiles and apparel at a global level.

The textile and apparel industry can be broadly divided into two segments: (1) Yarn and fibre (include natural and man-made); (2) Processed fabrics (including woollen textiles, silk textiles, jute textiles, cotton textiles and technical textiles) and readymade garments (RMGs) and apparel.

India accounts for one-third of the world's cotton cultivation area. Maharashtra, Gujarat, Andhra Pradesh and Telangana (also known as the cotton basket of India) produce nearly two-thirds of the cotton in India. Cotton is a major product of the Indian textile industry and it accounts for over 65% of total mill fibre consumption in the country. Among all the fabrics and yarns produced, cotton is the main fabric.

The Indian textile industry is varied in nature emerging from hand-spun or woven to sophisticated mills sector. The close linkage of the textiles industry to agriculture for raw material such as cotton, and the age old traditions of the country in terms of textiles make the Indian textiles industry predominantly cotton based. India is the second largest producer of textiles and garments in the world. The Indian textiles and apparel industry is one of the oldest industries and has a very strong presence in India's economy. The growth pattern of the India's textile sector unique in comparison to other industries. The Indian textiles industry has the capacity to produce a wide variety of products suitable for different markets, both in India and across the world. At present, the Indian textile sector occupies a prominent position in the world textile trade.

#### Opportunities and Outlook

The outlook for the textile industry in India is quite optimistic. It is expected that the textile industry will continue to grow at an impressive rate.

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. Textile Sector plays a major role in the Indian economy. The industry is the second largest employer after agriculture providing employment to over 45 million people directly and 60 million people indirectly. The Indian textiles industry contributes approximately 5% to India's GDP and 14% to overall Index of Industrial Production (IIP). The textile sector is among the largest contributors to India's exports, and has the potential to reach US\$ 500 billion in size according to a study. The implementation of GST is another positive step to organize the textile sector and for revenue generation both for industry and the Government.

The inherent strengths of the textile industry have seen it through rough days and hard times. There have been many periods of adversity, when growth charts dipped and the future appeared bleak. But like the phoenix, the textile industry has risen each time from the ashes.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Urbanisation is expected to support higher growth due to change in fashion and trends. Young population with high disposable income is sure to drive growth in an encouraging direction.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players having entered Indian market. The government is taking initiatives to attract foreign investments in the textile sector. For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly. India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN), as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

Going forward, the Indian cotton textile industry is expected to showcase a stable growth supported by stable input prices, healthy capacity utilisation and steady domestic demand.

#### Financial and Operational Performance.

The performance of the Textile Division for the year ended March 31, 2018 is as follows-

S. No.	Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
1.	Sales in Quantity (MT)	28,735	29,006
2.	Production ( MT )	29,321	29,033
3.	Sales & other Income (Rs. in lacs)	60,111	58,704
4.	Total Expenditure (Rs. in lacs)	(55,368)	(52,056)
5.	Profit before finance cost, Depreciation, Amortization & Tax (Rs. in lacs)	4,743	6,648
6.	Finance Cost (Rs. in lacs)	(1,318)	(1,614)
7.	Depreciation (Rs. in lacs)	(1,874)	(1,913)
8.	Profit before Tax (Rs. in lacs)	1,551	3,121

During the year under review, the Profit Before Tax (PBT) decreased to Rs. 15.51 crores in the financial Year 2017-18 from Rs. 31.21 crores in the previous financial Year 2016-17 on account of comparatively lower increase in yarn prices than increase in raw material price.

#### Risk & Concerns

Competition from other developing countries, high volatility of cotton, yarn price and the Rupee to US\$ exchange rate are the major concern. The Division is trying to reduce the impact of volatility by reducing open position in respect of above. Labour shortage is another area which is affecting operations. This is being mitigated by increasing worker training programs and strengthening operational efficiency.

#### Internal Controls

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

#### Manpower Development

The Division has always maintained cordial and healthy industrial relations. The training of employees is a continuous and integrated process. Prior to training, the competency of each employee is assessed to identify their potential. Training

and mentoring programmes are designed accordingly. The belief in investing in training today is to create tomorrow's leaders. Continuous efforts to improve the quality and productivity of the processes are being pursued under the TQM umbrella, in order to promote the culture of excellence. The total number of people on the rolls of the Textile Division is 1776.

## ENGINEERING DIVISION

### Industry Structure and Developments

The foundry industry, also known as the casting industry, plays the role of a 'mother' industry in India. It is a core industry producing cast metal components which serve as a basic raw material for many sectors. Growth in the industrial sector, post-recession, especially in manufacturing activities, has given a boost to the foundry industry.

The Indian Foundry Industry manufactures castings of ferrous, non-ferrous, aluminum, alloy, grey iron, ductile iron, steel etc. However, grey iron castings have the major share i.e. approx. 60% of total castings produced. The foundry or metal casting industry is a key component feeder for various sectors such as auto, auto components, railways, agro, tractors, textile, cement making, electrical machinery, earthmoving machinery, power equipment, defence equipment, and aero and space industry. Its sustainable growth has become more important today than ever before given the emphasis of the government on 'Make in India'.

There are approximately 5000 units out of which 90% can be classified as MSME's, out of which approximately 1500 units have some International Quality Accreditation. Several large Indian foundries are modern and globally competitive with efficient induction furnaces and a growing awareness about environment and energy conservation.

### Opportunities and Outlook

The growth of the casting industry is driven by constant increase in production of commercial vehicles, passenger vehicles and tractors etc. Increase in demand for casting from the Automotive and Farm Sectors plays a significant role in spurring the foundry market's growth prospects.

In the FY 2017-18, the auto industry continued the growth momentum and posted a double digit growth, after a gap of nearly seven years. All industry segments viz. Passenger Vehicles (PV), Commercial Vehicles (CV), Tractors, Three Wheelers (3W), Two Wheelers (2W) reported higher sales.

For the year under review, improvement in overall economic sentiment, two consecutive years of normal monsoon, Government's focus on development of rural parts of the country, and the continued investment on the Agriculture and Infrastructure Sectors, coupled with easy availability of affordable finance helped drive the demand for the automotive as well as tractor industry.

Indian Agriculture is characterized by low productivity and a high degree of manual work. The key to raising farm productivity lies increasing the level of mechanization and improve farming practices. The situation coupled with Government's focus on improving farm productivity, is creating an opportunity for tractor industry.

The Indian Auto Industry is looking forward to coming years with renewed challenges of new regulations. Growing concerns over air pollution, road safety, sustainability and urban congestion, among consumers and society at large, are driving the regulations and policies for motor vehicles and urban development. The Government has already announced the plan for migration to BSVI emission norms for all vehicles from April, 2020. Similarly, the Government has announced the plan for migration to new safety norms under Bharat New Vehicle Safety Assessment program (BNVSAP) by the Financial Year 2019 for new vehicles and the Financial Year 2020 for existing vehicles.

The Government of India presented plans to complete 9,000 km of national highways by Fiscal 2019 and 35,000 km under the Bharatmala project at Rs. 5.35 crores in the budget presentation. With the allocation of funds to improve national highways; people will see value in personal transportation. Even the

commercial vehicles industry will benefit from this increased connectivity. The Automotive Mission Plan 2016-26 aims at 13% share of automotive industry in GDP, along with implementation of BS6 vehicles effective April 1, 2020.

Going forward, the Auto Industry is expected to show good growth across all segments on back of healthy economic outlook, finance penetration, urbanization, investment in roads, infrastructure and new launches by OEMs.

Over the years the competition in the casting industry has increased. The Company faces competition from various domestic and foreign casting manufacturers in the Indian automotive market.

Customer satisfaction has always been a priority for your company and over the past few year, your company is working tirelessly to improve customer satisfaction at all levels. The results of these efforts will be visible in coming years.

### Financial and Operational Performance

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

S. No.	Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
1.	Gross Sales in Quantity (MT)	40,957	44,970
2.	Gross Production (MT)	44,428	48,704
3.	Sales & other Income (Rs. in lacs)	33,138	34,989
4.	Total Expenditure (Rs. in lacs)	(34,200)	(35,333)
5.	Profit before finance cost, Depreciation, Amortization & Tax (Rs. in lacs)	(1,062)	(344)
6.	Finance Cost (Rs. in lacs)	(1,257)	(1,389)
7.	Depreciation (Rs. in lacs)	(1,667)	(1,670)
8.	Profit before Tax (Rs. in lacs)	(3,986)	(3,403)

During the year, the Division achieved total dispatch of 40,957 MT (previous year 44,970 MT). The Engineering Division continued to make losses because of lower volume due to production constraints primarily on account of IR issues, decline in margin because of higher rejection, increased input cost and under recovery of the fixed overheads. The interaction with the workmen by officials of Division at different level have been further increased to maintain cordial relations with them and to improve their morale. The Division is continuously focusing to achieve improved quality standard, skill set improvement and enhancement of manpower and machine efficiencies for better productivity and cost effectiveness across all areas of operations.

### Risk & Concerns

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

Further, the Government focus on electrification of the vehicles and very aggressive targets for Electric Vehicle adoption in the country, is a major risk for casting industry as a whole.

### Internal Controls

The Division maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. Further, the internal control systems have been designed to provide



reasonable assurance with regard to recording and providing reliable financial and operational information. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

### Manpower Development

The company has continued its efforts and focus on capability and skill up-gradation through structured training and development in the Division. The division has established a fully functional training centre called "Gurukul" and a dedicated team for training and development activities. The training team is not only concentrating on regular classroom trainings but also OJTs (On the Job trainings) which will result in more skilled manpower. The TQM activities were on top priority and focus was on strengthening the processes to achieve quality and customer satisfaction. The division has also focussed on employee engagement activities as the company has firm belief that happy employees are the biggest asset to the organisation. The division is working to make the company a "Great Place to Work Company". The total number of people on the rolls of the Engineering Division is 1469.

### IT DIVISION

#### Industry Structure and Developments

The overall global scenario looks a little uncertain with countries wanting to become more insular because of domestic polity and fears of trade wars growing. In addition the actions by North Korea, USA, Syria, Iran are raising concerns of escalations. The price of crude has gone beyond the US \$ 70 a barrel with further sharp increases imminent and US Fed is clearly looking at increasing interest rates faster.

On the positive side we have the US economy which is doing very well, and the recently announced tax breaks by the Trump administration are likely to leave a lot more money in the hands of the US corporates which in turn should result in increase in spending.

On the domestic side, the government's consistent spend on infrastructure whether through building highways or SMART City initiatives or affordable housing is starting to play out and the companies related to the infrastructure are doing well.

As per Gartner the worldwide IT spending is projected to total \$3.7 trillion in 2018, an increase of 6.3 percent from 2017. Out of this North America is estimated to be \$1.5 trillion and Asia Pacific is close to \$850 billion. Middle East and North Africa (MENA) IT spending is projected to reach \$155 billion in 2018. Internet of Things (IoT) combined with smart-machine technologies, will be one of the top drivers in shaping the future of IT service Industry. It is expected that the number of IoT devices in use would be more than 50 billion in the next few years.

In the US while the H1B visa numbers have still not been changed, but the gradual tightening of regulations has started impacting the Indian IT companies. Other initiatives on saving jobs in US and on immigration reforms have the potential of hurting the Indian IT companies further and stemming the growth rates. Even Singapore & Australia have brought in their own version of immigration control for the Indian technical workforce.

#### Opportunities and Outlook

This is the pre-election year in India. While there would seem to be an increase in the spending for rural vote banks and infrastructure, we may also end up with a higher fiscal deficit because the higher cost of crude oil. As per the forecast by the meteorological department the rains are expected to be near normal. If this does happen then the rural incomes would increase. The government also has plans to double the farm incomes between now and 2022. All this augurs well for FMCG companies, consumer durables, auto companies and infrastructure companies.

Over the previous couple of years since the Modi government came to power, there was a lot of hype around SMART City initiatives of the government. Over last year we have been involved in the Smart City initiatives. The division has

achieved success with integrating IoT devices in these city level projects. This has enabled us to create a differentiator in this area. There are millions of uses of IoT devices and there is a long way for us to go.

The advantage of the SMART City initiative for the division is that it has both an implementation phase and managed services phase. Both these are areas where we are strong and we hope to capitalize on this initiative of the government. Security is another big initiative being taken up by the government across the board. The Division has been working with government agencies on some of these initiatives at the planning stage and is hoping for some business out of these engagements in the current year.

In USA, the rhetoric linked with the "America First Policy", "buy American", "hire American" & "retain jobs in America" policies has started having an indirect impact on our business. Without there being any specific law yet on this issue, a lot of customers have started insisting on taking only citizens.

The Division sees an opportunity to increase business from existing clients and other SMB (Small and Midsize Business) customers through DCMs new service offerings in the areas of Cloud, Digital and Automation. As per Gartner these customers are price conscious and most of them are open to outsourcing if it helps them save money. Potential exists in areas such as cloud migrations, cloud applications, security, machine learning, artificial intelligence, analytics & automation.

In India, there was slow momentum on cloud technologies till a couple of years back, however, this is beginning to change and today there is an amazing amount of growth in these areas. The enquiries in cloud and digital workplace have grown significantly for us. To be able to leverage on the large possibilities which could be on offer, Division has now also tied up with Microsoft for Office 365 & Azure cloud, in addition to the IBM cloud which we were handling earlier.

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

#### Financial and Operational Performance:

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

(Rs. in Lacs)

S. No.	Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
1.	Sales & Other Income	4,500	6,022
2.	Total Expenditure	(4,308)	(5,380)
3.	Profit before finance cost, Depreciation, Amortization & Tax	192	641
4.	Finance Cost	(4)	(9)
5.	Depreciation & Amortizations	(29)	(27)
6.	Profit Before Tax	159	605

During the year the competitive intensity within our customers grew even more. Some of our primary customers faced major downturn in their business, which precipitated in cut backs on IT budgets and reduction of orders for the Division. This along with reversals in the US business impacted the overall business volume and profitability of the division. The Division acquired new customers through the year but the impact on Division's margins was considerable.

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



## Management Discussion and Analysis continued

The past year has also seen increased focus and investments on the identified newer technology areas viz. Cloud, digital services, application performance management, and mobility services. The Division expect to retrain its employees and reorient its marketing engine in line with the revised Services portfolio. In addition the Division expect to invest in automation this year while expanding the Cloud services across different platforms.

### Risks and Concerns

- As a major portion of the Division's business is linked to US-based companies, any turbulence in the US economy could lead to an adverse impact on the Division's financials.
- Post elections in the USA, the impact of the America First Policy of the Trump administration is still not clear, especially with respect to immigration, manpower movement, off-shoring of jobs, etc.
- Buying in India is primarily government-driven. Since the Division has a large exposure in the managed services implementation business to government orders, there can be delays in order closure.
- The Division's business is concentrated with a few key customers. Any change in our customers' business / preferences will have a large impact on our revenue. Given this fact, over the last few years the Division has consciously been working on building new customers.
- Manpower sourcing, on time and of the desired quality is one of the biggest challenges for future growth and customer satisfaction.
- Since a major part of the transactions are in foreign exchange, the exchange rate fluctuation has a direct and significant impact on profitability. Any appreciation in the Indian Rupee will have a direct adverse impact on both the revenues and profits of the Division.

### Internal Controls

The operations of the Division are spread across different geographies, including India and the USA. Hence, commensurate internal controls have been instituted

that are regularly upgraded in-line with the changes in the regulatory and control requirements. The Division has adequate control systems and internal policies, for order processing, legal compliances, employee recruitment and management, accounting, maintenance services and security systems to safeguard its IT infrastructure.

### Manpower Development /Industrial Relations

The Division's business model is manpower-centric and involves providing high end technical services to clients in the field of IT Infrastructure Services. Availability of skilled & employable resources continues to be a major challenge, both in the USA and in India. Hence, it is necessary to train and upgrade the skills of our manpower resources to meet the business requirements. The Division has an in house Competency Centre to impart hands-on training to employees in various IT Infrastructure skills. This in-house capability is the backbone of our operations. The total number of people on the rolls of the IT Division is 189.

### Cautionary Note

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

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

**Sd/-**

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

Place : New Delhi  
Date : May 30, 2018

### INDEPENDENT AUDITOR'S REPORT

#### To The Members of DCM Limited

#### Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of DCM Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies

used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, of the state of affairs of the Company as at 31 March 2018 and its loss (including other comprehensive income), changes in equity and its 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, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 47 to the Standalone Ind AS Financial Statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company after considering Scheme of Restructuring and Arrangement, pursuant to which certain past dues have been rescheduled for repayment – Refer Note 40 and 47 (c) of the Standalone Ind AS Financial Statements.

**Annexure A referred to in our Independent Auditor's Report to the members of DCM Limited on the Standalone Ind AS Financial Statements for the year ended 31 March 2018**

- According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties, as disclosed in Note 3 to the standalone Ind AS financial statements, are held in the name of the Company.
- According to the information and explanations given to us, the inventories, except good-in-transit, have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Further, there are no limited liability partnerships covered in the register required under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- According to the information and explanations given to us, the Company has not granted any loans and advances covered under the provisions of Section 185 and Section 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable.

- iv. The disclosures in the Standalone Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Financial Statements for the year ended 31 March 2017 have been disclosed - Refer Note 45 to the Standalone Ind AS Financial Statements.

For B S R & Co. LLP  
Chartered Accountants

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

**Kaushal Kishore**  
Partner

Place: Gurugram  
Date: May 30, 2018

Membership number: 090075

- As per the information and explanations given to us, during the year, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable
- The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for certain activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee' state insurance, Income-tax, Sales-tax, Goods and Services Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Amount involved * (Rs. in Lacs)	Amount paid under protest (Rs. in Lacs)	Financial year to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	40.28	40.28	2013-14	Commissioner of Income tax (Appeals)
		58.39	-	2012-13	
		10.08	5.00	2011-12	Income Tax Appellate Tribunal
Customs Act, 1962	Customs duty	12.55	-	1988-89	Commissioner of customs (Appeals)
Central Excise Act, 1944	Excise duty	0.99	0.06	2013-14	Commissioner of Central Excise
		0.50	-	2002-03, 2003-04	Supreme court
Punjab VAT Act, 2005	Sales tax	146.96	36.75	2010-11	Punjab VAT Appellate Tribunal
		130.25	35.09	2009-10	

\* amounts as per demand orders including interest and penalty wherever indicated in the demand.

For the above purposes, statutory dues payable in India have been considered. Further, the demands raised and already set off by the Income-tax authorities against the carried forward losses of the Company or the refunds due to the Company being no longer due for payment, have not been considered.

The following matters which have been excluded from the table have been decided in favour of the Company, although we are informed that the concerned regulatory authority has preferred appeal at a higher level:

Name of the Statute	Nature of dues	Amount (Rs. in Lacs)	Financial year to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	442.48	1982-83 to 1989-90	High Court
		27.93	2008-09	High Court
		76.35	2010-11	Income Tax Appellate Tribunal
		62.93	2011-12	Income Tax Appellate Tribunal

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

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

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

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

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

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

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

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

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

For B S R & Co. LLP

Chartered Accountants

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

Kaushal Kishore

Partner

Place: Gurugram

Date: May 30, 2018

Membership number: 090075

**Annexure B to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of DCM Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of DCM Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

**Kaushal Kishore**

*Partner*

Place: Gurugram  
Date: May 30, 2018

Membership number: 090075



# Standalone Balance Sheet as at March 31, 2018

Particulars	Note	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	19,621.50	23,096.43	25,660.98
Capital work-in progress	3	205.60	94.72	38.38
Intangible assets	4	58.32	64.93	58.19
Financial assets				
(i) Investments	5	3,347.60	3,339.31	3,322.28
(ii) Loans	6	955.33	951.96	947.96
(iii) Other financial assets	7	242.32	347.14	485.36
Deferred tax assets (net)	36	-	-	-
Non-current tax assets (net)	8	1,015.83	1,213.09	1,002.67
Other non-current assets	9	1,834.67	2,724.00	1,257.54
<b>Total non-current assets</b>		<b>27,281.17</b>	<b>31,831.58</b>	<b>32,773.36</b>
<b>Current assets</b>				
Inventories	10	21,124.94	20,106.00	15,145.44
Financial assets				
(i) Trade receivables	11	11,840.89	10,624.71	12,983.28
(ii) Cash and cash equivalents	12	749.17	1,279.99	1,190.90
(iii) Bank balances other than (ii) above	13	464.04	344.52	1,285.94
(iv) Loans	14	57.39	63.90	51.17
(v) Other financial assets	15	661.67	484.71	294.70
Current tax assets (net)		13.58	19.25	-
Other current assets	16	1,895.69	3,435.49	3,347.34
Assets held for sale	51	212.53	-	-
<b>Total current assets</b>		<b>37,019.90</b>	<b>36,358.57</b>	<b>34,298.77</b>
<b>Total assets</b>		<b>64,301.07</b>	<b>68,190.15</b>	<b>67,072.13</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	1,867.46	1,867.46	1,737.59
Other equity	18	17,363.97	20,871.47	21,424.05
<b>Total equity</b>		<b>19,231.43</b>	<b>22,738.93</b>	<b>23,161.64</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	19	9,349.14	11,204.32	10,154.90
(ii) Other financial liabilities	20	647.33	626.09	636.03
Provisions	21	1,944.14	2,080.89	1,941.98
<b>Total non-current liabilities</b>		<b>11,940.61</b>	<b>13,911.30</b>	<b>12,732.91</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	22	16,948.81	22,298.53	20,153.85
(ii) Trade payables	23	10,506.63	3,926.70	3,447.31
(iii) Other financial liabilities	24	4,199.60	4,254.17	5,936.38
Other current liabilities	25	822.53	420.16	717.43
Provisions	26	469.99	448.65	832.61
Current tax liabilities (net)	27	181.47	191.71	90.00
<b>Total current liabilities</b>		<b>33,129.03</b>	<b>31,539.92</b>	<b>31,177.58</b>
<b>Total equity and liabilities</b>		<b>64,301.07</b>	<b>68,190.15</b>	<b>67,072.13</b>

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's registration no.: 101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

Dr. Vinay Bharat Ram

Chairman and Managing Director

DIN: 00052826

Sumant Bharat Ram

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

Bipin Maira

Director

DIN: 05127804

Ashwani Singhal

Executive Vice President

(Finance and Accounts)

Yadvinder Goyal

Company Secretary

**DCM**

# Standalone Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>Income</b>			
Revenue from operations	28	97,058.03	99,020.49
Other income	29	896.46	1,564.92
<b>Total income</b>		<b>97,954.49</b>	<b>100,585.41</b>
<b>Expenses</b>			
Cost of materials consumed	30	54,945.92	50,645.09
Changes in inventories of finished goods and work in progress	31	(321.12)	(555.32)
Excise duty on sales		1,125.99	3,957.74
Employee benefits expense	32	13,213.39	13,656.49
Finance costs	33	2,613.03	3,017.85
Depreciation and amortisation expense	34	3,624.32	3,637.19
Other expenses	35	26,307.96	26,463.45
<b>Total expenses</b>		<b>101,509.49</b>	<b>100,822.49</b>
<b>Loss before tax</b>		<b>(3,555.00)</b>	<b>(237.08)</b>
<b>Tax expense</b>			
Current tax expense	36	-	10.68
Tax adjustment relating to prior years	36	(0.74)	2.82
Deferred tax charge/(benefit)	36	-	-
		<b>(0.74)</b>	<b>13.50</b>
<b>Loss for the year</b>		<b>(3,554.26)</b>	<b>(250.58)</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement (loss)/ gain of defined benefit obligations		48.41	(149.27)
Income tax relating to remeasurement of defined benefit obligations		-	-
<i>Net other comprehensive income/(expense) not to be reclassified subsequently to profit or loss</i>		<b>48.41</b>	<b>(149.27)</b>
<i>Items that will be reclassified to profit or loss (net of tax)</i>			
Exchange difference in translating financial statements of foreign operations		(1.65)	(22.86)
Income tax relating to items that will be reclassified to profit or loss		-	-
<i>Net other comprehensive income/(expense) to be reclassified subsequently to profit or loss</i>		<b>(1.65)</b>	<b>(22.86)</b>
<b>Total other comprehensive income/(expense), net of tax</b>		<b>46.76</b>	<b>(172.13)</b>
<b>Total comprehensive income for the period</b>		<b>(3,507.50)</b>	<b>(422.71)</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per equity share	39	(19.03)	(1.34)

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's registration no.: 101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

Dr. Vinay Bharat Ram

Chairman and Managing Director

DIN: 00052826

Sumant Bharat Ram

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

Bipin Maira

Director

DIN: 05127804

Ashwani Singhal

Executive Vice President  
(Finance and Accounts)

Yadvinder Goyal

Company Secretary

## Statement of Standalone changes in equity for the year ended March 31, 2018

### Statement of Standalone changes in equity for the year ended March 31, 2018

#### A. Equity share capital

(Rupees in lacs)

Particulars	Note	Amount
Balance as at April 1, 2016	17	1,737.59
Changes in equity share capital during 2016-17	17	129.87
<b>Balance as at March 31, 2017</b>		<b>1,867.46</b>
Changes in equity share capital during 2017-18	17	-
<b>Balance as at March 31, 2018</b>		<b>1,867.46</b>

#### B. Other equity

(Rupees in lacs)

Particulars	Share application money pending allotment	Reserve and surplus				Items of OCI	Total
		Securities premium account	Capital redemption reserve	Capital reserves	Surplus in Statement of Profit or loss	Exchange difference on translation of foreign operation	
Balance as at April 1, 2016	129.87	7,367.00	130.10	24.90	13,772.18		21,424.05
<b>Total comprehensive income/(expense) for the year ended March 31, 2017</b>							
Loss for the year	-	-	-	-	(250.58)	-	(250.58)
Other comprehensive income / (expense) for the year	-	-	-	-	(149.27)	(22.86)	(172.13)
Share issued during the year	(129.87)	-	-	-	-	-	(129.87)
<b>Total comprehensive income/ (expense) for the year</b>	-	-	-	-	(399.85)	(22.86)	(422.71)
<b>Balance as at March 31, 2017</b>	-	7,367.00	130.10	24.90	13,372.33	(22.86)	<b>20,871.47</b>
Balance as at April 1, 2017	-	7,367.00	130.10	24.90	13,372.33	(22.86)	20,871.47
<b>Total comprehensive income/(expense) for the year ended March 31, 2018</b>							
Loss for the year	-	-	-	-	(3,554.26)	-	(3,554.26)
Other comprehensive income / (expense) for the year	-	-	-	-	48.41	(1.65)	46.76
<b>Total comprehensive income/ (expense) for the year</b>	-	-	-	-	(3,505.85)	(1.65)	(3,507.50)
<b>Balance as at March 31, 2018</b>	-	<b>7,367.00</b>	<b>130.10</b>	<b>24.90</b>	<b>9,866.48</b>	<b>(24.51)</b>	<b>17,363.97</b>

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

As per our report of even date attached

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

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Sumant Bharat Ram**

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singhal**

Executive Vice President  
(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

**DCM**

# Standalone Cash flow statement for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>Cash flow from operating activities</b>		
Profit before taxation	(3,555.00)	(237.08)
Adjustments for :		
Depreciation and amortisation expense	3,624.32	3,637.19
(Profit)/loss on sale of property, plant and equipment (net)	5.21	(1.10)
Liabilities/provisions no longer required written back	(67.03)	(25.64)
Unrealised foreign exchange difference	(19.63)	(97.28)
Interest income	(406.15)	(475.83)
Unwinding of discount on security deposits	(0.39)	(0.34)
Finance cost	2,613.03	3,017.85
Finance income	(24.70)	(31.79)
Allowance/ (reversal) of expected credit loss	18.28	(33.38)
Loss on finance lease cancellation	19.64	-
Remeasurement of revenue to finance lease receivable	160.83	162.90
<b>Operating cash flow before working capital changes</b>	<b>2,368.41</b>	<b>5,915.50</b>
<b>Changes in assets and liabilities</b>		
(Increase) in inventories	(1,018.94)	(4,960.56)
(Increase)/decrease in trade receivables	(1,198.40)	2,373.39
Decrease /(increase) in loans	7.71	(12.64)
(Increase) in other financial assets	(223.62)	(267.87)
Decrease/ (increase) in other assets	1,584.25	(91.64)
Increase in trade payable	6,609.03	493.22
(Decrease) in provisions	(67.00)	(394.32)
Increase/(decrease) in financial liabilities	141.26	33.70
Increase/(decrease) in other liabilities	407.33	(292.76)
<b>Cash generated from operations</b>	<b>8,610.03</b>	<b>2,796.02</b>
Income-taxes (paid)/ refund (net)	193.43	(141.46)
<b>Net cash provided by operating activities (A)</b>	<b>8,803.46</b>	<b>2,654.56</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(570.54)	(2,508.67)
Refund of advance given for property, plant and equipment	867.07	-
Purchase of intangible assets	(19.43)	(43.32)
Net proceeds of property, plant and equipment	31.18	51.39
Net proceeds/ (purchase) of subsidiaries equity instruments	-	(10.00)
Interest received	393.00	552.42
Deposits not considered as cash and cash equivalents	(119.01)	947.60
<b>Net cash provided by/(used) in investing activities (B)</b>	<b>582.27</b>	<b>(1,010.58)</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings	(2,575.17)	(4,593.24)
Net Proceeds from borrowings	761.01	3,642.59
Changes in working capital borrowings	(5,476.76)	2,265.87
Interest paid	(2,625.61)	(2,848.89)
<b>Net cash (used) in financing activities (C)</b>	<b>(9,916.53)</b>	<b>(1,533.67)</b>
<b>Net cash flows [increase/(decrease)] during the year (A+B+C)</b>	<b>(530.80)</b>	<b>110.31</b>
Impact of exchange rate change on cash and cash equivalent	(0.07)	(16.41)
Cash and cash equivalents at the beginning of the year	1,379.90	1,286.00
Cash and cash equivalents at the end of the year	<b>849.03</b>	<b>1,379.90</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	12.40	9.62
Balances with scheduled banks:		
- Current accounts *	368.29	1,027.46
- Deposit accounts	468.34	342.82
<b>Cash and cash equivalents at the end of the year</b>	<b>849.03</b>	<b>1,379.90</b>

\* Refer note 12 and 13

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

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

As per our report of even date attached

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

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Sumant Bharat Ram**

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singh**

Executive Vice President

(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

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

### 1.1. Company overview

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

### 1.2. Basis of preparation and presentation

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

The Company's standalone financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 55.

The standalone financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

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

#### a. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### b. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Other financial assets and liabilities	Amortized cost

#### c. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 2 (l) - leases: whether an arrangement contains a lease

Note 2 (l) - lease classification

Note 2 (f) - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

Note 2 (i) - measurement of defined benefit obligations: key actuarial assumptions

Note 2 (c) - measurement of useful lives and residual values to property, plant and equipment

Note 2 (d) - measurement of useful lives of intangible assets

Note 2 (f) - fair value measurement of financial instruments

Note 2 (j) - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources

Note 2 (m) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used



## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purposes of the transition to Ind AS.

### a. Current and non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Operating cycle

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

### b. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the corporate finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the board of directors.

The corporate finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### c. Property, Plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting

trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

All spare parts which are expected to be used for more than one accounting period are capitalised as property, plant and equipment.

Capital work-in-progress is stated at cost, net of impairment loss, if any. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the assets to a working condition and location for their intended use, the initial estimate of dismantling and removing the items and restoring the site on which they are located.

#### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

#### *Subsequent expenditure*

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives.

- (i) The Company follows straight-line method of depreciation in respect of buildings, plant and machinery, all assets of IT Division, all assets of Engineering Division and written down value method in respect of other assets.
- (ii) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
- (iii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
- (iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
- (v) Leasehold improvements are amortised over the balance of the primary lease period or the useful lives of assets, whichever is shorter.
- (vi) Freehold land is not depreciated

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

#### **d. Intangible assets**

##### *Recognition and measurement*

Intangible assets comprise computer software. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

##### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2016 measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

##### *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in statement of profit and loss as incurred.

##### *Amortisation*

The management's estimates of the useful lives of the Software are 3-5 years.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**e. Inventories**

- (i) Stores, spares and components are valued at cost or under.
- (ii) Raw materials, process stocks, finished goods and stock in trade are valued at lower of cost and net realisable value.
- (iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.

Cost of inventories, other than land (for development), is ascertained on the weighted average basis in textiles division and moving weighted average basis in engineering division. Further, in respect of the manufactured inventories, i.e., process stocks and finished goods, appropriate share of manufacturing expenses are included on absorption costing basis. Work in process relating to software contracts includes salary and other directly identifiable expenses incurred on fixed price contracts, till the completion of specified deliverables, and are valued at cost or net realisable value, whichever is lower.

**f. Financial instruments***Recognition and initial measurement***(i) Financial assets**

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). The election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Impairment**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

**(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**(iv) Investment in Subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the

difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

*Derecognition*

**(i) Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**(ii) Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**g. Impairment of Non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**h. Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**i. Employee benefits**

***Short-term employee benefits:***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, casual leave allowance and bonus, etc. that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

***Defined contribution plans***

Provident Fund: A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Company makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

The Company makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company has following defined benefit plans:

**Gratuity:** The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

***Other long-term employee benefits***

Benefits under the Company's compensated absences are other long term employee benefits. The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

**j. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

**k. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates. Revenue is recognised only when recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the customer and no significant uncertainty exists regarding its collection. Sales are inclusive of excise duty and exclusive of sales tax/ Goods and services tax.

Revenue from software development contracts is recognised on the basis of milestone achieved, as provided in the contract.

Revenue on maintenance contracts is recognised on pro-rata basis linked with the period of contract.

Services income is recognised on accrual basis, as provided in the contracts.

In respect of Land Development Project, sale of rights on outright basis is recognised in the year in which risk and rewards are transferred.

***Other income***

Dividend income is recognised in statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**l. Leases**

***i. Determining whether an arrangement contains a lease***

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.



**ii. Assets held under leases**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

**iii. Lease payments**

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**iv. Assets given on lease**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**m. Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ("MAT") expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

**n. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

In addition to the significant accounting policies applicable to the segments as set out in note 2 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

**i) Segment assets and liabilities**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work in progress, inventories, trade receivables, other financial and non-financials assets and loans. Segment assets do not include unallocated corporate assets, investments, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

**ii) Segment revenue and expenses**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expenses in respect of non-segmental activities.

**iii) Inter segment sales**

Inter-segment sales are accounted for at cost and are eliminated in consolidation.

**o. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**p. Earnings per share**

Basic earnings per equity share is computed by dividing:

- the net profit attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.
- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**q. Borrowing cost:**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**r. Finance expense**

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**s. Government grant:**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**t. Research and development expenses**

Expenditure on research is expensed off under the respective heads of account in the period in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and right to use the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit or loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Property, plant and equipment used for research and development are depreciated in accordance with the Company's policy as stated above.

Materials identified for use in research and development process are carried as inventories and charged to the statement of profit or loss on consumption of such materials for research and development activities.

**u. Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

**v. Foreign operations:**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Company has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 1, 2016, in respect of all foreign operations to be nil at the date of transition. From April 1, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

**w. Recent accounting pronouncements**

**Standards issued but not yet effective**

**Ind AS 115 'Revenue from Contracts with Customers'**

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

## 3. Property, plant and equipment and capital work-in-progress:

(Rupees in lacs)

Particulars	Freehold land	Buildings	Lease improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying value</b>									
<b>Balance as at April 1, 2016</b>	2,118.03	4,552.98	7.69	18,570.55	52.09	72.35	287.29	25,660.98	38.38
Add: Additions made during the year	-	5.95	10.76	869.02	5.46	17.48	177.68	1,086.35	310.91
Less: Disposals / adjustments during the year	-	-	-	6.05	-	0.25	56.87	63.17	254.57
<b>Balance as at March 31, 2017</b>	2,118.03	4,558.93	18.45	19,433.52	57.55	89.58	408.10	26,684.16	94.72
Add: Additions made during the year	-	-	-	300.54	1.89	30.49	39.35	372.27	331.10
Less: Assets classified as held for sale	200.05	15.48	-	-	-	-	-	215.53	-
Less: Disposals / adjustments during the year	-	0.02	-	45.03	0.15	5.65	31.49	82.34	220.22
<b>Balance as at March 31, 2018</b>	<b>1,917.98</b>	<b>4,543.43</b>	<b>18.45</b>	<b>19,689.03</b>	<b>59.29</b>	<b>114.42</b>	<b>415.96</b>	<b>26,758.56</b>	<b>205.60</b>
<b>Accumulated depreciation/ amortisation</b>									
<b>Balance as at April 1, 2016</b>	-	-	-	-	-	-	-	-	-
Add: Depreciation/ amortisation expense for the year	-	162.01	5.06	3,325.74	11.44	26.61	69.75	3,600.61	-
Less: On disposals / adjustments during the year	-	-	-	0.52	-	-	12.36	12.88	-
<b>Balance as at March 31, 2017</b>	-	162.01	5.06	3,325.22	11.44	26.61	57.39	3,587.73	-
Add: Depreciation/ amortisation expense for the year	-	162.06	4.98	3,307.60	9.34	23.54	90.76	3,598.28	-
Less: Assets classified as held for sale	-	2.99	-	-	-	-	-	2.99	-
Less: On disposals / adjustments during the year	-	0.03	-	35.82	0.13	5.35	4.63	45.96	-
<b>Balance as at March 31, 2018</b>	-	<b>321.05</b>	<b>10.04</b>	<b>6,597.00</b>	<b>20.65</b>	<b>44.80</b>	<b>143.52</b>	<b>7,137.06</b>	-
<b>Net carrying value</b>									
<b>As at March 31, 2018</b>	<b>1,917.98</b>	<b>4,222.38</b>	<b>8.41</b>	<b>13,092.03</b>	<b>38.64</b>	<b>69.62</b>	<b>272.44</b>	<b>19,621.50</b>	<b>205.60</b>
As at March 31, 2017	2,118.03	4,396.92	13.39	16,108.30	46.11	62.97	350.71	23,096.43	94.72
As at April 1, 2016	2,118.03	4,552.98	7.69	18,570.55	52.09	72.35	287.29	25,660.98	38.38

- (i) The Company has elected Ind AS 101 exemption and has accordingly decided to continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition (refer note 55)
- (ii) Borrowing cost capitalized during the year Rs. Nil (March 31, 2017: Rs. Nil).
- (iii) For details of assets pledged/ hypothecated as securities, refer note 19 and 22.
- (iv) Refer note 47 for disclosure of capital commitments for the acquisition of property, plant and equipment.
- (v) Refer note 51 for assets classified as held for sale.

## 4. Intangible assets

(Rupees in lacs)

A.	Particulars	Software	Total
	<b>Gross carrying value</b>		
	<b>Balance as at April 1, 2016</b>	58.19	58.19
	Add: Additions during the year	43.32	43.32
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2017</b>	101.51	101.51
	Add: Additions during the year	19.43	19.43
	Less: Disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2018</b>	<b>120.94</b>	<b>120.94</b>
	<b>Accumulated amortisation</b>		
	<b>Balance as at April 1, 2016</b>	-	-
	Add: Amortisation expense for the year	36.58	36.58
	Less: On disposals/adjustments during the year	-	-
	<b>Balance as at March 31, 2017</b>	36.58	36.58
	Add: Amortisation expense for the year	26.04	26.04
	Less: On disposals / adjustments during the year	-	-
	<b>Balance as at March 31, 2018</b>	<b>62.62</b>	<b>62.62</b>
	<b>Net book value</b>		
	<b>As at March 31, 2018</b>	<b>58.32</b>	<b>58.32</b>
	As at March 31, 2017	64.93	64.93
	As at April 1, 2016	58.19	58.19

- (i) The Company has elected Ind AS 101 exemption and has accordingly decided to continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition, refer note 55.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>5. Investments</b>			
<b>(a) Investment in equity instruments of subsidiaries at cost (Unquoted)</b>			
DCM Textiles Limited			
50,000 (March 31, 2017: 50,000, April 1, 2016: 50,000) equity shares of face value of Rs. 10 each, fully paid up	5.00	5.00	5.00
DCM Data Systems Limited			
50,000 (March 31, 2017: 50,000, April 1, 2016: 50,000) equity shares of face value of Rs. 10 each, fully paid up	5.00	5.00	5.00
DCM Finance & Leasing Limited			
49,996 (March 31, 2017: 49,996, April 1, 2016: 49,996) equity shares of face value of Rs. 10 each, fully paid up	5.00	5.00	5.00
DCM Realty Investment & Consulting Limited			
2,550,020 (March 31, 2017: 2,550,020, April 1, 2016: 2,550,020) equity shares of face value of Rs. 10 each, fully paid up	255.00	255.00	255.00
DCM Tools & Dies Limited			
50,000 (March 31, 2017: 50,000, April 1, 2016: 50,000) equity shares of face value of Rs. 10 each, fully paid up	5.00	5.00	5.00
DCM Nouvelle Limited			
50,000 (March 31, 2017: 50,000, April 1, 2016: Nil) equity shares of face value of Rs. 10 each, fully paid up	5.00	5.00	-
DCM Realty and Infrastructure Limited			
50,000 (March 31, 2017: 50,000, April 1, 2016: Nil) equity shares of face value of Rs. 10 each, fully paid up	5.00	5.00	-
<b>(b) Investments in equity shares of Joint venture at cost (unquoted)</b>			
Purearth Infrastructure Limited #			
17,853,605 (March 31, 2017: 17,853,605, April 1, 2016: 17,853,605) equity shares of face value of Rs. 10 each, fully paid up	2,986.18	2,986.18	2,986.18
<b>Sub total</b>	<b>3,271.18</b>	<b>3,271.18</b>	<b>3,261.18</b>
<b>(c) Investments in preference shares of subsidiary (unquoted)</b>			
<b>Preference shares at amortised cost</b>			
DCM Finance & Leasing Limited			
100 (March 31, 2017: 100, April 1, 2016: 100) 13.5% Redeemable cumulative preference shares of Rs. 100 each fully paid	0.10	0.10	0.10
<b>Sub total</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
<b>(d) Investments in preference shares (unquoted)</b>			
<b>Preference shares at FVTPL</b>			
Combine Overseas Limited			
100,000 (March 31, 2017: 100,000, April 1, 2016: 100,000) 0% Non cumulative redeemable preference shares of Rs. 100 each fully paid up (Refer note 44)	76.32	68.03	61.00
<b>Sub total</b>	<b>76.32</b>	<b>68.03</b>	<b>61.00</b>
<b>Total</b>	<b>3,347.60</b>	<b>3,339.31</b>	<b>3,322.28</b>
<b>Aggregate cost of unquoted investments in equity shares</b>	<b>3,271.18</b>	<b>3,271.18</b>	<b>3,261.18</b>
<b>Aggregate cost of unquoted investments in preference shares at amortised cost</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
<b>Aggregate cost of unquoted investments in preference shares at FVTPL</b>	<b>76.32</b>	<b>68.03</b>	<b>61.00</b>

# In terms of SORA, the Company will not dispose off its shareholding in Purearth Infrastructure Limited until the completion of the land development project at Bara Hindu Rao/ Kishan Ganj, Delhi.



Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>6. Loans (Non-current)</b> <i>(Unsecured, considered good)</i>			
Security deposits	947.09	945.44	937.52
Loans to employees	8.24	6.52	10.44
<b>Total</b>	<b>955.33</b>	<b>951.96</b>	<b>947.96</b>

Information about Company's exposure to credit risks is disclosed in Note 53.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>7. Other non-current financial assets</b> <i>(Unsecured, considered good)</i>			
Deposits with maturity for more than twelve months including interest (Refer note below)	0.73	1.29	2.91
Finance lease receivable	241.59	345.85	482.45
<b>Total</b>	<b>242.32</b>	<b>347.14</b>	<b>485.36</b>

**Note:**

(i) Bank deposits include Rs. 0.73 lacs (March 31, 2017: Rs. 1.29 lacs, April 1, 2016: Rs. 1.87 lacs) held as margin money

(ii) Includes interest accrued Rs. 0.01 lacs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 0.25 lacs)

Information about Company's exposure to credit risks is disclosed in Note 53.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>8. Non-current tax assets (net)</b>			
Advance income tax [net of provision Rs. 2,169.11 lacs (March 31, 2017: Rs. 2,169.32 lacs, April 1, 2016: Rs. 4,360.49 lacs)]	1,015.83	1,213.09	1,002.67
<b>Total</b>	<b>1,015.83</b>	<b>1,213.09</b>	<b>1,002.67</b>

## Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>9. Other non-current assets</b>			
<i>(Unsecured, considered good)</i>			
Capital advances			
To related party (Refer note 49)	587.37	1,454.44	-
Others (Refer note 43)	915.00	921.93	920.25
Deferred rent	0.70	2.17	5.68
Balances with government authorities	120.15	133.95	48.25
Other advances	211.45	211.51	283.36
<i>Considered doubtful</i>			
Other advances*	700.82	785.07	785.07
	2,535.49	3,509.07	2,042.61
Less: Loss allowance for doubtful advances	700.82	785.07	785.07
<b>Total</b>	<b>1,834.67</b>	<b>2,724.00</b>	<b>1,257.54</b>

\*Include Rs. 100.00 lacs (March 31, 2017: Rs. 100.00 lacs, April 1, 2016: Rs. 100.00 lacs) as inter corporate deposits.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>10. Inventories</b>			
<i>(Valued at lower of cost and net realisable value)</i>			
Raw materials	14,040.71	13,527.42	9,309.43
Work-in-progress	2,120.08	2,802.42	2,617.22
Finished goods*	3,269.59	2,266.12	1,896.00
Stores and spares	1,694.56	1,510.04	1,322.79
<b>Total</b>	<b>21,124.94</b>	<b>20,106.00</b>	<b>15,145.44</b>

\* Includes finished goods in transit Rs. 1902.09 lacs (March 31, 2017: Rs. 1215.42 lacs, April 1, 2016: Rs. 934.52 lacs)

## Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>11. Trade receivables</b>			
<i>(Secured)</i>			
Considered good	2.50	2.50	1.77
<i>(Unsecured)</i>			
Considered good*	11,838.39	10,622.21	12,981.51
Considered doubtful	71.05	52.76	106.91
	<u>11,909.44</u>	<u>10,674.97</u>	<u>13,088.42</u>
Less : Allowance for doubtful receivables	71.05	52.76	106.91
<b>Total</b>	<u><b>11,840.89</b></u>	<u><b>10,622.21</b></u>	<u><b>12,981.51</b></u>
	<u><b>11,840.89</b></u>	<u><b>10,624.71</b></u>	<u><b>12,983.28</b></u>

\* Includes amount receivable from related parties Rs. Nil (March 31, 2017: Nil, April 1, 2016: Rs. 1850.00 lacs)

For terms and conditions of trade receivables owing from related parties, refer note 49.

The Company's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 53.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>12. Cash and cash equivalents</b>			
Balances with banks			
- In current accounts	268.43	927.55	696.47
Deposits with original maturity of three months or less ^	468.34	342.82	482.85
Cash on hand	12.40	9.62	11.58
<b>Total</b>	<u><b>749.17</b></u>	<u><b>1,279.99</b></u>	<u><b>1,190.90</b></u>

Information about Company's exposure to credit risks is disclosed in Note 53.

^Includes held as margin money Rs. 0.49 lacs (March 31, 2017: Rs. Nil , April 1, 2016: Rs. 5.24 lacs)

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>13. Bank balances other than cash and cash equivalents</b>			
In current accounts *	99.86	99.91	95.10
In deposit accounts **	364.18	245.90	1,193.75
	<u>464.04</u>	<u>345.81</u>	<u>1,288.85</u>
Less: Deposits due for realization after twelve months of the reporting date	-	1.29	2.91
<b>Total</b>	<u><b>464.04</b></u>	<u><b>344.52</b></u>	<u><b>1,285.94</b></u>

Information about Company's exposure to credit risks is disclosed in Note 53.

**\* Current account includes:**

Unpaid dividend account	93.35	88.39	83.88
Deposited with debenture trustee	4.29	7.36	6.97
Earmarked for other specific uses	2.22	4.16	4.25

**\*\* Deposit account includes**

Deposited with debenture trustee	-	-	5.00
Earmarked for other specific uses	4.33	8.00	94.51
Against margin money	108.86	55.52	71.33

## Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>14. Loans-Current</b>			
<i>(Unsecured, considered good)</i>			
Loans to employees	57.39	63.90	51.17
<b>Total</b>	<b>57.39</b>	<b>63.90</b>	<b>51.17</b>

Information about Company's exposure to credit risks is disclosed in Note 53.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>15. Other current financial assets</b>			
<i>(Unsecured, considered good)</i>			
Interest accrued on fixed deposits	9.31	4.45	24.37
Unbilled revenue	516.57	343.66	120.24
Insurance claim receivables	50.70	-	18.98
Finance lease receivable	85.09	136.60	131.11
<b>Total</b>	<b>661.67</b>	<b>484.71</b>	<b>294.70</b>

The Company's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 53.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>16. Other current assets</b>			
<i>(Unsecured, considered good)</i>			
Advances to suppliers	186.83	920.86	233.20
Prepaid expenses	188.81	153.58	126.12
Balance with statutory/government authorities	1,443.58	2,273.89	2,013.50
Advance given to related parties for purchase of rights in flats	-	-	587.37
Others receivables *	54.90	17.64	107.86
Technology upgradation fund (TUF) subsidy receivable	19.56	64.78	274.31
Deferred rent	2.01	4.74	4.98
<b>Total</b>	<b>1,895.69</b>	<b>3,435.49</b>	<b>3,347.34</b>

\* includes Rs. 23.42 lacs (March 31, 2017: Rs. 7.12 lacs, April 1, 2016: Rs. 89.37 lacs) due from related parties.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>17. Equity share capital</b>			
<b>a) Authorised</b>			
83,999,000 (March 31, 2017: 83,999,000, April 1, 2016: 83,999,000) equity shares of Rs. 10 each	8,399.90	8,399.90	8,399.90
100 (March 31, 2017: 100, April 1, 2016: 100) 13.5% redeemable cumulative preference shares of Rs. 100 each	0.10	0.10	0.10
320,000 (March 31, 2017: 320,000, April 1, 2016: 320,000) 9.5%- 6th cumulative redeemable cumulative preference shares of Rs. 25 each	80.00	80.00	80.00
3,680,000 (March 31, 2017: 3,680,000, April 1, 2016: 3,680,000) preference shares of Rs. 25 each	920.00	920.00	920.00
1,000,000 (March 31, 2017: 1,000,000, April 1, 2016: 1,000,000) cumulative preference shares of Rs. 100 each	1,000.00	1,000.00	1,000.00
	<b>10,400.00</b>	<b>10,400.00</b>	<b>10,400.00</b>
<b>b) Issued, subscribed and fully paid-up</b>			
18,677,749 (March 31, 2017: 18,677,749, April 1, 2016: 17,379,037) equity shares of Rs. 10 each fully paid-up	1,867.77	1,867.77	1,737.90
Less: Calls in arrears by others	(0.31)	(0.31)	(0.31)
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,867.46</b>	<b>1,867.46</b>	<b>1,737.59</b>

As at April 1, 2016 the authorised equity share capital has been increased to 83,999,000 equity shares of Rs. 10 each and 13.50% Redeemable cumulative preference share capital to 100 preference shares of Rs. 100 each pursuant to the amalgamation of its subsidiary, DCM Engineering Limited vide the Order dated May 16, 2016 of the Hon'ble High Court of Delhi.

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	Amount Rs./Lacs	Number of shares	Amount Rs./Lacs	Number of shares	Amount Rs./Lacs
<b>Equity shares</b>						
At the commencement of the year	18,677,749	1,867.77	17,379,037	1,737.90	17,379,037	1,737.90
Add: shares issued during the year	-	-	1,298,712	129.87	-	-
<b>At the end of the year</b>	<b>18,677,749</b>	<b>1,867.77</b>	<b>18,677,749</b>	<b>1,867.77</b>	<b>17,379,037</b>	<b>1,737.90</b>

**d) Terms, rights, preferences and restrictions attached to equity shares:**

The Company has issued one class of equity shares having at par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Crescita Enterprises Private Limited	9,030,495	48.35%	9,030,495	48.35%	-	-
Life Insurance Corporation of India	1,148,512	6.15%	1,495,730	8.01%	1,495,730	8.01%
Aggresar Leasing and Finance Private Limited	-	-	-	-	3,716,578	21.39%
Betterways Finance & Leasing Private Limited	-	-	-	-	1,623,135	9.34%

**(f) Details of shares issued for consideration other than cash :**

Issued, subscribed and fully paid up shares includes 1,298,712 equity shares issued during the financial year ended 2016-17 pursuant to the scheme of amalgamation of DCM Engineering Limited with the Company to the shareholders of DCM Engineering Limited without any consideration being received in cash.



	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs
<b>18. Other equity</b>		
<b>Share application money pending allotment</b>		
Balance as at the beginning of the year	-	129.87
Add: Addition during the year	-	-
Less: Allotment during the year	-	129.87
<b>Balance as at the end of the year</b>	-	-
<b>Securities premium account</b>		
Balance as at the beginning and end of the year	7,367.00	7,367.00
<b>Capital reserve</b>		
Balance as at the beginning and end of the year	24.90	24.90
<b>Capital redemption reserve</b>		
Balance as at the beginning and end of the year	130.10	130.10
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	13,349.47	13,772.18
Add: Loss for the year	(3,554.26)	(250.58)
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	48.41	(149.27)
Exchange difference in translating financial statements of foreign operations, net of tax	(1.65)	(22.86)
<b>Balance as at the end of the year</b>	9,841.97	13,349.47
<b>Total</b>	<u>17,363.97</u>	<u>20,871.47</u>
<b>Nature and purpose of reserve:</b>		
<b>a) Capital redemption reserve</b>		
Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 1956.		
<b>b) Securities Premium reserve</b>		
Securities premium account is used to record the premium on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.		
<b>c) Capital reserve</b>		
Capital reserve pertains to government grants received in earlier years for Plant and equipment for the Textile Division of the Company. The assets against the said grant have been fully depreciated.		

Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>19. Non-current borrowings</b>			
<b>Secured</b>			
<b>Term loans</b>			
From banks	9,970.95	11,763.40	12,698.71
From others	6.13	15.67	35.00
	<b>9,977.08</b>	<b>11,779.07</b>	<b>12,733.71</b>
<b>Unsecured</b>			
<b>Term loans</b>			
From others	1,987.58	1,982.75	2,000.00
	<b>1,987.58</b>	<b>1,982.75</b>	<b>2,000.00</b>
<b>Total non-current borrowings</b>	<b>11,964.66</b>	<b>13,761.82</b>	<b>14,733.71</b>
Current maturities on non-current borrowings	2,615.52	2,557.50	4,578.81
	<b>2,615.52</b>	<b>2,557.50</b>	<b>4,578.81</b>
Less: Current maturities on non-current borrowings	2,615.52	2,557.50	4,578.81
<b>Total non-current borrowings</b>	<b>9,349.14</b>	<b>11,204.32</b>	<b>10,154.90</b>

Change in liability arising from financing activities

(Rupees in lacs)

Particulars	April 1, 2017	Cash flows	Non-cash changes			March 31, 2018
			Acquisition	Foreign exchange movement	Fair value changes	
Non-current borrowing	13,761.82	(1,814.16)	-	-	17.00	11,964.66

Repayment terms and security disclosure for the outstanding borrowings as at March 31, 2018:

**Secured :-**

**From banks:**

- Term loans aggregating Rs. 7,291.75 lacs (March 31, 2017: Rs. 8,401.00 lacs, April 1, 2016: Rs. 9,810.23 lacs) are secured by first charge alongwith the charge created for availing cash credit, overdraft and working capital demand loan facilities described in note 22, on existing as well as future block of movable assets and an equitable mortgage by deposit of title deeds of land admeasuring 129.47 acres and all the immovable assets, both present and future, pertaining to the Textile Division at Hisar. The term loan carries a floating interest rate ranging between 8.35%-10.65% per annum. Rs. 173.75 lacs repayable in 3 quarterly installments, Rs. 138.00 lacs repayable in 4 quarterly installments, Rs. 6,655.00 lacs repayable in 20 quarterly installments and Rs. 325.00 lacs repayable in 32 quarterly installments.
- Rs. 847.00 lacs (March 31, 2017: Rs. 1,706.90 lacs, April 1, 2016: Rs. 2,829.20 lacs) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The term loan carries a floating interest rate ranging between 11.85%- 12.65% per annum. Rs. 847.00 lacs is repayable in 22 monthly installments.
- Rs. 1300.00 lacs (March 31, 2017: Rs. 1500.00 lacs, April 1, 2016: Rs. Nil) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The term loan carries a floating interest rate 11.75% per annum and is repayable in 8 quarterly installments.
- Rs. 402.66 lacs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) secured by way of first pari passu charge on the fixed assets (including immovable assets) of the Company's Engineering Division and second pari passu charge on the entire stock of raw material, work-in-progress, semi-finished and finished goods, consumable stores & spares and such other movables including book debts, bills, whether documentary or clean, both present & future. The term loan carries a floating interest rate @ 11.80% per annum and is repayable in 41 monthly instalments.
- Rs. 148.64 lacs (March 31, 2017: Rs. 186.76 lacs, April 1, 2016: Rs. 86.55 lacs) relate to assets purchased under hire purchase/financing arrangements with banks and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. The loans carry an interest rate ranging between 9.50%-13.50% per annum.

## Notes forming part of the standalone financial statements continued

### From others:

#### Secured :

- (a) Rs. 6.13 lacs (March 31, 2017: Rs. 15.67 lacs, April 1, 2016: Rs. 35.00 lacs) relate to assets purchased under hire purchase/financing arrangements and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. The loans carry an interest rate ranging between 9.50%-13.50% per annum.

#### From others:

#### Unsecured :

- (a) Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 2,000.00 lacs) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPL) and 100% equity shares of Juhi Developers Private Limited (enterprises over which Key Managerial Personnel have significant influence). The term loan carries a floating interest rate ranging between 13.20%-13.50% per annum.
- (b) Rs. 2,000.00 lacs (March 31, 2017: Rs. 2,000.00 lacs, April 1, 2016: Rs. Nil) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPL) and 100% equity shares of Juhi Developers Private Limited and pledge of 14.30 lacs equity shares of DCM Limited held by Crescita Enterprises Private Limited (enterprises over which Key Managerial Personnel have significant influence). The Loan is further secured by personal guarantee of Mr. Sumant Bharat Ram (Chief executive and financial officer). The term loan carries a floating interest rate of 12.50% per annum and is repayable in 8 equal quarterly installments of Rs. 250.00 lacs each, commencing from June 2019.

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

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>20. Other non-current financial liabilities</b>			
Security deposits	7.45	8.55	8.91
Other deposits	112.44	90.09	71.54
Others	527.44	527.45	555.58
<b>Total</b>	<b>647.33</b>	<b>626.09</b>	<b>636.03</b>

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>21. Non-current provisions</b>			
<b>Provision for employee benefits (Refer note 48)</b>			
- Gratuity	1,532.56	1,648.96	1,550.31
- Compensated absences	411.58	431.93	391.67
<b>Total</b>	<b>1,944.14</b>	<b>2,080.89</b>	<b>1,941.98</b>

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>22. Current borrowings</b>			
Secured			
Loans repayable on demand from banks	16,948.81	22,298.53	20,153.85
<b>Total</b>	<b>16,948.81</b>	<b>22,298.53</b>	<b>20,153.85</b>

Change in liability arising from financing activities

(Rupees in lacs)

Particulars	April 1, 2017	Cash flows	Non-cash changes			March 31, 2018
			Acquisition	Foreign exchange movement	Fair value changes	
Current borrowings	22,298.53	(5,476.76)	-	127.04	-	16,948.81

**Security against loans repayable on demand**

- i) Cash credit/overdraft and working capital demand loan facilities aggregating to Rs. 12,876.00 lacs (March 31, 2017: Rs. 16,257.76 lacs, April 1, 2016: Rs. 12,495.13 lacs) relating to Textile Division at Hisar are secured by way of:
- hypothecation of stocks / stores and book debts, both present and future.
  - further secured by equitable mortgage of land admeasuring 129.47 acres and all immovable assets, both present and future, and first charge, ranking pari-passu with the charge created for availing term loans as described in note 19, by way of hypothecation of existing as well as future block of movable assets pertaining to the Division.
- ii) Cash credit facilities aggregating to Rs. 12.86 lacs (March 31, 2017: Rs. 199.60 lacs, April 1, 2016: Rs. 183.58 lacs) relating to IT Division from a bank are secured by way of:
- first charge/hypothecation of inventories, book debts and other assets of the Division (both present and future), and by way of first charge on office property at Hyderabad.
- iii) Cash credit and working capital demand loans facilities aggregating to Rs. 3,191.82 lacs (March 31, 2017: Rs. 4,944.27 lacs, April 1, 2016: Rs. 6,483.93 lacs) relating to the Company's Engineering division from banks are secured by way of:
- hypothecation of entire stocks of raw material, work in process, semi-finished goods and finished goods, consumable stores and spares and such other movables including book debts, bills, whether documentary or clean, both present and future
  - charge on all fixed assets, both present and future, including mortgage of factory's land and building located at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, measuring 71 Acre- 07K-18M together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto.
- iv) Overdraft facility of Rs. 898.13 lacs (March 31, 2017: Rs. 896.90 lacs, April 1, 2016: Rs. 991.21 lacs) relating to the Company's Engineering division from a bank are secured by way of:
- land and building located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres and land and building located in Rail Mazra Village, Tehsil Balachaur, District Shaheed Bhagat Singh Nagar, Punjab measuring 4.02 acres.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>23. Financial liabilities- Trade payables</b>			
Trade payables *	10,506.63	3,926.70	3,447.31
<b>Total</b>	<b>10,506.63</b>	<b>3,926.70</b>	<b>3,447.31</b>

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 53.

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information presently available with the management, the disclosures required under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are given below:

(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Principal and Interest	1,087.78	503.08	297.10
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-	-

Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>24. Other current financial liabilities</b>			
Current maturities of non-current borrowings (refer note 19)			
Secured			
From banks	2,612.02	2,547.96	2,558.48
From others	3.50	9.54	20.33
Unsecured			
From others	-	-	2,000.00
	<u>2,615.52</u>	<u>2,557.50</u>	<u>4,578.81</u>
Unclaimed dividends	93.35	88.39	83.88
Unclaimed matured deposits and interest accrued thereon *	1.05	3.53	45.13
Unclaimed matured debentures and interest accrued thereon *	9.79	15.99	30.05
Security deposits received	6.81	5.81	6.89
Interest accrued but not due on borrowings	87.75	119.84	30.18
Employee related payable	1,378.06	1,250.37	1,149.99
Liability for capital goods	7.27	101.59	11.45
Derivatives:			
Foreign-exchange forward contracts	-	111.15	-
<b>Total</b>	<u><b>4,199.60</b></u>	<u><b>4,254.17</b></u>	<u><b>5,936.38</b></u>

\* No amount is due for transfer under Investor Education and Protection Fund in view of SORA, pursuant to which certain past dues have been rescheduled for payment.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>25. Other current liabilities</b>			
Advance from customers	152.40	174.11	473.05
Statutory dues payables	526.55	186.35	181.78
Other payables	143.58	59.70	62.60
<b>Total</b>	<u><b>822.53</b></u>	<u><b>420.16</b></u>	<u><b>717.43</b></u>



Notes forming part of the standalone financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>26. Current provisions</b>			
<b>Provision for employee benefits (Refer note 48)</b>			
- Gratuity	327.26	277.96	254.02
- Compensated absences	48.93	47.39	46.22
<b>Others:</b>			
Provision for sales return	93.80	123.30	49.54
Provision for sales price difference	-	-	482.83
<b>Total</b>	<b>469.99</b>	<b>448.65</b>	<b>832.61</b>
<b>Information about individual provisions and significant estimates</b>			
Provision for sales return			
<b>Movement in provisions during the year</b>			
<b>Provision for sales return</b>			
Opening balance	123.30	49.54	
Add: Provision recognised during the year	-	73.76	
Less: Provision utilised/ reversed during the year	29.50	-	
Closing balance	<b>93.80</b>	<b>123.30</b>	
Provision for sales price difference			
<b>Movement in provisions during the year</b>			
<b>Provision for sales price difference</b>			
Opening balance	-	482.83	
Add: Provision recognised during the year	-	-	
Less: Provision utilised/ reversed during the year	-	482.83	
Closing balance	<b>-</b>	<b>-</b>	
	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>27. Current tax liabilities (net)</b>			
Provision for income tax [net of advance tax Rs. 1,859.75 lacs (March 31, 2017: Rs. 1849.51 lacs, April 1, 2016: Nil)]	181.47	191.71	90.00
<b>Total</b>	<b>181.47</b>	<b>191.71</b>	<b>90.00</b>

Notes forming part of the standalone financial statements continued

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>28. Revenue from operations</b>		
<b>Sale of products *</b>		
Manufactured goods		
Cotton yarn	54,802.71	53,706.15
Iron castings	32,791.40	34,074.74
Patterns, jigs and fixtures	23.20	667.51
<b>Sale of product license</b>	103.28	61.50
<b>Sale of services</b>	4,345.59	5,965.19
	<u>92,066.18</u>	<u>94,475.09</u>
<b>Other operating revenue</b>		
Waste/ Scrap sales	4,373.10	3,574.75
Duty drawback and other export incentives	583.57	939.44
Miscellaneous income	35.18	31.21
	<u>4,991.85</u>	<u>4,545.40</u>
<b>Total</b>	<u>97,058.03</u>	<u>99,020.49</u>

\* After applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are required to be disclosed net of GST. Accordingly, the figures of revenue from operations for the year ended March 31, 2018 are not comparable with the corresponding year.

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>29. Other income</b>		
Interest income on financial assets at amortised cost		
- Deposits with others	5.15	5.61
- Interest subsidy (TUF) on borrowings (Refer note 37)	154.28	189.56
- Other interest income	251.87	286.27
Net gain on foreign currency transactions and translation	305.96	168.78
Profit on sale of property, plant and equipment (net)	-	1.10
Liabilities/provisions no longer required written back	67.03	59.03
Finance income	24.70	31.79
Miscellaneous income *	87.47	822.78
<b>Total</b>	<u>896.46</u>	<u>1,564.92</u>

\* Includes recovery of an amount of Rs. Nil (March 31, 2017 : Rs. 775.00 lacs) from a jointly controlled entity pursuant to the settlement reached by the Company.

Notes forming part of the standalone financial statements continued

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>30. Cost of material consumed</b>		
<b>Cost of materials consumed</b>		
Opening stock	13,527.42	9,309.43
Add: Purchases	55,459.21	54,863.08
	68,986.63	64,172.51
Less: Closing stock	14,040.71	13,527.42
	<u>54,945.92</u>	<u>50,645.09</u>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>31. Changes in inventories of finished goods and work-in-progress</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	3,269.59	2,266.12
Work-in-progress	2,120.08	2,802.42
<b>Total</b>	<u>5,389.67</u>	<u>5,068.54</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	2,266.12	1,896.00
Work-in-progress	2,802.43	2,617.22
<b>Total</b>	<u>5,068.55</u>	<u>4,513.22</u>
<b>Net (increase) / decrease</b>	<u>(321.12)</u>	<u>(555.32)</u>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>32. Employee benefits expense</b>		
Salaries, bonus and other allowances	11,764.52	12,217.61
Contribution to provident and other funds	780.89	841.44
Gratuity expense (Refer note 48)	274.80	263.10
Staff welfare expenses	393.18	334.34
<b>Total</b>	<u>13,213.39</u>	<u>13,656.49</u>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>33. Finance costs</b>		
Interest expense :		
Borrowings	2,202.92	2,560.30
Exchange differences to the extent considered as adjustment to finance cost	51.48	-
Others	23.61	12.46
Other borrowing costs	335.02	445.09
<b>Total</b>	<u>2,613.03</u>	<u>3,017.85</u>

Notes forming part of the standalone financial statements continued

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>34. Depreciation and amortisation expense</b>		
Depreciation/amortisation of property, plant and equipment	3,598.28	3,600.61
Amortisation of intangible assets	26.04	36.58
<b>Total</b>	<b>3,624.32</b>	<b>3,637.19</b>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>35. Other expenses</b>		
Consumption of stores and spare parts	7,460.25	7,326.22
Power, fuel, etc.	12,286.44	12,401.77
Rent	120.22	114.02
Repair and maintenance		
- Buildings	58.60	45.49
- Machinery	846.91	709.95
- others	143.46	114.21
Subcontracting charges ^	1,503.35	1,839.61
Freight and forwarding	1,719.68	1,567.55
Insurance	88.13	92.60
Rates and taxes	21.14	31.02
Directors' fees	19.19	21.19
Legal and professional fees (refer note (i) below)	488.29	571.67
Travelling and conveyance	483.60	530.60
Commission to selling agents (other than sole selling)	344.69	304.67
Sales expenses	31.62	15.68
Expenditure on corporate social responsibility (Refer note 52)*	17.36	19.38
Allowance for bad trade and other receivables, loans and advances	18.28	-
Bad trade and other receivables, loans and advances written off	0.11	2.00
Loss on finance lease written off	19.64	-
Loss on property, plant and equipment sold/ written off (net)	5.21	-
Miscellaneous expenses	631.79	755.82
<b>Total</b>	<b>26,307.96</b>	<b>26,463.45</b>
<b>(i) Includes auditors remuneration (excluding taxes)</b>		
For audit	46.50	45.50
For certification and other services	15.00	10.25
for reimbursement of expenses	3.38	4.90
<b>Total</b>	<b>64.88</b>	<b>60.65</b>

\* net of government grant of Rs. 0.83 lacs (March 31, 2017 Rs. 4.67 lacs) (refer note 37)

^ Includes freight, transportation expense Rs 200.16 lacs (March 31, 2017 Rs 202.68 lacs) incurred on materials sent to and received back from sub-contractors.

## 36. Tax expense

(Rupees in lacs)

## (a) Amounts recognised in profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current tax (a)</b>		
Current tax for the year	-	10.68
Adjustment for current tax of prior years	(0.74)	2.82
	<u>(0.74)</u>	<u>13.50</u>
<b>Deferred tax expense/ (credit) (b)</b>	-	-
<b>Tax expense for the year</b>	<u><u>(0.74)</u></u>	<u><u>13.50</u></u>

## (b) Amounts recognised in other comprehensive income/(expense)

	For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	48.41	-	48.41
Exchange difference in translating financial statements of foreign operations	(1.65)	-	(1.65)
	<u>46.76</u>	<u>-</u>	<u>46.76</u>
	For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	(149.27)	-	(149.27)
Exchange difference in translating financial statements of foreign operations	(22.86)	-	(22.86)
	<u>(172.13)</u>	<u>-</u>	<u>(172.13)</u>

- (c) As at March 31, 2018, the Group has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have been recognised only to the extent of deferred tax liability. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	-	-	-
Provision for gratuity and compensated absences	(723.88)	(743.53)	(692.85)
Unabsorbed depreciation	(3,305.64)	(2,546.60)	(2,373.34)
Business loss	(117.94)	-	-
Provision for trade receivables and other advances	(24.88)	(18.98)	(35.71)
Other items	(160.02)	(149.02)	(141.90)
<b>Net deferred tax (assets) liabilities</b>	<u><u>(4,332.36)</u></u>	<u><u>(3,458.13)</u></u>	<u><u>(3,243.80)</u></u>

(Rupees in lacs)

	Deferred tax liabilities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	892.92	1,187.81	1,349.48
Provision for gratuity and compensated absences	-	-	-
Unabsorbed depreciation	-	-	-
Business loss	-	-	-
Provision for trade receivables and other advances	-	-	-
Other items	-	-	-
<b>Net deferred tax (assets) liabilities</b>	<b>892.92</b>	<b>1,187.81</b>	<b>1,349.48</b>

	Net deferred tax (asset) liabilities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	892.92	1,187.81	1,349.48
Provision for gratuity and compensated absences	(723.88)	(743.53)	(692.85)
Unabsorbed depreciation	(3,305.64)	(2,546.60)	(2,373.34)
Business loss	(117.94)	-	-
Provision for trade receivables and other advances	(24.88)	(18.98)	(35.71)
Other items	(160.02)	(149.02)	(141.90)
<b>Net deferred tax (assets) liabilities</b>	<b>(3,439.44)</b>	<b>(2,270.32)</b>	<b>(1,894.32)</b>

## (d) Movement in temporary differences:

	Balance as at April 1, 2016	Movement during 2016-17	Recognised in OCI during 2016-17	Balance as at March 31, 2017
Property, plant and equipment	1,349.48	(161.67)	-	1,187.81
Provision for gratuity and compensated absences	(692.85)	(50.68)	-	(743.53)
Unabsorbed depreciation	(2,373.34)	(173.26)	-	(2,546.60)
Business loss	-	-	-	-
Provision for trade receivables and other advances	(35.71)	16.73	-	(18.98)
Other items	(141.90)	(7.12)	-	(149.02)
	<u>(1,894.32)</u>	<u>(376.00)</u>	<u>-</u>	<u>(2,270.32)</u>

	Balance as at March 31, 2017	Movement during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018
Property, plant and equipment	1,187.81	(294.89)	-	892.92
Provision for gratuity and compensated absences	(743.53)	19.65	-	(723.88)
Unabsorbed depreciation	(2,546.60)	(759.04)	-	(3,305.64)
Business loss	-	(117.94)	-	(117.94)
Provision for trade receivables and other advances	(18.98)	(5.90)	-	(24.88)
Other items	(149.02)	(11.00)	-	(160.02)
	<u>(2,270.32)</u>	<u>(1,169.12)</u>	<u>-</u>	<u>(3,439.44)</u>



## Notes forming part of the standalone financial statements continued

### (e) Tax losses carried forward:

Tax losses for which no deferred tax asset was recognised expire as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount Rs./Lacs	Expiry year	Amount Rs./Lacs	Expiry year	Amount Rs./Lacs	Expiry year
<b>Business Loss</b>	<b>378.01</b>	<b>2026-27</b>	-	-	-	-
<b>Unabsorbed depreciation</b>	<b>10,595.00</b>	-	8,241.42	-	7,680.71	-
<b>MAT ^</b>	<b>120.79</b>	<b>2020-21</b>	120.79	2020-21	120.79	2020-21
	<b>419.47</b>	<b>2021-22</b>	419.47	2021-22	419.47	2021-22
	<b>8.22</b>	<b>2022-23</b>	8.22	2022-23	8.22	2022-23
	<b>48.34</b>	<b>2024-25</b>	48.34	2024-25	48.34	2024-25

^ Impact has been taken to Retained earnings for the adjustments made on transition. Refer note 55 for transitional adjustments

### 37. Disclosures related to government grant

The government grant/government assistance recognised are as under:

(Rupees in lacs)

Nature of grant/assistance	Income/ expense head	For the year ended March 31, 2018	For the year ended March 31, 2017
Benefit of loan at concessional rate of interest	Interest income under other income	154.28	189.56
Grant for schools	Corporate social responsibility	0.83	4.67
Duty drawback on exports	Other operating revenue	583.57	939.44

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Statement of Profit and loss.

### 38. Leases

#### Operating leases

The Company's significant operating lease arrangements are in respect of premises for residential use of employees, office, stores, godown, etc. for a period of ranging from 1-5 years. These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. The lease rentals charged as employee benefits expense aggregate Rs. 113.47 lacs (March 31, 2017: Rs. 111.25 lacs) under note 32 and lease rentals charged as rent aggregate Rs. 120.22 lacs (March 31, 2017: Rs. 114.02 lacs) under note 35.

#### Future minimum lease payments

(Rupees in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Not later than one year	25.65	10.36	9.86
Later than one year and not later than five years	-	10.87	21.23
Later than five years	-	-	-
<b>Total</b>	<b>25.65</b>	<b>21.23</b>	<b>31.09</b>

#### Finance leases

##### A. Leases as a lessor

The company has classified the arrangement with the customers wherein the patterns/tooling/moulds are lease out in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17 'Leases' and accounted for as finance lease in accordance with those principles.

The agreement with the customers is for a period of 15 years.

(Rupees in lacs)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	118.66	101.52	161.52	136.60	162.90	131.11
Later than one year and not later than five years	245.43	224.84	371.33	320.33	475.61	411.99
Later than five years	0.32	0.32	15.97	25.52	73.21	70.46
<b>Total minimum lease payments ("MLP")</b>	<b>364.41</b>	<b>326.68</b>	<b>548.82</b>	<b>482.45</b>	<b>711.72</b>	<b>613.56</b>
<b>Less: Amounts representing unearned finance income</b>	<b>37.73</b>	<b>-</b>	<b>66.37</b>	<b>-</b>	<b>98.16</b>	<b>-</b>
<b>Present value of minimum lease payments ("MLP")</b>	<b>326.68</b>	<b>326.68</b>	<b>482.45</b>	<b>482.45</b>	<b>613.56</b>	<b>613.56</b>

**39. Earnings per share**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net loss attributable to equity shareholders as per Statement of profit and loss (Rupees in lacs)	(3,554.26)	(250.58)
Weighted average number of equity shares in calculating Basic EPS	18,677,749	18,677,749
Weighted average number of equity shares in calculating Diluted EPS	18,677,749	18,677,749
Basic loss per share in rupees (face value per equity share Rs. 10 each)	(19.03)	(1.34)
Diluted loss per share in rupees (face value per equity share Rs. 10 each)	(19.03)	(1.34)

**40. Restructuring**

In terms of the Scheme of Restructuring and Arrangement approved by the Delhi High Court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 (Act) and subsequent modification thereto vide Delhi High Court order dated April 28, 2011 (hereinafter referred to as SORA), the Company as envisaged thereunder has:

- a) entered into definitive agreement on February 16, 2004 with Purearth Infrastructure Limited (PIL), a co-promoted company, for sale of development rights in freehold and leasehold land at Bara Hindu Rao/Kishanganj for a total consideration of Rs. 28,820 lacs (includes Rs. 3,400 lacs on account of leasehold land out of which Rs. 2,400 lacs is subject to certain minimum profits being earned by PIL from the leasehold land). The status of these agreements is as under:
  - In terms of the Freehold Definitive Agreement dated February 16, 2004, the Company had, during the year 2003-04, recognised the sale of development rights to PIL in freehold land at Bara Hindu Rao for a consideration of Rs.14,449.92 lacs (excluding the outstanding of Rs.10,962.08 lacs against the sale of rights aggregating Rs. 39,567 lacs in the Previous years).
  - In terms of the "Leasehold Definitive Agreement" ("LDA") dated February 16, 2004, pursuant to completion of its obligation to get the leases restored/converted from leasehold to freehold, the Company had recognized the entire revenue of Rs. 3,400 lacs from sale of development rights in leasehold land in the year 2014-15 and 2015-16.
  - The outstanding receivable from for the said sale of development rights in freehold and leasehold land is amounting to Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs 1,850.00 lacs) as at year end.
- b) After considering the effect of Delhi High Court order dated April 28, 2011, the Company had complied with the debt repayment obligations including in respect of debentures, deposits, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien /Designated Account' with scheduled banks. Aggregate of amount so deposited as at the year-end is Rs. 10.84 lacs (March 31, 2017: Rs. 19.52 lacs, April 1, 2016: 91.83 lacs).

**41. Amalgamation and demerger**

- i. The Board of Directors of the Company, in its meeting held on October 15, 2016, approved a Scheme of Arrangement ('the Scheme') between DCM Ltd and DCM Nouvelle Limited, a wholly owned subsidiary of DCM Limited for the demerger of the Textile business of DCM Limited as per the scheme and vesting of the same with DCM Nouvelle Limited, on a going concern basis with effect from January 1, 2017, i.e the appointed date.

Further the Board of Directors of the Company, in its meeting held on October 15, 2016, approved a Composite scheme of arrangement ('the Composite Scheme') which was further amended in its subsequent meeting held on February 13, 2017 for the:-

## Notes forming part of the standalone financial statements continued

- (a) Amalgamation of Tiara Investment Holdings Limited into Purearth Infrastructure Limited, a jointly controlled entity ('the Amalgamated Company'), with effect from December 31, 2016;
- (b) Demerger of the Real Estate business of DCM Limited, as defined in the Composite Scheme, into DCM Realty and Infrastructure Limited ('the Resulting Company'), on a going concern basis with effect from January 1, 2017; and
- (c) Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Company, i.e. Purearth Infrastructure Limited with the Resulting Company, i.e. DCM Realty and Infrastructure Limited, with effect from January 1, 2017.

The aforesaid schemes are subject to approval from the concerned regulatory authorities which is not perfunctory and considered to be substantive. Accordingly, the aforesaid schemes of arrangement cannot be considered as highly probable unless the regulatory approvals are obtained and hence do not meet the criteria for held for sale/ discontinued operations. Accordingly, the proposed demerger of Textile business and Real Estate business has not been considered as Discontinued Operations in these financial statements.

- ii. The Board of Directors of the Company, in its meeting held on 31 March 2017, approved a scheme of Amalgamation of Crescita Enterprises Private Limited ('the Transferor Company') into & with the Company with effect from 31 March 2017 (i.e. the appointed date). After the above said amalgamation, 48.35% shares of the Company which are presently held by the Transferor Company would be cancelled and the Company would issue same number of equity share to the shareholder of the Transferor Company in proportion to the shares held by them in Transferor Company at record date. The aforesaid scheme is subject to approval from the concerned regulatory authorities.
42. The Company has set up a solar power plant at its textile division at Hisar with a cost of Rs. 471.60 lacs during the year ended March 31, 2017. A term loan of Rs. 325 lacs (out of sanctioned term loan of Rs. 330 lacs) is taken for this purpose. Total power units generated during the year are 15.31 lacs KWH (March 2017 : 1.47 lacs KWH). The company is eligible for tax holiday under section 80IA up to 2030-31 (to claim deduction in any 10 consecutive assessment year out of 15 year starting from the year in which operation begins).
43. Capital advances includes Rs. 870.00 lacs (March 31, 2017: Rs. 870.00 lacs, April 1, 2016: 870.00 lacs) to acquire certain property under construction at New Delhi. The construction was a matter of litigation between the builder and the local authorities. The High Court of Delhi has allowed the builder to construct the property subject to certain conditions. The management is confident that the advance paid to acquire the property is good and fully recoverable.
44. In the previous years, the Company's claim for the refund of an Inter Corporate Deposit amounting to Rs. 100 lacs against a body corporate was settled by the body corporate by issuing, in terms of an arbitration award, 0% non-cumulative, non-voting, redeemable preference shares of Rs. 100 each to the Company, redeemable within 20 years. The management is confident that the investment of Rs. 100.00 lacs (face value Rs.76.32 lacs, March 31, 2017 : Rs. 68.03 lacs, April 1, 2016 : Rs. 61.00 lacs) acquired by the Company in preference shares of the body corporate is good and fully recoverable.
45. Disclosure of Specified Bank Notes (SBNs) (as defined in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated 08 November 2016) during the period November 08, 2016 to December 30, 2016, as required by Notification No. G.S.R 308(E) dated March 30, 2017 issued by the Ministry of Company Affairs:

(Rupees in lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	7.57	10.46	18.03
Add: Permitted receipt transactions	-	27.45	27.45
Less : Paid for permitted transactions	-	30.57	30.57
Less : Deposited in bank accounts	7.57	-	7.57
Closing cash in hand as on December 30, 2016	-	7.34	7.34

## 46. Operating segments

### A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Company has identified four reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Chief operating decision maker (CODM) reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Textiles	Yarn manufacturing
IT services	IT Infrastructure services
Real estate	Development at the Company's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi
Grey iron casting	Grey iron casting manufacturing

## Notes forming part of the standalone financial statements continued

### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(Rupees in lacs)

Particulars	Reportable segment								Unallocated		Total	
	Textile		IT Services		Real Estate		Grey iron casting		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017				
<b>Segment revenue</b>												
- External revenues	54,802.71	53,706.15	4,448.87	6,026.69	-	-	32,814.60	34,742.25	-	-	92,066.18	94,475.09
- Other operating revenue	4,872.17	4,441.46	-	-	-	-	119.68	103.94	-	-	4,991.85	4,545.40
- Unallocable income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>59,674.88</b>	<b>58,147.61</b>	<b>4,448.87</b>	<b>6,026.69</b>	<b>-</b>	<b>-</b>	<b>32,934.28</b>	<b>34,846.19</b>	<b>-</b>	<b>-</b>	<b>97,058.03</b>	<b>99,020.49</b>
<b>Segment results</b>	<b>2,417.15</b>	<b>4,164.20</b>	<b>110.88</b>	<b>619.47</b>	<b>-</b>	<b>-</b>	<b>(2,931.86)</b>	<b>(2,156.66)</b>	<b>-</b>	<b>-</b>	<b>(403.83)</b>	<b>2,627.01</b>
Unallocated corporate expenses/ income (net of unallocated income/ expenses)									(795.16)	(138.12)	(795.16)	(138.12)
Interest income									257.02	291.88	257.02	291.88
Profit before finance costs and tax											(941.97)	2,780.77
Finance costs									2,613.03	3,017.85	2,613.03	3,017.85
Profit/(loss) before tax											(3,555.00)	(237.08)
Provision for taxation									(0.74)	13.50	(0.74)	13.50
Profit/(loss) after taxation											(3,554.26)	(250.58)
Capital expenditure during the year	112.79	631.95	5.96	48.12	-	-	379.58	389.42	4.25	116.52	502.58	1,186.01
Depreciation and amortization	1,873.73	1,912.11	29.26	27.13	-	-	1,666.56	1,670.17	54.77	27.78	3,624.32	3,637.19
Non cash expense other than depreciation	(4.67)	0.47	(1.18)	5.52	-	-	49.27	6.33	(0.27)	-	43.15	12.32

### Other information

(Rupees in lacs)

Particulars	Reportable segment												Unallocated			Total		
	Textile			IT Services			Real Estate			Grey iron casting			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016						
Segment assets	38,037.68	39,215.00	33,652.67	2,547.21	2,687.16	2,624.72	25.00	25.00	1,933.50	16,685.64	18,452.72	20,915.41	-	-	-	57,295.53	60,379.88	59,126.30
Assets held for sale	-	-	-	-	-	-	-	-	-	212.53	-	-	-	-	-	212.53	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	3,347.60	3,339.31	3,322.28	3,347.60	3,339.31	3,322.28
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	3,445.41	4,470.96	4,623.55	3,445.41	4,470.96	4,623.55
<b>Total assets</b>	<b>38,037.68</b>	<b>39,215.00</b>	<b>33,652.67</b>	<b>2,547.21</b>	<b>2,687.16</b>	<b>2,624.72</b>	<b>25.00</b>	<b>25.00</b>	<b>1,933.50</b>	<b>16,898.17</b>	<b>18,452.72</b>	<b>20,915.41</b>	<b>6,793.01</b>	<b>7,810.27</b>	<b>7,945.83</b>	<b>64,301.07</b>	<b>68,190.15</b>	<b>67,072.13</b>
Segment liabilities	5,670.23	2,396.64	1,437.94	537.78	614.52	695.26	23.62	23.62	23.62	8,360.04	5,004.37	5,700.56	1,564.50	1,351.72	1,165.55	16,156.17	9,390.87	9,022.93
Share capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	19,231.43	22,738.93	23,161.64	19,231.43	22,738.93	23,161.64
Loan funds	20,208.24	24,696.03	22,327.62	19.40	210.10	193.49	-	-	-	6,606.45	9,051.65	12,332.58	2,079.38	2,102.57	33.87	28,913.47	36,060.35	34,887.56
<b>Total liabilities</b>	<b>25,878.47</b>	<b>27,092.67</b>	<b>23,765.56</b>	<b>557.18</b>	<b>824.62</b>	<b>888.75</b>	<b>23.62</b>	<b>23.62</b>	<b>23.62</b>	<b>14,966.49</b>	<b>14,056.02</b>	<b>18,033.14</b>	<b>22,875.31</b>	<b>26,193.22</b>	<b>24,361.06</b>	<b>64,301.07</b>	<b>68,190.15</b>	<b>67,072.13</b>

**C. Geographical information**

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

**i. Revenues****(Rupees in lacs)**

	<b>For the year ended March 31, 2018</b>	For the year ended March 31, 2017
India (a)	<b>63,833.05</b>	65,345.66
Outside India		
China	<b>14,001.82</b>	17,832.75
Other countries	<b>19,223.16</b>	15,842.08
Outside India (b)	<b>33,224.98</b>	33,674.83
<b>Total (a+b)</b>	<b>97,058.03</b>	99,020.49

**ii. Non current assets\***

	<b>As At March 31, 2018</b>	As At March 31, 2017	As At April 1, 2016
India	<b>21,716.34</b>	25,975.37	27,011.35
Outside India	<b>3.75</b>	4.71	3.74
<b>Total</b>	<b>21,720.09</b>	25,980.08	27,015.09

\*Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

**D. Major customers**

There is no single customer who contributed 10% or more of the Companies revenue during the year ended March 31, 2018 and March 31, 2017.

**47. Contingent liabilities, contingent assets and commitments****a) Commitments****(Rupees in lacs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
Capital commitments	<b>654.93</b>	80.99	195.00

**b) Contingent liabilities not provided for:****(Rupees in lacs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
Claims not acknowledged as debts: *			
- Excise claims	<b>1.49</b>	512.40	512.40
- Sales tax matters	<b>277.21</b>	277.21	277.21
- Income-tax matters	<b>248.03</b>	345.32	293.99
- Customs duty	<b>12.55</b>	12.55	12.55
- Employees' claims (to the extent ascertained)	<b>56.42</b>	43.47	42.70
- Property tax	<b>283.67</b>	283.67	283.67
- Others	<b>313.93</b>	321.09	397.72

\* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Company.

## Notes forming part of the standalone financial statements continued

- (i) There are no undisputed dues of wealth tax and service tax which have not been deposited by the Company. The details of disputed dues as of March 31, 2018 in respect of customs duty, income tax, excise duty and sales tax/ PVAT that have not been deposited by the Company, are as follows:

Name of the statute	Nature of dues	Amount Involved * (Rupees in lacs)	Amount paid under protest (Rupees in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	40.28	40.28	Financial Year 2013-14	CIT (Appeals)
		58.39	-	Financial Year 2012-13	CIT (Appeals)
		10.08	5.00	Financial Year 2011-12	ITAT
Customs Act, 1962	Custom duty	12.55	-	1988-89	Commissioner of customs (Appeals)
Central Excise Act, 1944	Excise duty	0.99	0.06	2013-14	Commissioner of Central Excise
		0.50	-	2002-03, 2003-04	Supreme court
Punjab VAT Act, 2005	Sales tax	146.96	36.75	2010-11	Punjab VAT Appellate Tribunal
		130.25	35.09	2009-10	

\* amount as per demand orders including interest and penalty wherever indicated in the demand.

For the above purposes, statutory dues payable in India have been considered. Further, the demands raised and already set off by the Income-tax Authorities against the carried forward losses of the Company or the refunds due to the Company, being no longer due for payment, have not been considered.

- (ii) The following matters which have been excluded from the above table have been decided in favour of the Company, although the concerned regulatory authority has preferred an appeal at a higher level:

Name of the statute	Nature of dues	Amount involved (Rupees in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	442.48	Financial Year 1982-83 to 1989-90	High court
		27.93	Financial Year 2008-09	High court
		76.35	Financial Year 2010-11	Income tax appellate tribunal
		62.93	Financial Year 2011-12	Income tax appellate tribunal

- c) The Company has been regular in transferring amounts to the Investor Education and Protection Fund after considering SORA, pursuant to which certain past dues have been rescheduled for repayment.

### 48. Employee benefits

#### A Defined contribution plans

Contributions to defined contribution plans charged off for the year are as under:

Particulars	(Rupees in lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Company's contribution to provident fund	452.84	489.61
Company's contribution to superannuation fund	58.05	75.47
Company's contribution to employees' state insurance	151.86	123.81
Company's contribution to social security	115.66	152.55
Company's contribution to NPS	2.48	-
<b>Total</b>	<b>780.89</b>	<b>841.44</b>

#### B Defined benefit plans

The Company operates the following post-employment defined benefit plans:-

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

Liability with regards to Gratuity is accrued based on actuarial valuation at the balance sheet date, carried out by independent actuary. For details about the related employee benefits plan, refer accounting policies on employee benefits.



The following table set out the status of the defined benefit obligation

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Defined benefit liability- Gratuity	1,859.82	1,926.92	1,804.33
<b>Total employee benefit liabilities</b>			
Non current	1,532.56	1,648.96	1,550.31
Current	327.26	277.96	254.02
<b>Total</b>	<b>1,859.82</b>	<b>1,926.92</b>	<b>1,804.33</b>

For details about the related employee benefit expenses, refer note 32.

## (i) Reconciliation of the defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1,926.92	1,804.33
Current service cost	130.28	131.49
Interest cost	144.52	131.61
Actuarial (gains) losses recognised in other comprehensive income/(expense)	(48.41)	149.27
Benefits paid	(293.49)	(289.78)
<b>Balance at the end of the year</b>	<b>1,859.82</b>	<b>1,926.92</b>
Non-current	1,532.56	1,648.96
Current	327.26	277.96

## ii) Expense recognized in profit and loss

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	130.28	131.49
Interest cost	144.52	131.61
<b>Net cost</b>	<b>274.80</b>	<b>263.10</b>

## iii) Remeasurements recognized in other comprehensive income/(expense)

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain) loss on defined benefit obligation	(48.41)	149.27
<b>Total</b>	<b>(48.41)</b>	<b>149.27</b>

## iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Financial assumptions</b>			
Discount rate	7.50%	7.50%	8.00%
Future salary growth	6.00%	6.00%	5.00/6.00%
Retirement age	58/60 years	58/60 years	58/60 years
Mortality table	IALM (2006-08) ultimate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Withdrawal rate			
Upto 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

As at March 31, 2018, the weighted average duration of the defined benefit obligation was 9.33 - 19.91 year (March 31, 2017 : 10.88 - 19.54 year, April 1, 2016: 8.73-20.05 years)

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are Rs. 285.58 lacs.

## v) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rupees in lacs)

Particulars	As as March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(121.13)	121.20	(119.27)	126.65
Future salary growth (1%)	130.37	(123.29)	129.56	(120.66)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

## vi) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Year 1	327.26	277.96	254.03
Year 2	139.13	209.07	430.17
Year 3	206.21	202.45	178.18
Year 4	130.09	129.02	156.36
Year 5	104.94	120.80	104.15
Next 6	167.54	153.79	79.08
Next to 6 years	784.65	833.83	602.36

## vii) Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- Interest risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**49. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**A. Name and description of relationship of the related party****Entity having significant control over the Company**

Crescita Enterprises Private Limited (w.e.f. March 09, 2017)

**Related parties where control exists****Subsidiaries**

DCM Finance & Leasing Limited

DCM Textiles Limited

DCM Realty and Infrastructure Limited

DCM Tools & Dies Limited

DCM Realty Investment & Consulting Limited

DCM Data Systems Limited

DCM Nouvelle Limited

**Other related parties with whom transaction have taken place during the year****Joint venture**

Purearth Infrastructure Limited

**Key management personnel and/or individuals having direct or indirect control or significant influence, and their relatives:**

Dr. Vinay Bharat Ram – Chairman and Managing Director

Mr. Hemant Bharat Ram – President (Textiles division)

Mr. Sumant Bharat Ram – Chief Executive and Financial Officer

Mr. Sushil Kapoor Executive Director (Business) - Engineering Division (with effect from January 15, 2018)

Mr. Dinesh Dhiman - Executive Director (Operations)- Engineering Division (with effect from December 13, 2017)

Mr. Varun Sarin - Chief of Operation and Finance (IT Division)

Mr. Rakesh Kumar Goel - CEO (Textile Division)

Mr. Yadvinder Goyal - Company Secretary

Mr. Rahil Bharat Ram – Son of Mr. Sumant Bharat Ram

Mr. Yuv Bharat Ram – Son of Mr. Sumant Bharat Ram

**Entities where key management personnel have significant influence**

Juhi Developers Private Limited

Teak Farms Private Limited

Crescita Enterprises Private Limited

**Society**

DCM Engineering Products Educational Society

**B. Transactions with related parties:**

(Rupees in lacs)

Particulars	Subsidiary		Joint Venture		Others*	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Expense recovered (net)</b>						
DCM Realty and Infrastructure Limited	-	0.04	-	-	-	-
DCM Nouvelle Limited	-	0.02	-	-	-	-
Purearth Infrastructure Limited	-	-	50.25	63.74	-	-
DCM Realty Investment & Consulting Limited	0.50	-	-	-	-	-
<b>Expense reimbursed</b>						
Crescita Enterprises Private Limited	-	-	-	-	-	0.61
DCM Engineering Products Educational Society	-	-	-	-	21.56	21.39
<b>Interest income</b>						

(Rupees in lacs)

Particulars	Subsidiary		Joint Venture		Others*	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Purearth Infrastructure Limited	-	-	108.04	65.84	-	-
<b>Sales/ Other income</b>						
Purearth Infrastructure Limited	-	-	-	775.00	-	-
DCM Realty Investment & Consulting Limited	0.06	-	-	-	-	-
<b>Investments in equity shares</b>						
DCM Nouvelle Limited	-	5.00	-	-	-	-
DCM Realty and Infrastructure Limited	-	5.00	-	-	-	-
<b>Purchase of rights in flats/ Other tangible assets</b>						
Purearth Infrastructure Limited	-	-	2.40	867.07	-	-
<b>Refund against cancellation of rights in flats</b>						
Purearth Infrastructure Limited	-	-	867.07	-	-	-

\*Entities in which key management personnel have significant influence/ Entity having significant control over the Company and Society where control exist

## Transactions with key management personnel

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Compensation of key management personnel</b>		
Salaries and bonus including contributions made to provident fund		
Dr. Vinay Bharat Ram	147.85	153.95
Mr. Hemant Bharat Ram	240.06	183.06
Mr. Sumant Bharat Ram	152.32	134.24
Mr. Sushil Kapoor	21.28	-
Mr. Dinesh Dhiman	10.56	-
Mr. Varun Sarin	64.32	64.95
Mr. Rakesh Kumar Goel	118.25	108.41
Mr. Yadvinder Goyal	18.27	17.41
<b>Post-employment defined benefit plan</b>		
Gratuity		
Mr. Hemant Bharat Ram	13.89	21.06
Mr. Sumant Bharat Ram	4.47	3.81
Mr. Dinesh Dhiman	0.23	-
Mr. Varun Sarin	2.06	2.37
Mr. Rakesh Kumar Goel	9.90	-
Mr. Yadvinder Goyal	0.41	0.35
<b>Other long term defined benefit plan</b>		
Compensated absences		
Mr. Hemant Bharat Ram	11.62	11.31
Mr. Sumant Bharat Ram	4.59	5.51
Mr. Dinesh Dhiman	0.30	-
Mr. Varun Sarin	0.77	1.30
Mr. Rakesh Kumar Goel	2.03	4.06
Mr. Yadvinder Goyal	0.38	0.40
<b>Total compensation paid to key management personnel</b>	<b>823.56</b>	<b>712.19</b>

## Balances with related parties

(Rupees in lacs)

Particulars	Joint Venture			Others*		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade receivables</b>						
Purearth Infrastructure Limited	-	-	1,850.00	-	-	-
<b>Balance payables</b>						
DCM Engineering Products Educational Society	-	-	-	1.67	1.80	1.48
<b>Advance given for purchase of rights in flats</b>						
Purearth Infrastructure Limited	587.37	1,454.44	587.37	-	-	-
<b>Guarantee taken during the year</b>						
Mr. Suman Bharat Ram	-	-	-	2,000.00	2,000.00	-
<b>Advances recoverable / (Payable)</b>						
Purearth Infrastructure Limited	23.42	7.12	89.37			
Dr. Vinay Bharat Ram	-	-	-	(4.10)	(3.90)	-
Mr. Hemant Bharat Ram	-	-	-	(7.93)	(7.57)	-
Mr. Sumant Bharat Ram	-	-	-	(5.01)	-	-
Mr. Sushil Kapoor	-	-	-	(6.55)	-	-
Mr. Dinesh Dhiman	-	-	-	(3.18)	-	-
Mr. Varun Sarin	-	-	-	(3.71)	(4.55)	-
Mr. Rakesh Kumar Goel	-	-	-	(3.29)	(3.55)	(3.95)
Mr. Yadvinder Goyal	-	-	-	(1.01)	(1.10)	-

\*Entities in which key management personnel have significant influence/ Entity having significant control over the Company and Society where control exist

## 50. Research and development expenditure

Company has claimed weighted tax deductions on eligible research and development expenditure u/s 35(2AB) of the Income Tax Act, 1961 equivalent to 200% of such expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) w.e.f. May 28, 2015. The details of such expenditure are as follows:

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Capital expenditure</b>		
Office equipment	0.26	
Plant and machinery	-	3.70
Computers	6.87	1.03
<b>Revenue expenditure</b>		
Salaries, wages and compensated absences	142.05	157.25
Contribution to provident and other funds	4.84	8.68
Travelling and conveyance	5.66	6.35
Others	0.35	3.96
<b>Development expenditure</b>	138.56	118.61
<b>Total</b>	<b>298.59</b>	<b>299.58</b>

**51. Assets held for sale**

The Board of Directors of the Company, in its meeting held on February 8, 2018, approved the sale of land and building held at Tamil Nadu and Punjab for such consideration and on such terms and conditions as may be deemed fit in the best interest of the Company.

**52. Corporate Social Responsibility (CSR) (Rupees in lacs)****(Rupees in lacs)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Gross amount required to be spent</b>	<b>6.20</b>	45.64
<b>Amount spent (in cash):</b>		
Promotion of education	<b>17.36</b>	18.88
Others	-	0.50
<b>Total</b>	<b>17.36</b>	19.38

**53. Fair value measurement and financial instruments****a. Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**i. As on April 1, 2016****(Rupees in lacs)**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	61.00	-	0.10	<b>61.10</b>	-	-	61.10
Loans *	-	-	947.96	<b>947.96</b>	-	-	947.96
Other financial assets *	-	-	485.36	<b>485.36</b>	-	-	485.36
<b>Current</b>							
Trade receivables *	-	-	12,983.28	<b>12,983.28</b>	-	-	12,983.28
Cash and cash equivalents *	-	-	1,190.90	<b>1,190.90</b>	-	-	1,190.90
Balances other than above *	-	-	1,285.94	<b>1,285.94</b>	-	-	1,285.94
Loans *	-	-	51.17	<b>51.17</b>	-	-	51.17
Other financial assets *	-	-	294.70	<b>294.70</b>	-	-	294.70
<b>Total</b>	<b>61.00</b>	-	<b>17,239.41</b>	<b>17,300.41</b>	-	-	<b>17,300.41</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	10,154.90	<b>10,154.90</b>	-	-	10,154.90
Other financial liabilities *	-	-	636.03	<b>636.03</b>	-	-	636.03
<b>Current</b>							
Borrowings #	-	-	20,153.85	<b>20,153.85</b>	-	-	20,153.85
Trade payables *	-	-	3,447.31	<b>3,447.31</b>	-	-	3,447.31
Other current financial liabilities *	-	-	5,936.38	<b>5,936.38</b>	-	-	5,936.38
<b>Total</b>	-	-	<b>40,328.47</b>	<b>40,328.47</b>	-	-	<b>40,328.47</b>



## ii. As on March 31, 2017

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	68.03	-	0.10	<b>68.13</b>	-	-	68.13
Loans *	-	-	951.96	<b>951.96</b>	-	-	951.96
Other financial assets *	-	-	347.14	<b>347.14</b>	-	-	347.14
<b>Current</b>							
Trade receivables *	-	-	10,624.71	<b>10,624.71</b>	-	-	10,624.71
Cash and cash equivalents *	-	-	1,279.99	<b>1,279.99</b>	-	-	1,279.99
Balances other than above *	-	-	344.52	<b>344.52</b>	-	-	344.52
Loans *	-	-	63.90	<b>63.90</b>	-	-	63.90
Other financial assets *	-	-	484.71	<b>484.71</b>	-	-	484.71
<b>Total</b>	<b>68.03</b>	-	<b>14,097.03</b>	<b>14,165.06</b>	-	-	<b>14,165.06</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	11,204.32	<b>11,204.32</b>	-	-	11,204.32
Other financial liabilities *	-	-	626.09	<b>626.09</b>	-	-	626.09
<b>Current</b>							
Borrowings #	-	-	22,298.53	<b>22,298.53</b>	-	-	22,298.53
Trade payables *	-	-	3,926.70	<b>3,926.70</b>	-	-	3,926.70
Other current financial liabilities *	111.15	-	4,143.02	<b>4,254.17</b>	-	-	4,254.17
<b>Total</b>	<b>111.15</b>	-	<b>42,198.66</b>	<b>42,309.81</b>	-	-	<b>42,309.81</b>

## iii. As on March 31, 2018

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	76.32	-	0.10	<b>76.42</b>	-	-	76.42
Loans *	-	-	955.33	<b>955.33</b>	-	-	955.33
Other financial assets *	-	-	242.32	<b>242.32</b>	-	-	242.32
<b>Current</b>							
Trade receivables *	-	-	11,840.89	<b>11,840.89</b>	-	-	11,840.89
Cash and cash equivalents *	-	-	749.17	<b>749.17</b>	-	-	749.17
Balances other than above *	-	-	464.04	<b>464.04</b>	-	-	464.04
Loans *	-	-	57.39	<b>57.39</b>	-	-	57.39
Other financial assets *	-	-	661.67	<b>661.67</b>	-	-	661.67
<b>Total</b>	<b>76.32</b>	-	<b>14,970.91</b>	<b>15,047.23</b>	-	-	<b>15,047.23</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	9,349.14	<b>9,349.14</b>	-	-	9,349.14
Other financial liabilities *	-	-	647.33	<b>647.33</b>	-	-	647.33
<b>Current</b>							
Borrowings #	-	-	16,948.81	<b>16,948.81</b>	-	-	16,948.81
Trade payables *	-	-	10,506.63	<b>10,506.63</b>	-	-	10,506.63
Other current financial liabilities *	-	-	4,199.60	<b>4,199.60</b>	-	-	4,199.60
<b>Total</b>	-	-	<b>41,651.51</b>	<b>41,651.51</b>	-	-	<b>41,651.51</b>

# The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The loans, investments and other non-current financial assets represents finance lease receivable and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

#### Valuation technique used to determine fair value

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

#### b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

#### Risk management framework

There is a continuous process of identifying/ managing risk through a Risk Management Process. The measures used in managing the risk are also reviewed. Financial Risk identified by the Company broadly fall in the category of Credit risk, Liquidity risk and Market risk.

The Company's risk management process consists of risk identification, risk assessment, risk monitoring and risk mitigation. Risk management process are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments	3,347.60	3,339.31	3,322.28
Trade receivables (Net of allowances for doubtful receivables)	11,840.89	10,624.71	12,983.28
Cash and cash equivalents	749.17	1,279.99	1,190.90
Balances other than cash and cash equivalents	464.04	344.52	1,285.94
Loans	1,012.72	1,015.86	999.13
Other financial assets	903.99	831.85	780.06

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and are derived from revenue earned from customers primarily located in India and China. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The average credit period on sales of goods and services (other than moulds) within India is 30 to 60 days, sale of moulds is 180 days and sales of goods and services outside India is 30 to 90 days.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

(Rupees in lacs)

Particulars	Gross carrying amount		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Not due	4,343.23	5,085.47	6,108.71
1-90 days past due	732.27	232.15	632.83
91 to 180 days past due	84.55	21.29	227.30
More than 180 days past due #	264.11	113.01	246.57
Other receivables having negligible credit risk	6,487.78	5,225.54	5,874.78
<b>Total</b>	<b>11,911.94</b>	<b>10,677.46</b>	<b>13,090.19</b>

# The Company believes that the unimpaired amounts that are past due by more than credit period are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

**Movement in the allowance for impairment in respect of trade receivables:**

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning	52.76	106.91
Impairment loss recognised / (reversed)	18.28	(54.15)
Amount written off	0.01	-
Balance at the end	71.05	52.76

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 1,213.21 lacs as at March 31, 2018 (March 31, 2017 Rs. 1624.51 lacs, April 1, 2016 Rs. 2476.84 lacs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
From banks	3,838.54	4,594.22	6,946.13
From others	-	-	-

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Rupees in lacs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	9,349.14		10,941.74	132.86	11,074.60
Other financial liabilities	647.33	7.45	29.80	610.08	647.33
<b>Current liabilities</b>					
Borrowings	16,948.81	16,948.81	-	-	16,948.81
Trade payables	10,506.63	10,506.63	-	-	10,506.63
Other financial liabilities *	4,199.60	5,382.86	-	-	5,382.86
<b>Total</b>	<b>41,651.51</b>	<b>32,845.75</b>	<b>10,971.54</b>	<b>742.94</b>	<b>44,560.23</b>

(Rupees in lacs)

As at March 31, 2017	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	11,204.32		12,575.78	1,654.06	14,229.84
Other financial liabilities	626.09	7.45	29.80	588.84	626.09
<b>Current liabilities</b>					
Borrowings	22,298.53	22,298.53	-	-	22,298.53
Trade payables	3,926.70	3,926.70	-	-	3,926.70
Other financial liabilities *	4,254.17	5,616.18	-	-	5,616.18
<b>Total</b>	<b>42,309.81</b>	<b>31,848.86</b>	<b>12,605.58</b>	<b>2,242.90</b>	<b>46,697.34</b>

(Rupees in lacs)

As at April 1, 2016	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	10,154.90		9,995.33	3,317.56	13,312.89
Other financial liabilities	636.03	7.45	29.80	598.78	636.03
<b>Current liabilities</b>					
Borrowings	20,153.85	20,153.85	-	-	20,153.85
Trade payables	3,447.31	3,447.31	-	-	3,447.31
Other financial liabilities *	5,936.38	7,312.43	-	-	7,312.43
<b>Total</b>	<b>40,328.47</b>	<b>30,921.04</b>	<b>10,025.13</b>	<b>3,916.34</b>	<b>44,862.51</b>

\* Contractual cash flow includes the interest to be incurred and paid in subsequent periods

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

(Rupees in lacs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	EURO	USD	EURO	USD	EURO
<b>Financial assets</b>						
Trade receivables	2,679.09	-	1,544.27	-	2,038.20	-
Cash and cash equivalent	476.88	-	636.11	-	490.49	-
Loans and advances	58.98	-	117.80	-	105.67	-
<b>Total</b>	<b>3,214.95</b>	<b>-</b>	<b>2,298.18</b>	<b>-</b>	<b>2,634.36</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings	5,681.93		3,639.28		228.34	-
Trade payables	284.94	10.28	272.17	-	345.97	31.57
Other current liabilities	63.40	-	84.24	-	29.61	-
<b>Total</b>	<b>6,030.27</b>	<b>10.28</b>	<b>3,995.69</b>	<b>-</b>	<b>603.92</b>	<b>31.57</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2018 (previous year ended as on March 31, 2017) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rupees in lacs)

Particulars	Statement of Profit and loss		Changes in equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2018</b>				
USD	28.15	(28.15)	28.15	(28.15)
EUR	0.10	(0.10)	0.10	(0.10)
	28.25	(28.25)	28.25	(28.25)
<b>For the year ended March 31, 2017</b>				
USD	17.23	(17.23)	17.23	(17.23)
EUR	-	-	-	-
	17.23	(17.23)	17.23	(17.23)

USD: United States Dollar, EUR: Euro

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations expose the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows

(Rupees in lacs)

Variable-rate instruments	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Term loans from banks (Non current)	9,349.14	11,204.32	10,154.90
Term loans from banks (Current)	16,948.81	22,298.53	20,153.85
Current maturities of borrowings	2,615.52	2,557.50	4,578.81
<b>Total</b>	<b>28,913.47</b>	<b>36,060.35</b>	<b>34,887.56</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rupees in lacs)

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended March 31, 2018	(229.42)	229.42	(229.42)	229.42
For the year ended March 31, 2017	(243.68)	243.68	(243.68)	243.68

**54 Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to equity ratio, which is calculated as interest-bearing debts divided by total equity (equity share capital and other equity).

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	28,913.47	36,060.35	34,887.56
Less : Cash and bank balances	1,213.21	1,624.51	2,476.84
<b>Adjusted net debt (A)</b>	<b>27,700.26</b>	<b>34,435.84</b>	<b>32,410.72</b>
<b>Total equity (B)</b>	<b>19,231.43</b>	<b>22,738.93</b>	<b>23,161.64</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>1.44</b>	<b>1.51</b>	<b>1.40</b>



**55. Transition to Ind AS**

As mentioned in note 1.2 (A), these financial statements for the year ended March 31, 2018, are the first financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ended on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

In preparing its Ind AS financial statements as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2016, the company has adjusted amounts reported previously in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**Transition elections**

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Previous GAAP as at March 31, 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

**A.1 Ind AS optional exemptions****(i) Property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

**(ii) Business combination**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

**(iii) Determining whether an arrangement contains a lease**

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirement in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has elected to avail of the above exemption.

**A.2 Ind AS mandatory exceptions****Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**B. Reconciliations between previous GAAP and Ind AS:**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

**Reconciliation of equity as at April 1, 2016**

(Rupees in lacs)

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	b,f	26,259.97	(598.99)	25,660.98
Capital work-in progress		38.38	-	38.38
Intangible assets		58.19	-	58.19
Financial assets				
(i) Investments	a	3,361.28	(39.00)	3,322.28
(ii) Loans	c	960.12	(12.16)	947.96
(iii) Other financial assets	f	2.91	482.45	485.36
Deferred tax assets (net)	h	548.48	(548.48)	-
Non-current tax assets (net)		1,002.67	-	1,002.67
Other non-current assets	c	1,251.84	5.70	1,257.54
<b>Total non-current assets</b>		<b>33,483.84</b>	<b>(710.48)</b>	<b>32,773.36</b>
<b>Current assets</b>				
Inventories		15,145.44	-	15,145.44
Financial assets				
(i) Trade receivables	e	13,039.54	(56.26)	12,983.28
(ii) Cash and cash equivalents		1,190.90	-	1,190.90
(iii) Bank balances other than (ii) above		1,285.94	-	1,285.94
(iv) Loans		51.17	-	51.17
(v) Other financial assets	f	163.60	131.10	294.70
Current tax assets (net)		-	-	-
Other current assets	c	3,342.36	4.98	3,347.34
<b>Total current assets</b>		<b>34,218.95</b>	<b>79.82</b>	<b>34,298.77</b>
<b>TOTAL</b>		<b>67,702.79</b>	<b>(630.66)</b>	<b>67,072.13</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,737.59	-	1,737.59
Other equity		22,027.44	(603.39)	21,424.05
<b>Total equity</b>		<b>23,765.03</b>	<b>(603.39)</b>	<b>23,161.64</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	b	10,182.17	(27.27)	10,154.90
(ii) Other financial liabilities		636.03	-	636.03
Provisions		1,941.98	-	1,941.98
<b>Total non-current liabilities</b>		<b>12,760.18</b>	<b>(27.27)</b>	<b>12,732.91</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		20,153.85	-	20,153.85
(ii) Trade payables		3,447.31	-	3,447.31
(iii) Other financial liabilities		5,936.38	-	5,936.38
Other current liabilities		717.43	-	717.43
Provisions		832.61	-	832.61
Current tax liabilities (net)		90.00	-	90.00
<b>Total current liabilities</b>		<b>31,177.58</b>	<b>-</b>	<b>31,177.58</b>
<b>TOTAL</b>		<b>67,702.79</b>	<b>(630.66)</b>	<b>67,072.13</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the standalone financial statements continued

Reconciliation of equity as at March 31, 2017

(Rupees in lacs)

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	b,f	23,564.52	(468.09)	23,096.43
Capital work-in progress		94.72	-	94.72
Intangible assets		64.93	-	64.93
Financial assets				
(i) Investments	a	3,371.28	(31.97)	3,339.31
(ii) Loans	c	960.03	(8.07)	951.96
(iii) Other financial assets	f	1.29	345.85	347.14
Deferred tax assets (net)	h	548.48	(548.48)	-
Non-current tax assets (net)		1,213.09	-	1,213.09
Other non-current assets	c	2,721.83	2.17	2,724.00
<b>Total non-current assets</b>		<b>32,540.17</b>	<b>(708.59)</b>	<b>31,831.58</b>
<b>Current assets</b>				
Inventories		20,106.00	-	20,106.00
Financial assets				
(i) Trade receivables	e	10,647.58	(22.87)	10,624.71
(ii) Cash and cash equivalents		1,279.99	-	1,279.99
(iii) Bank balances other than (ii) above		344.52	-	344.52
(iv) Loans		63.90	-	63.90
(v) Other financial assets	f	348.11	136.60	484.71
Current tax assets (net)		19.25	-	19.25
Other current assets	c	3,420.13	15.36	3,435.49
<b>Total current assets</b>		<b>36,229.48</b>	<b>129.09</b>	<b>36,358.57</b>
<b>TOTAL</b>		<b>68,769.65</b>	<b>(579.50)</b>	<b>68,190.15</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,867.46	-	1,867.46
Other equity		21,513.61	(642.14)	20,871.47
<b>Total equity</b>		<b>23,381.07</b>	<b>(642.14)</b>	<b>22,738.93</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	b	11,252.83	(48.51)	11,204.32
(ii) Other financial liabilities		626.09	-	626.09
Provisions		2,080.89	-	2,080.89
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>13,959.81</b>	<b>(48.51)</b>	<b>13,911.30</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		22,298.53	-	22,298.53
(ii) Trade payables		3,926.70	-	3,926.70
(iii) Other financial liabilities	i	4,143.02	111.15	4,254.17
Other current liabilities		420.16	-	420.16
Provisions		448.65	-	448.65
Current tax liabilities (net)		191.71	-	191.71
<b>Total current liabilities</b>		<b>31,428.77</b>	<b>111.15</b>	<b>31,539.92</b>
<b>TOTAL</b>		<b>68,769.65</b>	<b>(579.50)</b>	<b>68,190.15</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2017				(Rupees in lacs)
Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
Revenue from operations	f,l	99,516.10	(495.61)	99,020.49
Less: Excise duty	k	3,957.74	(3,957.74)	-
		<b>95,558.36</b>	<b>3,462.13</b>	<b>99,020.49</b>
Other income	a,c,f,j,n	483.65	1,081.27	1,564.92
<b>Total income</b>		<b>96,042.01</b>	<b>4,543.40</b>	<b>100,585.41</b>
<b>Expenses</b>				
Cost of materials consumed		50,645.09	-	50,645.09
Changes in inventories of finished goods and work in progress		(555.32)	-	(555.32)
Excise duty on sales	k	-	3,957.74	3,957.74
Employee benefits expense	d	13,805.56	(149.07)	13,656.49
Finance costs	b,m	2,672.69	345.16	3,017.85
Depreciation and amortisation expense	f,b	3,768.09	(130.90)	3,637.19
Other expenses	c,e,l	26,851.36	(387.91)	26,463.45
<b>Total expenses</b>		<b>97,187.47</b>	<b>3,635.02</b>	<b>100,822.49</b>
<b>Loss before exceptional items and tax</b>		<b>(1,145.46)</b>	<b>908.38</b>	<b>(237.08)</b>
<b>Exceptional Items</b>	n	<b>775.00</b>	<b>(775.00)</b>	<b>-</b>
<b>Loss before tax</b>		<b>(370.46)</b>	<b>133.38</b>	<b>(237.08)</b>
<b>Tax expense</b>				
Current tax		10.68	-	10.68
Deferred tax credit		-	-	-
Tax adjustment relating to prior years		2.82	-	2.82
<b>Loss for the year</b>		<b>(383.96)</b>	<b>133.38</b>	<b>(250.58)</b>
<b>Other comprehensive income/(expense)</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement (loss)/ gain of defined benefit obligations	d	-	(149.27)	(149.27)
Income tax relating to remeasurement of defined benefit obligations		-	-	-
<b>Net other comprehensive income/(expense) not to be reclassified subsequently to profit or loss</b>		-	(149.27)	(149.27)
<b>Items that will be reclassified to profit or loss (net of tax)</b>				
Exchange difference in translating financial statements of foreign operations	j	-	(22.86)	(22.86)
Income tax relating to items that will be reclassified to profit or loss		-	-	-
<b>Net other comprehensive income/(expense) to be reclassified subsequently to profit or loss</b>		-	(22.86)	(22.86)
<b>Total other comprehensive income/(expense), net of tax</b>		-	(172.13)	(172.13)
<b>Total comprehensive income for the period</b>		<b>(383.96)</b>	<b>(38.75)</b>	<b>(422.71)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total equity as at March 31, 2017 and April 1, 2016			(Rupees in lacs)
Particulars	Notes	As at March 31, 2017	As at April 1, 2016
<b>Total equity (shareholder's funds) as per Previous GAAP</b>		<b>23,381.07</b>	<b>23,765.03</b>
<b>Adjustments:</b>			
Recognition of security deposit at amortised cost	c	(1.17)	(1.51)
Impact of measuring preference shares investment at fair value	a	(31.97)	(39.00)
Loss allowance for trade receivable	e	(22.87)	(56.25)
Fair valuation of forward contracts	i	(111.15)	-
Capitalisation of tooling income and lease of toolings and moulds	f	45.22	51.22
Measurement of borrowings as per effective interest rate method	b	28.28	(9.37)

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Reversal of deferred tax assets	h	(548.48)	(548.48)
<b>Total adjustments</b>		<b>(642.14)</b>	<b>(603.39)</b>
<b>Total equity as per Ind AS</b>		<b>22,738.93</b>	<b>23,161.64</b>
<b>Reconciliation of total comprehensive income/ (expense) for the year ended March 31, 2017</b>			<b>(Rupees in lacs)</b>
Particulars	Notes	For the year ended March 31, 2017	
<b>Loss after tax as per Previous GAAP</b>		<b>(383.96)</b>	
Recognition of security deposits at amortised cost	c	0.34	
Measurement of borrowings as per effective interest rate method	b	37.65	
Impact of measuring preference shares investment at fair value	a	7.03	
Capitalisation of tooling income and lease of toolings and moulds	f	(6.00)	
Loss allowance for trade receivable	e	33.38	
Fair valuation of forward contracts	i	(111.15)	
Reclassification of post employment benefit obligations	d	(149.27)	
Translation difference on foreign operation	j	<b>(22.86)</b>	
		<b>(210.88)</b>	
Deferred tax asset		-	
<b>Total adjustments</b>		<b>(210.88)</b>	
<b>Loss after tax as per Ind AS</b>		<b>(594.84)</b>	
<b>Other comprehensive income/(expense)</b>	d,j	<b>(172.13)</b>	
<b>Total comprehensive income for the period As per Ind AS</b>		<b>(422.71)</b>	

**Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017**

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

**Notes to the reconciliation:****a. Fair valuation of investments**

Under previous GAAP, investments in preference shares were carried at cost. Under Ind AS, these investments are required to be measured at fair value. The investment in preference shares of subsidiary are measured at amortised cost and there is no impact of fair value change on total equity. The investment in preference shares of Combine Overseas Limited are measured at fair value through profit and loss, resulting fair value changes of these investments amounting to Rs. 39.00 lacs have been recognised in total equity as at the date of transition (i.e. April 1, 2016). The loss for the year ended March 31, 2017 has decreased and total equity has increased by Rs. 7.03 lacs due to the fair value changes.

**b. Measurement of borrowings as per effective interest rate method**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method. However, under previous GAAP, these transaction costs were capitalising/charging to the statement of profit and loss.

Accordingly, under Ind AS borrowings as at March 31, 2017 have been reduced by Rs. 48.51 lacs (April 1, 2016 Rs. 27.27 lacs) and property, plant and equipment have been reduced by Rs. 30.84 lacs as on March 31, 2017 (April 1, 2016 Rs. 36.64 lacs), net adjustment to retained earnings is Rs. 9.37 lacs. The loss for the year ended March 31, 2017 has been decreased by Rs. 31.85 lacs as a result of reversal of interest expense and by Rs. 5.80 lacs as a result of reversal of depreciation.

**c. Recognition of security deposits at amortised cost**

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on March 31, 2017 has decreased by Rs. 8.08 lacs (April 1, 2016 : Rs. 12.17 lacs) with a creation of deferred rent (included in other non-current and current assets) of Rs. 6.89 lacs (April 1, 2016 : Rs. 10.65 lacs). The total equity decreased by Rs. 1.52 lacs as at April 1, 2016. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The loss for the year ended March 31, 2017 increased and total equity for the year ended March 31, 2017 decreased by Rs. 5.27 lacs due to amortisation of deferred rent and increase in notional interest income of Rs. 5.61 lacs recognised on security deposits (included in other income).

**d. Employee benefits: Remeasurement of post employment benefit plans**

Under Ind AS, remeasurements i.e. actuarial gains and losses on the defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP, these were forming part of the statement of profit and loss for the year. As a result, loss for the year ended March 31, 2017 is decreased by Rs. 149.27 lacs and is reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

**e. Loss allowance for trade receivable**

On transition to Ind AS, the company has recognised impairment loss on trade receivables based on the expected credit loss models required by Ind AS 109. Consequently, trade receivable have been reduced by Rs. 22.87 lacs (April 1, 2016: Rs. 56.25 lacs) with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended March 31, 2017.

**f. Capitalisation of tooling income and lease of**

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified to be as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per requirement of Ind AS 17, Leases. On the date of transition (i.e. April 1, 2016), the carrying value of property, plant and equipment has been reduced by Rs. 562.34 lacs (March 31, 2017: Rs. 437.25 lacs), with corresponding increase in other non-current financial assets (finance lease receivable) by Rs. 482.44 lacs (March 31, 2017: Rs. 345.85 lacs) and other current asset by Rs. 131.11 lacs (March 31, 2017: Rs. 136.60 lacs). Further an amount of Rs. 51.21 lacs (March 31, 2017: Rs. 45.21 lacs) has been transferred from deferred revenue to retained earnings.

**g. Other comprehensive income**

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of statement of profit and loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans and translation difference on foreign operation from the statement of profit and loss to other comprehensive income.

**h. Reversal of deferred tax assets**

Under Previous GAAP, the Company has recorded the amount of deferred tax. However, on transition to Ind AS, the Company has reversed the deferred tax assets amounting to Rs. 548.48 lacs as at 1 April 2016 pursuant to rectification of error in the estimate of recoverability.

**i. Fair valuation of forward contracts**

Under previous GAAP, forward contracts were revalued at each reporting date and the amount being recognised in the statement of profit and loss, but recognition was restricted only to the extent it represents any losses. Under Ind AS, such instruments needs to be fair valued on the balance sheet date /every reporting date and both fair value gains and losses needs to be recognised in statement of profit and loss, unless hedge accounting is followed in which the same needs to be recorded through OCI. As a result, loss for the year ended March 31, 2017 has decreased by Rs. 111.15 lacs.

**j. Translation difference on foreign operation**

Under Ind AS, translation difference on arising on foreign operation are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP, these were forming part of the statement of profit and loss for the year. As a result, loss for the year ended March 31, 2017 is decreased by Rs. 22.82 lacs and is reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

**k. Excise Duty on sales**

Under the previous GAAP, excise duty on sale of goods was reduced from sales to present the revenue from operations. Whereas, under Ind AS, this excise duty is included in the revenue from operations and the corresponding expense is included is part of total expenses. The change does not affect total equity as at April 1, 2016 and March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**l. Cash discounts on sales**

Under the previous GAAP, only trade discount and volume rebates were netted off from the revenue. Whereas, under Ind AS, cash discounts and other sales incentives are also required to be factored in calculation of transaction price. The change does not affect total equity as at April 1, 2016 and March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**m. Revenue grants**

Under the previous GAAP, revenue grants from government were recognised as a deduction from the expenses to which they were intended to compensate. Whereas, under Ind AS, the Company has elected to present such grants within other income. The change does not affect total equity as at April 1, 2016 and March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**n. Exceptional items**

Under the previous GAAP, recovery of an amount of Rs. 775.00 lacs during the year ended March 31, 2017 from a jointly controlled entity pursuant to the settlement reached by the Company is shown as exceptional items. Whereas, under Ind AS, the Company has elected to present such items as normal revenue/ expenses. The change does not affect total equity as at March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

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

As per our report of even date attached

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

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Sumant Bharat Ram**

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singhal**

Executive Vice President  
(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (AOC-1)

## Part "A" : Subsidiaries

(Rupees in lacs)

SN	Name of the Subsidiary Company	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit/(loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
1	DCM Textiles Limited	5.00	1.01	6.18	0.17	-	-	0.13	0.09	0.04	-	100.00%
2	DCM Realty Investment & Consulting Limited	255.01	55.91	311.48	0.56	-	0.68	1.80	0.05	1.75	-	99.99%
3	DCM Tools & Dies Limited	5.00	1.75	6.93	0.18	-	-	0.17	0.10	0.07	-	100.00%
4	DCM Finance & Leasing Limited	5.10	6.39	11.73	0.24	-	-	0.47	0.20	0.27	-	99.99%
5	DCM Data Systems Limited	5.00	0.04	5.20	0.16	-	-	0.08	0.08	-	-	100.00%
6	DCM Nouvelle Limited	5.00	(1.41)	3.68	0.09	-	-	(0.98)	-	(0.98)	-	100.00%
7	DCM Realty and Infrastructure Limited	5.00	(0.77)	4.32	0.09	-	-	(0.30)	-	(0.30)	-	100.00%

Subsidiaries which are yet to commence business.

- 1 DCM Tools & Dies Limited
- 2 DCM Textiles Limited
- 3 DCM Data Systems Limited

## Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

## Part "B" : Joint Ventures

(Rupees in lacs)

1	Name of the Joint Venture	Purearth Infrastructure Limited
2	Latest audited Balance Sheet Date	March 31, 2018
3	Share of Joint venture held by the Company on the year end	
	No.	17,853,605
	Amount invested in Joint venture	2,986.18
	Extent of holding %	16.56%
4	Description of how there is significant influence	Pursuant to shareholder agreement.
5	Reason why the Joint venture is not consolidated	Accounted as per equity method in consolidated accounts.
6	Net worth attributable to shareholding as per latest balance sheet	1,954.60
7	Profit/ (Loss) for the year	
i	Considered in consolidation	(472.00)
ii	Not considered in consolidation	-

For and on behalf of Board of Directors of DCM Limited

**Dr. Vinay Bharat Ram**  
Chairman and Managing Director  
DIN: 00052826

**Bipin Maira**  
Director  
DIN: 05127804

**Sumant Bharat Ram**  
Chief Executive and Financial Officer

**Ashwani Singhal**  
Executive Vice President

**Yadvinder Goel**  
Company Secretary  
(Finance and Accounts)

Place: New Delhi  
Date: May 30, 2018



**INDEPENDENT AUDITOR'S REPORT****To the Members of DCM Limited (Holding Company)****Report on the Audit of Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated Ind AS Financial Statements of DCM Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its jointly controlled entity, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its jointly controlled entity to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 1 (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS Financial Statements.

**Basis for Qualified Opinion**

Attention is invited to note 57(c) of the Consolidated Ind AS Financial Statements, wherein it has been explained that Purearth Infrastructure Limited, ("PIL"), the jointly controlled entity, had received advances during earlier years aggregating Rs. 3,196.19 lacs for certain bookings in Plaza 4 of Central Square project. These advances have been presented as 'advances from customers' under other current liabilities in the financial statements of PIL (share of the Group in these advances are aggregating Rs. 529.29 lacs). The jointly controlled entity has not provided for likely losses, if any, in respect of these bookings. As explained by the Management of the jointly controlled entity, it is not practicable to determine the likely loss on these sale bookings as the Management is yet to draw up the construction plans for Plaza 4 of Central Square project as also the resultant price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived at with the booking holders of the project. Pending determination of such amounts, we are unable to determine the impact, if any, of such non-accrual.

Our report on the consolidated financial statements for the previous year was also qualified in relation to the above matter.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entity, except for possible effects of the matter described in 'Basis for Qualified Opinion' paragraph above, the aforesaid Consolidated Ind AS 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, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31 March 2018, and their consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

#### Other Matters

1. (a) We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of Rs. 362.09 Lacs as at 31 March 2018, total revenues (including other income) of Rs. 8.29 Lacs and net cash flows amounting to Rs. 0.71 Lacs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
  - (b) We did not audit the financial statements of 3 subsidiaries of the jointly controlled entity, as considered in the Consolidated Ind AS Financial Statements, whose financial statements reflect Group's share of total assets of Rs. 113.98 lacs as at 31 March 2018, total revenues of Rs. 3.06 lacs, net profit of Rs. 0.51 lacs and net cash outflows amounting to Rs. 2.01 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries of the jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries of the jointly controlled entity, is based solely on the report of other auditors.
- Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled entity, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
  - a) We have sought and, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
  - b) In our opinion, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' paragraph above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
  - d) In our opinion, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' paragraph above, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards.

- e) The matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and jointly controlled entity.
- f) On the basis of the written representations received from the directors of the Holding Company and the jointly controlled entity as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the jointly controlled entity and the reports of other statutory auditors of subsidiary companies of the Holding Company and subsidiary companies of the jointly controlled entity incorporated in India, none of the directors of the Group's companies, jointly controlled entity and its subsidiaries, is disqualified as on 31 March 2018 from being appointed as a director of that Company in terms of Section 164(2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the 'Basis for Qualified Opinion' paragraph above.
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group, jointly controlled entity and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, jointly controlled entity and its subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, a jointly controlled entity and its subsidiaries. Refer Note 48 to the Consolidated Ind AS Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and a jointly controlled entity after considering Scheme of Restructuring and Arrangement, pursuant to which certain past dues have been rescheduled for repayment - Refer Note 40 and 48 (c) of the Consolidated Ind AS Financial Statements.
  - iv. The disclosures in the Consolidated Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Consolidated Financial Statements for the year ended 31 March 2017 have been disclosed - Refer Note 46 to the Consolidated Ind AS Financial Statements.

For B S R & Co. LLP  
Chartered Accountants

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

**Kaushal Kishore**  
Partner

Place: Gurugram  
Date: May 30, 2018

Membership number: 090075

**Annexure A referred to in Independent Auditor's Report to the Members of DCM Limited on the Consolidated Ind AS Financial Statements for the year ended 31 March 2018**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Ind AS Financial Statements of DCM Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and a jointly controlled entity, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company, a jointly controlled entity and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's, a jointly controlled entity's and its subsidiaries internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, a jointly controlled entity's and its subsidiaries internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion, the Holding Company, a jointly controlled entity and its subsidiaries, which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to eight subsidiary companies and three subsidiary companies of a jointly controlled entity, which are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

**Kaushal Kishore**  
*Partner*

Place: Gurugram  
Date: May 30, 2018

Membership number: 090075

# Consolidated Balance Sheet as at March 31, 2018

Particulars	Note	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	19,625.75	23,100.71	25,665.29
Capital work-in progress	3	205.60	94.72	38.38
Intangible assets	4	58.32	64.93	58.19
Financial assets				
(i) Investments	5	1,420.53	1,884.24	2,339.12
(ii) Loans	6	955.33	951.96	947.95
(iii) Other financial assets	7	242.32	347.14	485.36
Deferred tax assets (net)	36	0.42	0.42	0.42
Non-current tax assets (net)	8	1,015.83	1,213.09	1,002.67
Other non-current assets	9	1,834.67	2,723.99	1,257.53
<b>Total non-current assets</b>		<b>25,358.77</b>	<b>30,381.20</b>	<b>31,794.91</b>
<b>Current assets</b>				
Inventories	10	21,124.94	20,106.00	15,145.44
Financial assets				
(i) Trade receivables	11	11,840.90	10,624.70	12,983.28
(ii) Cash and cash equivalents	12	772.60	1,302.71	1,207.10
(iii) Bank balances other than (ii) above	13	494.71	374.76	1,314.27
(iv) Loans	14	57.39	63.90	51.17
(v) Other financial assets	15	662.48	484.98	295.67
Current tax assets (net)		13.58	19.25	-
Other current assets	16	2,198.40	3,737.97	3,645.79
Assets held for sale	52	212.53	-	-
<b>Total current assets</b>		<b>37,377.53</b>	<b>36,714.27</b>	<b>34,642.72</b>
<b>Total assets</b>		<b>62,736.30</b>	<b>67,095.47</b>	<b>66,437.63</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	1,867.46	1,867.46	1,737.59
Other equity	18	15,794.63	19,771.95	20,785.52
<b>Total equity</b>		<b>17,662.09</b>	<b>21,639.41</b>	<b>22,523.11</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	19	9,349.14	11,204.32	10,154.90
(ii) Other financial liabilities	20	647.33	626.08	636.03
Provisions	21	1,944.14	2,080.89	1,941.98
<b>Total non-current liabilities</b>		<b>11,940.61</b>	<b>13,911.29</b>	<b>12,732.91</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	22	16,948.81	22,298.53	20,153.85
(ii) Trade payables	23	10,505.97	3,925.83	3,446.44
(iii) Other financial liabilities	24	4,203.83	4,258.34	5,940.29
Other current liabilities	25	823.07	420.73	717.97
Provisions	26	469.99	448.65	832.61
Current tax liabilities (net)	27	181.93	192.69	90.45
<b>Total current liabilities</b>		<b>33,133.60</b>	<b>31,544.77</b>	<b>31,181.61</b>
<b>Total equity and liabilities</b>		<b>62,736.30</b>	<b>67,095.47</b>	<b>66,437.63</b>

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Sumant Bharat Ram**

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singhal**

Executive Vice President  
(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

# Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>Income</b>			
Revenue from operations	28	97,058.71	99,023.13
Other income	29	904.34	1,570.50
<b>Total income</b>		<b>97,963.05</b>	<b>100,593.63</b>
<b>Expenses</b>			
Cost of materials consumed	30	54,945.92	50,645.09
Changes in inventories of finished goods and work in progress	31	(321.12)	(555.32)
Excise duty on sales		1,125.99	3,957.74
Employee benefits expense	32	13,216.27	13,659.34
Finance costs	33	2,613.03	3,017.85
Depreciation and amortisation expense	34	3,624.35	3,637.22
Other expenses	35	26,311.10	26,466.78
<b>Total expenses</b>		<b>101,515.54</b>	<b>100,828.70</b>
<b>Loss before tax and share of loss of equity accounted investee</b>		<b>(3,552.49)</b>	<b>(235.07)</b>
<b>Share of loss of equity accounted investee</b>	57	<b>(472.00)</b>	<b>(461.91)</b>
<b>Loss before tax</b>		<b>(4,024.49)</b>	<b>(696.98)</b>
<b>Tax expense</b>			
Current tax expense	36	-	11.75
Tax adjustment relating to prior years	36	(0.41)	2.84
Deferred tax charge/(benefit)	36	-	-
		<b>(0.41)</b>	<b>14.59</b>
<b>Loss for the year</b>		<b>(4,024.08)</b>	<b>(711.57)</b>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement gain/ (losses) of defined benefit obligations		48.41	(149.27)
Income tax relating to remeasurement of defined benefit obligations		-	-
<i>Net other comprehensive income/(expense) not to be reclassified subsequently to profit or loss</i>		<b>48.41</b>	<b>(149.27)</b>
<i>Items that will be reclassified to profit or loss (net of tax)</i>			
Exchange difference in translating financial statements of foreign operations		(1.65)	(22.86)
Income tax relating to items that will be reclassified to profit or loss		-	-
<i>Net other comprehensive income/(expense) to be reclassified subsequently to profit or loss</i>		<b>(1.65)</b>	<b>(22.86)</b>
<b>Total other comprehensive income/(expense), net of tax</b>		<b>46.76</b>	<b>(172.13)</b>
<b>Total comprehensive income for the year</b>		<b>(3,977.32)</b>	<b>(883.70)</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per equity share	39	<b>(21.54)</b>	<b>(3.81)</b>

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

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Place : New Delhi

Date : May 30, 2018

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Director

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**Ashwani Singhal**

Executive Vice President

(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

**DCM**

## Statement of Consolidated changes in equity for the year ended March 31, 2018

### Statement of Consolidated changes in equity for the year ended March 31, 2018

#### A. Equity share capital

(Rupees in lacs)

Particulars	Note	Amount
Balance as at April 1, 2016	17	1,737.59
Changes in equity share capital during 2016-17	17	129.87
Balance as at March 31, 2017		1,867.46
Changes in equity share capital during 2017-18	17	-
Balance as at March 31, 2018		1,867.46

#### B. Other equity

(Rupees in lacs)

Particulars	Share application money pending allotment	Reserve and surplus						Items of OCI	Total
		Securities premium account	Reserve Fund	Capital redemption reserve	Special reserve	Capital reserves	Surplus in Statement of Profit or loss	Exchange difference on translation of foreign operation	
Balance as at April 1, 2016	129.87	7,367.00	0.27	130.10	29.96	264.78	12,863.54	-	20,785.52
Total comprehensive income for the year ended March 31, 2017									
Loss for the year	-	-	-	-	-	-	(711.57)	-	(711.57)
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	(149.27)	(22.86)	(172.13)
Share issued during the year	(129.87)	-	-	-	-	-	-	-	(129.87)
Total comprehensive income for the year	-	-	-	-	-	-	(860.84)	(22.86)	(883.70)
Balance as at March 31, 2017	-	7,367.00	0.27	130.10	29.96	264.78	12,002.70	(22.86)	19,771.95
Balance as at April 1, 2017	-	7,367.00	0.27	130.10	29.96	264.78	12,002.70	(22.86)	19,771.95
Total comprehensive income for the year ended March 31, 2018									
Loss for the year	-	-	-	-	-	-	(4,024.08)	-	(4,024.08)
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	48.41	(1.65)	46.76
Total comprehensive income for the year	-	-	-	-	-	-	(3,975.67)	(1.65)	(3,977.32)
Balance as at March 31, 2018	-	7,367.00	0.27	130.10	29.96	264.78	8,027.03	(24.51)	15,794.63

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's registration no.: 101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

Dr. Vinay Bharat Ram

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DIN: 00052826

Sumant Bharat Ram

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

Bipin Maira

Director

DIN: 05127804

Ashwani Singhal

Executive Vice President  
(Finance and Accounts)

Yadvinder Goyal

Company Secretary



# Consolidated Cash flow statement for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>Cash flow from operating activities</b>		
Profit before taxation	(3,552.49)	(235.07)
Adjustments for :		
Depreciation and amortisation expense	3,624.35	3,637.22
(Profit)/ loss on sale of property, plant and equipment (net)	5.21	(1.10)
Liabilities no longer required written back	(68.56)	(25.64)
Unrealised foreign exchange difference	(19.63)	(97.28)
Interest income	(409.13)	(477.99)
Unwinding of discount on security deposits	(0.38)	(0.34)
Finance cost	2,613.03	3,017.85
Finance income	(24.70)	(31.79)
Allowance/ (reversal) of expected credit loss	18.28	(33.38)
Loss on finance lease cancellation	19.64	-
Remeasurement of revenue to finance income and lease receivable	160.83	162.90
<b>Operating cash flow before working capital changes</b>	<b>2,366.45</b>	<b>5,915.38</b>
<b>Changes in assets and liabilities</b>		
(Increase) in inventories	(1,018.94)	(4,960.56)
(Increase)/decrease in trade receivables	(1,196.89)	2,373.40
(Increase)/decrease in loans	7.71	(12.64)
(Increase) in other financial assets	(223.61)	(257.47)
(Increase)/decrease in other assets	1,584.01	(95.67)
Increase in trade payable	6,609.23	493.22
(decrease) in provisions	(67.00)	(394.32)
Increase in financial liabilities	141.32	33.95
Increase/(decrease) in other liabilities	407.30	(292.73)
<b>Cash generated from operations</b>	<b>8,609.58</b>	<b>2,802.56</b>
Income-taxes (paid)/ refund	192.58	(142.01)
<b>Net cash generated from operating activities (A)</b>	<b>8,802.16</b>	<b>2,660.55</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(570.54)	(2,508.67)
Refund of advance given for property, plant and equipment	867.07	-
Purchase of intangible assets	(19.43)	(43.32)
Net proceeds of property, plant and equipment	31.18	51.39
Interest received	395.44	544.86
Deposits (made)/ matured not considered as cash and cash equivalents	(119.44)	945.69
<b>Net cash generated from/ (used) in investing activities (B)</b>	<b>584.28</b>	<b>(1,010.05)</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings	(2,575.17)	(4,593.24)
Net Proceeds from borrowings	761.01	3,642.59
Changes in working capital borrowings	(5,476.76)	2,265.87
Interest paid	(2,625.61)	(2,848.89)
<b>Net cash (used) in financing activities (C)</b>	<b>(9,916.53)</b>	<b>(1,533.67)</b>
<b>Net cash flows [increase/(decrease)] during the year (A+B+C)</b>	<b>(530.09)</b>	<b>116.83</b>
Impact of exchange rate change on cash and cash equivalent	(0.07)	(16.41)
Cash and cash equivalents at the beginning of the year	1,402.62	1,302.20
Cash and cash equivalents at the end of the year	872.46	1,402.62
<b>Components of cash and cash equivalents</b>		
Cash on hand	12.81	10.02
Balances with scheduled banks:		
- Current accounts *	388.22	1,046.00
- Deposit accounts	471.43	346.60
<b>Cash and cash equivalents at the end of the year</b>	<b>872.46</b>	<b>1,402.62</b>

\* Refer note 12 and 13

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

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Sumant Bharat Ram**

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singhal**

Executive Vice President  
(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

**DCM**



## 1. Corporate information and basis of preparation and presentation

### 1.1. Corporate information

DCM Limited (the 'Company') is a public limited company incorporated in India in the name and style of Delhi Cloth & General Mills Co. Limited with a registered office at Vikrant Tower, 4, Rajendra Place, New Delhi, India (CIN number L74899DL1889PLC000004). The Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in joint ventures. The Group is primarily engaged in the business of Textiles, Grey iron casting, IT Infrastructure Service and Real Estate.

### 1.2. Basis of preparation and presentation

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

The Group's consolidated financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 56.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

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

#### a. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Other financial assets and liabilities	Amortized cost

#### c. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 2 (c) – consolidation: whether the group has de facto control over an investee
- Note 2 (g) – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.
- Note 2 (m) – leases: whether an arrangement contains a lease
- Note 2 (m) – lease classification

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

- Note 2 (j) – measurement of defined benefit obligations: key actuarial assumptions
- Note 2 (d) – measurement of useful lives and residual values to property, plant and equipment
- Note 2 (d) – measurement of useful lives of intangible assets
- Note 2 (b) – fair value measurement of financial instruments
- Note 2 (k) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources
- Note 2 (n) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purposes of the transition to Ind AS.

### a. Current and non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

- It is held primarily for the purpose of being traded;
  - It is expected to be realised within 12 months after the reporting date; or
  - It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **Operating cycle**

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

#### **b. Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes the corporate finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the board of directors.

The corporate finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### **c. Basis of Consolidation**

##### *Subsidiaries*

The consolidated financial statements incorporate the financial statements of the Holding Company and entities (including structured entities) controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## Notes forming part of the consolidated financial statements continued

### *Equity Accounted investees*

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees until the date on which joint control ceases.

### *Transactions eliminated on consolidation*

Intragroup balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The details of the companies included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the subsidiary company	Nature of relation	Ownership in % either directly or through subsidiary*			Country of incorporation
			2017-18	2016-17	2015-16	
1.	DCM Finance & Leasing Limited	Subsidiary	100%	100%	100%	India
2.	DCM Textiles Limited	Subsidiary	100%	100%	100%	India
3.	DCM Realty and Infrastructure Limited	Subsidiary	100%	100%	-	India
4.	DCM Tools & Dies Limited	Subsidiary	100%	100%	100%	India
5.	DCM Realty Investment & Consulting Limited	Subsidiary	100%	100%	100%	India
6.	DCM Data Systems Limited	Subsidiary	100%	100%	100%	India
7.	DCM Nouvelle Limited	Subsidiary	100%	100%	-	India
8.	DCM Engineering Products Educational Society	Society	100%	100%	100%	India
9.	Purearth Infrastructure Limited	Joint venture	16.56%	16.56%	16.56%	India

\* Includes shares held by nominee shareholders

## **d. Property, Plant and equipment**

### *Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment is recognised in the statement profit or loss.

All spare parts which are expected to be used for more than one accounting period are capitalised as property, plant and equipment.

Capital work-in-progress is stated at cost, net of impairment loss, if any. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, the initial estimate of dismantling and removing the items and restoring the site on which they are located.

### *Transition to Ind AS*

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### *Subsequent expenditure*

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives.

- The Group follows straight-line method of depreciation in respect of buildings, plant and machinery, all assets of IT Division, all assets of Engineering Division and written down value method in respect of other assets.
- The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
- On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.

- (iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
  - (v) Leasehold improvements are amortised over the balance of the primary lease period or the useful lives of assets, whichever is shorter.
  - (vi) Freehold land is not depreciated
- Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively.
- Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**e. Intangible assets**

*Recognition and measurement*

Intangible assets comprise computer software. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

*Transition to Ind AS*

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2016 measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

*Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in statement of profit and loss as incurred.

*Amortisation*

The management's estimates of the useful lives of the Software are 3-5 years.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**f. Inventories**

- (i) Stores, spares and components are valued at cost or under.
- (ii) Raw materials, process stocks, finished goods and stock in trade are valued at lower of cost and net realisable value.
- (iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.

Cost of inventories, other than land (for development), is ascertained on the weighted average basis in textiles division and moving weighted average basis in engineering division. Further, in respect of the manufactured inventories, i.e., process stocks and finished goods, appropriate share of manufacturing expenses are included on absorption costing basis. Work in process relating to software contracts includes salary and other directly identifiable expenses incurred on fixed price contracts, till the completion of specified deliverables, and are valued at cost or net realisable value, whichever is lower.

**g. Financial instruments**

*Recognition and initial measurement*

**(i) Financial assets**

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). The election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Impairment**

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or

loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

**(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

*Derecognition*

**(i) Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**(ii) Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**h. Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**i. Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**j. Employee benefits**

*Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, casual leave allowance and bonus, etc. that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

*Defined contribution plans*

Provident Fund: A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Group makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit or loss during the period in which the

employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

The Group makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group has following defined benefit plans:

**Gratuity:** The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

**Other long-term employee benefits**

Benefits under the Group's compensated absences are other long term employee benefits. The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

**k. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

**l. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates. Revenue is recognised only when recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the customer and no significant uncertainty exists regarding its collection. Sales are inclusive of excise duty and exclusive of sales tax/ Goods and services tax.

Revenue from software development contracts is recognised on the basis of milestone achieved, as provided in the contract.

Revenue on maintenance contracts is recognised on pro-rata basis linked with the period of contract.

Services income is recognised on accrual basis, as provided in the contracts.

In respect of Land Development Project, sale of rights on outright basis is recognised in the year in which risk and rewards are transferred.

**Other income**

Dividend income is recognised in statement of profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**m. Leases**

**i. Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.



**ii. Assets held under leases**

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

**iii. Lease payments**

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**iv. Assets given on lease**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of leased asset and recognised on a straight-line basis over the lease term.

**n. Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ("MAT") expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured

reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

**o. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

In addition to the significant accounting policies applicable to the segments as set out in note 2 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

**i) Segment assets and liabilities:**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work in progress, inventories, trade receivables, other financial and non-financial assets and loans. Segment assets do not include unallocated corporate assets, investments, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

**ii) Segment revenue and expenses:**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expenses in respect of non-segmental activities.

**iii) Inter segment sales:**

Inter-segment sales are accounted for at cost and are eliminated in consolidation.

**p. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**q. Earnings per share**

Basic earnings per equity share is computed by dividing:

- the net profit attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**r. Borrowing cost:**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**s. Finance expense**

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**t. Government grant:**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**u. Research and development expenses**

Expenditure on research is expensed off under the respective heads of account in the period in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and right to use the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit or loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Property, plant and equipment used for research and development are depreciated in accordance with the Group's policy as stated above.

Materials identified for use in research and development process are carried as inventories and charged to the statement of profit or loss on consumption of such materials for research and development activities.

**v. Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

**w. Foreign operations**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 1, 2016, in respect of all foreign operations to be nil at the date of transition. From April 1, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

**x. Recent accounting pronouncements**

**Standards issued but not yet effective**

**Ind AS 115 'Revenue from Contracts with Customers'**

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application

(Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Appendix B to Ind AS 21, foreign currency transactions and advance consideration:**

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

## 3. Property, plant and equipment and capital work-in-progress:

(Rupees in lacs)

Particulars	Freehold land	Buildings	Lease improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying value</b>									
<b>Balance as at April 1, 2016</b>	2,118.03	4,556.98	7.69	18,570.55	52.40	72.35	287.29	25,665.29	38.38
Add: Additions made during the year	-	5.95	10.76	869.02	5.46	17.48	177.68	1,086.35	310.91
Less: Disposals / adjustments during the year	-	-	-	6.05	-	0.25	56.87	63.17	254.57
<b>Balance as at March 31, 2017</b>	2,118.03	4,562.93	18.45	19,433.52	57.86	89.58	408.10	26,688.47	94.72
Add: Additions made during the year	-	-	-	300.54	1.89	30.49	39.35	372.27	331.10
Less: Assets classified as held for sale	200.05	15.48	-	-	-	-	-	215.53	-
Less: Disposals / adjustments during the year	-	0.02	-	45.03	0.15	5.65	31.49	82.34	220.22
<b>Balance as at March 31, 2018</b>	<b>1,917.98</b>	<b>4,547.43</b>	<b>18.45</b>	<b>19,689.03</b>	<b>59.60</b>	<b>114.42</b>	<b>415.96</b>	<b>26,762.87</b>	<b>205.60</b>
<b>Accumulated depreciation/ amortisation</b>									
<b>Balance as at April 1, 2016</b>	-	-	-	-	-	-	-	-	-
Add: Depreciation/ amortisation expense for the year	-	162.01	5.06	3,325.74	11.47	26.61	69.75	3,600.64	-
Less: On disposals / adjustments during the year	-	-	-	0.52	-	-	12.36	12.88	-
<b>Balance as at March 31, 2017</b>	-	162.01	5.06	3,325.22	11.47	26.61	57.39	3,587.76	-
Add: Depreciation/ amortisation expense for the year	-	162.06	4.98	3,307.60	9.37	23.54	90.76	3,598.31	-
Less: Assets classified as held for sale	-	2.99	-	-	-	-	-	2.99	-
Less: On disposals / adjustments during the year	-	0.03	-	35.82	0.13	5.35	4.63	45.96	-
<b>Balance as at March 31, 2018</b>	-	<b>321.05</b>	<b>10.04</b>	<b>6,597.00</b>	<b>20.71</b>	<b>44.80</b>	<b>143.52</b>	<b>7,137.12</b>	-
<b>Net carrying value</b>									
<b>As at March 31, 2018</b>	<b>1,917.98</b>	<b>4,226.38</b>	<b>8.41</b>	<b>13,092.03</b>	<b>38.89</b>	<b>69.62</b>	<b>272.44</b>	<b>19,625.75</b>	<b>205.60</b>
As at March 31, 2017	2,118.03	4,400.92	13.39	16,108.30	46.39	62.97	350.71	23,100.71	94.72
As at April 1, 2016	2,118.03	4,556.98	7.69	18,570.55	52.40	72.35	287.29	25,665.29	38.38

- (i) The Group has elected Ind AS 101 exemption and has accordingly decided to continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition (refer note 56)
- (ii) Borrowing cost capitalized during the year Rs. Nil (March 31, 2017: Rs. Nil).
- (iii) For details of assets pledged/ hypothecated as securities, refer note 19 and 22.
- (iv) Refer note 48 for disclosure of capital commitments for the acquisition of property, plant and equipment.
- (v) Refer note 52 for assets classified as held for sale.

## 4. Intangible assets

(Rupees in lacs)

A. Particulars	Software	Total
<b>Gross carrying value</b>		
<b>Balance as at April 1, 2016</b>	58.19	58.19
Add: Additions during the year	43.32	43.32
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2017</b>	101.51	101.51
Add: Additions during the year	19.43	19.43
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>120.94</b>	<b>120.94</b>
<b>Accumulated amortisation</b>		
<b>Balance as at April 1, 2016</b>	-	-
Add: Amortisation expense for the year	36.58	36.58
Less: On disposals/adjustments during the year	-	-
<b>Balance as at March 31, 2017</b>	36.58	36.58
Add: Amortisation expense for the year	26.04	26.04
Less: On disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>62.62</b>	<b>62.62</b>
<b>Net book value</b>		
<b>As at March 31, 2018</b>	<b>58.32</b>	<b>58.32</b>
As at March 31, 2017	64.93	64.93
As at April 1, 2016	58.19	58.19

- a) The Group has elected Ind AS 101 exemption and has accordingly decided to continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition, refer note 56.

Notes forming part of the consolidated financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>5. Investments - non - current</b>			
<b>(a) In equity instruments</b>			
Equity instruments in joint venture (unquoted)			
Equity accounted investee			
Purearth Infrastructure Limited #			
17,853,605 (March 31, 2017: 17,853,605, April 1, 2016: 17,853,605) equity shares of face value of Rs. 10 each, fully paid up	1,344.21	1,816.21	2,278.12
<b>Sub total</b>	<b>1,344.21</b>	<b>1,816.21</b>	<b>2,278.12</b>
<b>(b) In preference shares (unquoted)</b>			
Preference shares at FVTPL			
Combine Overseas Limited			
100,000 (March 31, 2017: 100,000, April 1, 2016: 100,000) 0% Non cumulative redeemable preference shares of Rs. 100 each fully paid up (Refer note 45)	76.32	68.03	61.00
<b>Sub total</b>	<b>76.32</b>	<b>68.03</b>	<b>61.00</b>
<b>Investment - non - current - Total</b>	<b>1,420.53</b>	<b>1,884.24</b>	<b>2,339.12</b>
<b>Aggregate cost of unquoted investments in preference shares</b>	<b>76.32</b>	<b>68.03</b>	<b>61.00</b>
<b>Aggregate cost of unquoted investments in equity shares</b>	<b>1,344.21</b>	<b>1,816.21</b>	<b>2,278.12</b>
# In terms of SORA, the Company will not dispose off its shareholding in Purearth Infrastructure Limited until the completion of the land development project at Bara Hindu Rao/ Kishan Ganj, Delhi.			
	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>6. Loans (Non-current)</b>			
(Unsecured, considered good)			
Security deposits	947.09	945.44	937.51
Loans to employees	8.24	6.52	10.44
<b>Total</b>	<b>955.33</b>	<b>951.96</b>	<b>947.95</b>
The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 54.			
	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>7. Other non-current financial assets</b>			
(Unsecured, considered good)			
Deposits with maturity for more than twelve months including interest (Refer note below)	0.73	1.29	2.91
Finance lease receivable	241.59	345.85	482.45
<b>Total</b>	<b>242.32</b>	<b>347.14</b>	<b>485.36</b>
<b>Note:</b>			
(i) Bank deposits include Rs. 0.73 lacs (March 31, 2017: Rs. 1.29 lacs, April 1, 2016: Rs. 1.87 lacs) held as margin money			
(ii) Includes interest accrued Rs. 0.01 lacs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 0.25 lacs)			
The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 54.			

Notes forming part of the consolidated financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>8. Non-current tax assets (net)</b>			
Advance income tax [net of provision Rs. 2,169.11 lacs (March 31, 2017: Rs. 2,169.32 lacs, April 1, 2016: Rs. 4,360.49 lacs)]	1,015.83	1,213.09	1,002.67
<b>Total</b>	<b>1,015.83</b>	<b>1,213.09</b>	<b>1,002.67</b>
	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>9. Other non-current assets</b>			
<i>(Unsecured, considered good)</i>			
Capital advances			
To related party (Refer note 50)	587.37	1,454.44	-
Others (Refer note 44)	915.00	921.93	920.25
Deferred rent	0.70	2.16	5.68
Balances with government authorities	120.15	133.95	48.25
Other advances	211.45	211.51	283.35
<i>Considered doubtful</i>			
Other advances*	700.82	785.07	785.07
	2,535.49	3,509.06	2,042.60
Less: Loss allowance for doubtful advances	700.82	785.07	785.07
<b>Total</b>	<b>1,834.67</b>	<b>2,723.99</b>	<b>1,257.53</b>
*Include Rs. 100.00 lacs (March 31, 2017: Rs. 100.00 lacs, April 1, 2016: Rs. 100.00 lacs) as inter corporate deposits.			

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>10. Inventories</b>			
<i>(Valued at lower of cost and net realisable value)</i>			
Raw materials	14,040.71	13,527.42	9,309.42
Work-in-progress	2,120.08	2,802.42	2,617.22
Finished goods*	3,269.59	2,266.12	1,896.00
Stores and spares	1,694.56	1,510.04	1,322.80
<b>Total</b>	<b>21,124.94</b>	<b>20,106.00</b>	<b>15,145.44</b>

\* Includes finished goods in transit Rs. 1,902.09 lacs (March 31, 2017: Rs. 1,215.42 lacs, April 1, 2016: Rs. 934.52 lacs)



Notes forming part of the consolidated financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>11. Trade receivables</b>			
<i>(Secured)</i>			
Considered good	2.50	2.50	1.77
<i>(Unsecured)</i>			
Considered good*	11,838.40	10,622.20	12,981.51
Considered doubtful	74.27	57.57	111.71
	11,912.67	10,679.77	13,093.22
Less : Allowance for doubtful receivables	74.27	57.57	111.71
	11,838.40	10,622.20	12,981.51
<b>Total</b>	<b>11,840.90</b>	<b>10,624.70</b>	<b>12,983.28</b>

\* Includes amount receivable from related parties Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 1850.00 lacs)

For terms and conditions of trade receivables owing from related parties, refer note 50.

The Group's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 54.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>12. Cash and cash equivalents</b>			
Balances with banks			
- In current accounts	288.36	946.09	701.04
Deposits with original maturity of three months or less ^	471.43	346.60	494.13
Cash on hand	12.81	10.02	11.93
<b>Total</b>	<b>772.60</b>	<b>1,302.71</b>	<b>1,207.10</b>

Information about Group's exposure to credit risks is disclosed in Note 54.

^Includes held as margin money Rs. 0.49 lacs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 5.24 lacs)

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>13. Bank balances other than cash and cash equivalents</b>			
In current accounts *	99.86	99.91	95.10
In deposit accounts **	394.85	276.14	1,222.08
	494.71	376.05	1,317.18
Less: Deposits due for realization after twelve months of the reporting date	-	1.29	2.91
<b>Total</b>	<b>494.71</b>	<b>374.76</b>	<b>1,314.27</b>

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 54.

<b>* Current account includes:</b>			
Unpaid dividend account	93.35	88.39	83.88
Deposited with debenture trustee	4.29	7.36	6.97
Earmarked for other specific uses	2.22	4.16	4.25
<b>** Deposit account includes</b>			
Deposited with debenture trustee	-	-	5.00
Earmarked for other specific uses	4.33	8.00	94.51
Against margin money	108.86	55.52	71.33

Notes forming part of the consolidated financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>14. Loans-Current</b>			
<i>(Unsecured, considered good)</i>			
Loans to employees	57.39	63.90	51.17
<b>Total</b>	<b>57.39</b>	<b>63.90</b>	<b>51.17</b>

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 54.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>15. Other current financial assets</b>			
<i>(Unsecured, considered good)</i>			
Interest accrued on fixed deposits	10.12	4.72	25.34
Unbilled revenue	516.57	343.66	120.24
Insurance claim receivables	50.70	-	18.98
Finance lease receivable	85.09	136.60	131.11
<b>Total</b>	<b>662.48</b>	<b>484.98</b>	<b>295.67</b>

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 54.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>16. Other current assets</b>			
<i>(Unsecured, considered good)</i>			
Advances to suppliers	186.83	920.86	233.20
Prepaid expenses	188.81	153.57	126.12
Balance with statutory/government authorities	1,443.58	2,273.89	2,013.50
Advance given to related parties for purchase of rights in flats	-	-	587.37
Others receivables *	357.61	320.14	406.32
Technology upgradation fund (TUF) subsidy receivable	19.56	64.78	274.31
Deferred rent	2.01	4.73	4.97
<b>Total</b>	<b>2,198.40</b>	<b>3,737.97</b>	<b>3,645.79</b>

\* includes Rs. 23.42 lacs (March 31, 2017: Rs. 7.12 lacs, April 1, 2016: Rs. 89.37 lacs) due from related parties.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>17. Equity share capital</b>			
<b>a) Authorised</b>			
83,999,000 (March 31, 2017: 83,999,000, April 1, 2016: 83,999,000) equity shares of Rs. 10 each	8,399.90	8,399.90	8,399.90
100 (March 31, 2017: 100, April 1, 2016: 100) 13.5% redeemable cumulative preference shares of Rs. 100 each	0.10	0.10	0.10
320,000 (March 31, 2017: 320,000, April 1, 2016: 320,000) 9.5%- 6th cumulative redeemable cumulative preference shares of Rs. 25 each	80.00	80.00	80.00
3,680,000 (March 31, 2017: 3,680,000, April 1, 2016: 3,680,000) preference shares of Rs. 25 each	920.00	920.00	920.00
1,000,000 (March 31, 2017: 1,000,000, April 1, 2016: 1,000,000) cumulative preference shares of Rs. 100 each	1,000.00	1,000.00	1,000.00
	<b>10,400.00</b>	<b>10,400.00</b>	<b>10,400.00</b>
<b>b) Issued, subscribed and fully paid-up</b>			
18,677,749 (March 31, 2017: 18,677,749, April 1, 2016: 17,379,037) equity shares of Rs. 10 each fully paid-up	1,867.77	1,867.77	1,737.90
Less: Calls in arrears by others	(0.31)	(0.31)	(0.31)
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,867.46</b>	<b>1,867.46</b>	<b>1,737.59</b>

As at April 1, 2016 the authorised equity share capital has been increased to 83,999,000 equity shares of Rs. 10 each and 13.50% Redeemable cumulative preference share capital to 100 preference shares of Rs. 100 each pursuant to the amalgamation of its subsidiary, DCM Engineering Limited vide the Order dated May 16, 2016 of the Hon'ble High Court of Delhi.

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	Amount Rs./Lacs	Number of shares	Amount Rs./Lacs	Number of shares	Amount Rs./Lacs
<b>Equity shares</b>						
At the commencement of the year	18,677,749	1,867.77	17,379,037	1,737.90	17,379,037	1,737.90
Add: shares issued during the year	-	-	1,298,712	129.87	-	-
<b>At the end of the year</b>	<b>18,677,749</b>	<b>1,867.77</b>	<b>18,677,749</b>	<b>1,867.77</b>	<b>17,379,037</b>	<b>1,737.90</b>

**d) Terms, rights, preferences and restrictions attached to equity shares:**

The Holding Company has issued one class of equity shares having at par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Holding Company. In the event of liquidation of the Holding Company, holder of equity shares will be entitled to receive remaining assets of the Holding Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Crescita Enterprises Private Limited	9,030,495	48.35%	9,030,495	48.35%	-	-
Life Insurance Corporation of India	1,148,512	6.15%	1,495,730	8.01%	1,495,730	8.01%
Aggresar Leasing and Finance Private Limited	-	-	-	-	3,716,578	21.39%
Betterways Finance & Leasing Private Limited	-	-	-	-	1,623,135	9.34%

**(f) Details of shares issued for consideration other than cash :**

Issued, subscribed and fully paid up shares includes 1,298,712 equity shares issued during the financial year ended 2016-17 pursuant to the scheme of amalgamation of DCM Engineering Limited with the Company to the shareholders of DCM Engineering Limited without any consideration being received in cash.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs
<b>18. Other equity</b>		
<b>Share application money pending allotment</b>		
Balance as at the beginning of the year	-	129.87
Add: Addition during the year	-	-
Less: Allotment during the year	-	129.87
<b>Balance as the at end of the year</b>	-	-
<b>Securities premium account</b>		
Balance as at the beginning and end of the year	7,367.00	7,367.00
<b>Reserve fund</b>		
Balance as at the beginning and end of the year	0.27	0.27
<b>Capital reserve</b>		
Balance as at the beginning and end of the year	264.78	264.78
<b>Special reserve</b>		
Balance as at the beginning and end of the year	29.96	29.96
<b>Capital redemption reserve</b>		
Balance as at the beginning and end of the year	130.10	130.10
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	11,979.84	12,863.54
Add: Loss for the year	(4,024.08)	(711.57)
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	48.41	(149.27)
Exchange difference in translating financial statements of foreign operations, net of tax	(1.65)	(22.86)
<b>Balance as at the end of the year</b>	<b>8,002.52</b>	11,979.84
<b>Total</b>	<b>15,794.63</b>	19,771.95

## Nature and purpose of reserve:

- a) **Capital redemption reserve**  
Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 1956.
- b) **Securities Premium reserve**  
Securities premium account is used to record the premium on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.
- c) **Capital reserve**  
Capital reserve pertains to government grants received in earlier years for Plant and equipment for the Textile Division of the Group. The assets against the said grant have been fully depreciated.
- d) **Reserve Fund**  
Created as per requirements of Income Tax Act, 1961
- e) **Special reserve**  
Created as per requirements of Reserve Bank of India Act, 1934

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>19. Non-current borrowings</b>			
<b>Secured</b>			
<b>Term loans</b>			
From banks	9,970.95	11,763.40	12,698.71
From others	6.13	15.67	35.00
	<b>9,977.08</b>	<b>11,779.07</b>	<b>12,733.71</b>
<b>Unsecured</b>			
<b>Term loans</b>			
From others	1,987.58	1,982.75	2,000.00
	<b>1,987.58</b>	<b>1,982.75</b>	<b>2,000.00</b>
<b>Total non-current borrowings</b>	<b>11,964.66</b>	<b>13,761.82</b>	<b>14,733.71</b>
Less: Current maturities on non-current borrowings	2,615.52	2,557.50	4,578.81
<b>Total non-current borrowings</b>	<b>9,349.14</b>	<b>11,204.32</b>	<b>10,154.90</b>

Change in liability arising from financing activities

(Rupees in lacs)

Particulars	April 1, 2017	Cash flows	Non-cash changes			March 31, 2018
			Acquisition	Foreign exchange movement	Fair value changes	
Non-current borrowing	13,761.82	(1,814.16)	-	-	17.00	11,964.66

**Repayment terms and security disclosure for the outstanding borrowings as at March 31, 2018:****Secured :-****From banks:**

- (a) Term loans aggregating Rs. 7,291.75 lacs (March 31, 2017: Rs. 8,401.00 lacs, April 1, 2016: Rs. 9,810.23 lacs) are secured by first charge alongwith the charge created for availing cash credit, overdraft and working capital demand loan facilities described in note 22, on existing as well as future block of movable assets and an equitable mortgage by deposit of title deeds of land admeasuring 129.47 acres and all the immovable assets, both present and future, pertaining to the Textile Division at Hisar. The term loan carries a floating interest rate ranging between 8.35%-10.65% per annum. Rs. 173.75 lacs repayable in 3 quarterly installments, Rs. 138.00 lacs repayable in 4 quarterly installments, Rs. 6,655.00 lacs repayable in 20 quarterly installments and Rs. 325.00 lacs repayable in 32 quarterly installments.
- (b) Rs. 847.00 lacs (March 31, 2017: Rs. 1,706.90 lacs, April 1, 2016: Rs. 2,829.20 lacs) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The term loan carries a floating interest rate ranging between 11.85%- 12.65% per annum. Rs. 847.00 lacs is repayable in 22 monthly installments.
- (c) Rs. 1,300.00 lacs (March 31, 2017: Rs. 1,500.00 lacs, April 1, 2016: Rs. Nil) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The term loan carries a floating interest rate 11.75% per annum and is repayable in 8 quarterly installments.
- (d) Rs. 402.66 lacs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) secured by way of first pari passu charge on the fixed assets (including immovable assets) of the Company's Engineering Division and second pari passu charge on the entire stock of raw material, work-in-progress, semi-finished and finished goods, consumable stores & spares and such other movables including book debts, bills, whether documentary or clean, both present & future. The term loan carries a floating interest rate @ 11.80% per annum and is repayable in 41 monthly instalments.
- (e) Rs. 148.64 lacs (March 31, 2017: Rs. 186.76 lacs, April 1, 2016: Rs. 86.55 lacs) relate to assets purchased under hire purchase/financing arrangements with banks and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. The loans carry an interest rate ranging between 9.50%-13.50% per annum.

## Notes forming part of the consolidated financial statements continued

### From others:

#### Secured :

- (a) Rs. 6.13 lacs (March 31, 2017: Rs. 15.67 lacs, April 1, 2016: Rs. 35.00 lacs) relate to assets purchased under hire purchase/financing arrangements and are secured by way of hypothecation of the specified assets. Repayable in equal monthly installments. The loans carry an interest rate ranging between 9.50%-13.50% per annum.

#### Unsecured :

- (a) Rs. Nil (March 31, 2017: Rs. Nil , April 1, 2016: Rs. 2,000.00 lacs) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPL) and 100% equity shares of Juhi Developers Private Limited (enterprises over which Key Managerial Personnel have significant influence). The term loan carries a floating interest rate ranging between 13.20%-13.50% per annum.
- (b) Rs. 2,000.00 lacs (March 31, 2017: Rs. 2,000.00 lacs, April 1, 2016: Rs. Nil) secured by way of extensions of pledge of 100% equity shares of Teak Farms Private Limited (TFPL) and 100% equity shares of Juhi Developers Private Limited and pledge of 14.30 lacs equity shares of DCM Limited held by Crescita Enterprises Private Limited (enterprises over which Key Managerial Personnel have significant influence). The Loan is further secured by personal guarantee of Mr. Sumant Bharat Ram (Chief executive and financial officer). The term loan carries a floating interest rate of 12.50% per annum and is repayable in 8 equal quarterly installments of Rs. 250.00 lacs each, commencing from June 2019.

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

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>20. Other non-current financial liabilities</b>			
Security deposits	7.45	8.55	8.91
Other deposits	112.44	90.09	71.54
Others	527.44	527.44	555.58
<b>Total</b>	<b>647.33</b>	<b>626.08</b>	<b>636.03</b>

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>21. Non-current provisions</b>			
<b>Provision for employee benefits (Refer note 49)</b>			
- Gratuity	1,532.56	1,648.96	1,550.31
- Compensated absences	411.58	431.93	391.67
<b>Total</b>	<b>1,944.14</b>	<b>2,080.89</b>	<b>1,941.98</b>

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>22. Current borrowings</b>			
Secured			
Loans repayable on demand from banks	16,948.81	22,298.53	20,153.85
<b>Total</b>	<b>16,948.81</b>	<b>22,298.53</b>	<b>20,153.85</b>

Change in liability arising from financing activities

(Rupees in lacs)

Particulars	April 1, 2017	Cash flows	Non-cash changes			March 31, 2018
			Acquisition	Foreign exchange movement	Fair value changes	
Current borrowing	22,298.53	(5,476.76)	-	127.04	-	16,948.81

**DCM**

## Notes forming part of the consolidated financial statements continued

### Security against loans repayable on demand

- i) Cash credit/overdraft and working capital demand loan facilities aggregating to Rs. 12,876.00 lacs (March 31, 2017: Rs. 16,257.76 lacs, April 1, 2016: Rs. 12,495.13 lacs) relating to Textile Division at Hisar are secured by way of:
  - a) hypothecation of stocks / stores and book debts, both present and future.
  - b) further secured by equitable mortgage of land admeasuring 129.47 acres and all immovable assets, both present and future, and first charge, ranking pari-passu with the charge created for availing term loans as described in note 19, by way of hypothecation of existing as well as future block of movable assets pertaining to the Division.
- ii) Cash credit facilities aggregating to Rs. 12.86 lacs (March 31, 2017: Rs. 199.60 lacs, April 1, 2016: Rs. 183.58 lacs) relating to IT Division from a bank are secured by way of:
  - a) first charge/hypothecation of inventories, book debts and other assets of the Division (both present and future), and by way of first charge on office property at Hyderabad.
- iii) Cash credit and working capital demand loans facilities aggregating to Rs. 3,191.82 lacs (March 31, 2017: Rs. 4,944.27 lacs, April 1, 2016: Rs. 6,483.93 lacs) relating to the Company's Engineering division from banks are secured by way of:
  - a) hypothecation of entire stocks of raw material, work in process, semi-finished goods and finished goods, consumable stores and spares and such other movables including book debts, bills, whether documentary or clean, both present and future
  - b) charge on all fixed assets, both present and future, including mortgage of factory's land and building located at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, measuring 71 Acre- 07K-18M together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto.
- iv) Overdraft facility of Rs. 898.13 lacs (March 31, 2017: Rs. 896.90 lacs, April 1, 2016: Rs. 991.21 lacs) relating to the Company's Engineering division from a bank are secured by way of:
  - a) land and building located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres and land and building located in Rail Mazra Village, Tehsil Balachaur, District Shaheed Bhagat Singh Nagar, Punjab measuring 4.02 acres.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>23. Financial liabilities- Trade payables</b>			
Trade payables *	10,505.97	3,925.83	3,446.44
<b>Total</b>	<u>10,505.97</u>	<u>3,925.83</u>	<u>3,446.44</u>

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 54.

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information presently available with the management, the disclosures required under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are given below:

#### Particulars

(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Principal and Interest	1,087.78	503.08	297.10
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-	-



Notes forming part of the consolidated financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>24. Other current financial liabilities</b>			
Current maturities of non-current borrowings#			
Secured			
From banks	2,612.02	2,547.96	2,558.48
From others	3.50	9.54	20.33
Unsecured			
From others	-	-	2,000.00
	2,615.52	2,557.50	4,578.81
Unclaimed dividends	93.35	88.39	83.88
Unclaimed matured deposits and interest accrued thereon **	1.05	3.53	45.13
Unclaimed matured debentures and interest accrued thereon **	9.79	15.99	30.05
Security deposits received	6.81	5.81	6.89
Interest accrued but not due on borrowings	87.75	119.84	30.18
Employee related payable	1,382.29	1,254.54	1,153.90
Liability for capital goods	7.27	101.59	11.45
Derivatives:			
Foreign-exchange forward contracts	-	111.15	-
<b>Total</b>	<b>4,203.83</b>	<b>4,258.34</b>	<b>5,940.29</b>

\*\* No amount is due for transfer under Investor Education and Protection Fund in view of SORA, pursuant to which certain past dues have been rescheduled for payment.

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>25. Other current liabilities</b>			
Advance from customers	152.40	174.11	473.05
Statutory dues payables	527.09	186.92	182.32
Other payables	143.58	59.70	62.60
<b>Total</b>	<b>823.07</b>	<b>420.73</b>	<b>717.97</b>

Notes forming part of the consolidated financial statements continued

	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>26. Current provisions</b>			
<b>Provision for employee benefits (Refer note 49)</b>			
- Gratuity	327.26	277.96	254.02
- Compensated absences	48.93	47.39	46.22
<b>Others:</b>			
Provision for sales return	93.80	123.30	49.54
Provision for sales price difference	-	-	482.83
<b>Total</b>	<b>469.99</b>	<b>448.65</b>	<b>832.61</b>
<b>Information about individual provisions and significant estimates</b>			
Provision for sales return			
<b>Movement in provisions during the year</b>			
<b>Provision for sales return</b>			
Opening balance	123.30	49.54	
Add: Provision recognised during the year	-	73.76	
Less: Provision utilised/ reversed during the year	29.50	-	
Closing balance	<b>93.80</b>	<b>123.30</b>	
Provision for sales price difference			
<b>Movement in provisions during the year</b>			
<b>Provision for sales price difference</b>			
Opening balance	-	482.83	
Add: Provision recognised during the year	-	-	
Less: Provision utilised/ reversed during the year	-	482.83	
Closing balance	<b>-</b>	<b>-</b>	
	As at March 31, 2018 Rs./Lacs	As at March 31, 2017 Rs./Lacs	As at April 1, 2016 Rs./Lacs
<b>27. Current tax liabilities (net)</b>			
Provision for income tax [net of advance tax Rs. 1,860.40 lacs (March 31, 2017: Rs. 1849.72 lacs, April 1, 2016: Rs. 0.34 lacs)]	181.93	192.69	90.45
<b>Total</b>	<b>181.93</b>	<b>192.69</b>	<b>90.45</b>

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>28. Revenue from operations</b>		
<b>Sale of products *</b>		
Manufactured goods		
Cotton yarn	54,802.71	53,706.15
Iron castings	32,791.40	34,074.74
Patterns, jigs and fixtures	23.20	667.51
<b>Sale of product license</b>	103.28	61.50
<b>Sale of services</b>	4,345.59	5,965.19
	<u>92,066.18</u>	<u>94,475.09</u>
<b>Other operating revenue</b>		
Waste/ Scrap sales	4,373.10	3,470.82
Duty drawback and other export incentives	583.57	939.44
Interest from housing loan	0.68	2.64
Miscellaneous income	35.18	135.14
	<u>4,992.53</u>	<u>4,548.04</u>
<b>Total</b>	<u>97,058.71</u>	<u>99,023.13</u>

\* After applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are required to be disclosed net of GST. Accordingly, the figures of revenue from operations for the year ended March 31, 2018 are not comparable with the corresponding year.

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>29. Other income</b>		
<b>Interest income on financial assets at amortised cost</b>		
- Deposits with others	4.57	5.61
- Interest subsidy (TUF) on borrowings (Refer note 37)	154.28	189.56
- Other interest income	254.85	288.43
Net gain on foreign currency transactions and translation	305.96	168.78
Profit on sale of property, plant and equipment (net)	-	1.10
Liabilities/provisions no longer required written back	68.56	59.03
MTM gain on forward contracts	-	-
Finance lease income	24.70	31.79
Miscellaneous income*	91.42	826.20
<b>Total</b>	<u>904.34</u>	<u>1,570.50</u>

\* Included recovery of an amount Rs. Nil (March 31, 2017; Rs. 775.00 lacs) from a jointly controlled entity pursuant to the settlement reached by the Holding Company.

Notes forming part of the consolidated financial statements continued

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>30. Cost of material consumed</b>		
<b>Cost of materials consumed</b>		
Opening stock	13,527.42	9,309.43
Add: Purchases	55,459.21	54,863.08
	68,986.63	64,172.51
Less: Closing stock	14,040.71	13,527.42
	<u>54,945.92</u>	<u>50,645.09</u>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>31. Changes in inventories of finished goods and work-in-progress</b>		
Inventories at the end of the year:		
Finished goods (cotton yarn)	3,269.59	2,266.12
Work-in-progress	2,120.08	2,802.42
<b>Total</b>	<u>5,389.67</u>	<u>5,068.54</u>
Inventories at the beginning of the year:		
Finished goods (cotton yarn)	2,266.12	1,896.00
Work-in-progress	2,802.43	2,617.22
<b>Total</b>	<u>5,068.55</u>	<u>4,513.22</u>
<b>Net (increase)</b>	<u>(321.12)</u>	<u>(555.32)</u>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>32. Employee benefits expense</b>		
Salaries, bonus and other allowances	11,786.56	12,239.59
Contribution to provident funds	783.25	843.85
Gratuity expense (Refer note 49 )	274.80	263.10
Staff welfare expenses	371.66	312.80
<b>Total</b>	<u>13,216.27</u>	<u>13,659.34</u>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>33. Finance costs</b>		
Interest expense on :		
Borrowings	2,202.92	2,560.30
Others	23.61	12.46
Exchange differences to the extent considered as adjustment to finance cost	51.48	-
Other borrowing costs	335.02	445.09
<b>Total</b>	<u>2,613.03</u>	<u>3,017.85</u>

	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>34. Depreciation and amortisation expense</b>		
Depreciation/ amortisation of property, plant and equipment	3,598.31	3,600.64
Amortisation of intangible assets	26.04	36.58
<b>Total</b>	<b>3,624.35</b>	<b>3,637.22</b>
	For the year ended March 31, 2018 Rs./Lacs	For the year ended March 31, 2017 Rs./Lacs
<b>35. Other expenses</b>		
Consumption of stores and spare parts	7,460.25	7,326.22
Power, fuel, etc.	12,286.44	12,401.77
Rent	120.22	114.02
Repair and maintenance		
- Buildings	58.60	45.49
- Machinery	846.91	709.95
- others	143.46	114.21
Subcontracting charges ^	1,503.35	1,839.61
Freight and forwarding	1,719.68	1,567.55
Insurance	88.13	92.60
Rates and taxes	21.14	31.02
Directors' fees	19.19	21.19
Legal and professional fees (refer note (i) below)	490.96	573.03
Travelling and conveyance	483.63	530.66
Commission to selling agents (other than sole selling)	344.69	304.67
Sales expenses	31.62	15.68
Expenditure on corporate social responsibility (Refer note 53)*	17.36	19.38
Allowance for bad trade and other receivables, loans and advances	18.28	-
Bad trade and other receivables, loans and advances written off	0.11	2.00
Loss on finance lease written off	19.64	-
Loss on property, plant and equipment sold/ written off (net)	5.21	-
Preliminary expenses written off	-	0.64
Miscellaneous expenses	632.23	757.09
<b>Total</b>	<b>26,311.10</b>	<b>26,466.78</b>
<b>(i) Includes auditors remuneration (excluding taxes)</b>		
For audit	47.38	46.17
For certification and other services	15.00	10.25
for reimbursement of expenses	3.38	4.90
<b>Total</b>	<b>65.76</b>	<b>61.32</b>

\* net of government grant of Rs. 0.83 lacs (March 31, 2017 Rs. 4.67 lacs) (refer note 37)

^ Includes freight, transportation expense Rs 200.16 lacs (March 31, 2017: Rs 202.68 lacs) incurred on materials sent to and received back from sub-contractors.

## 36. Tax expense

(Rupees in lacs)

## (a) Amounts recognised in profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current tax (a)</b>		
Current tax for the year	-	11.75
Adjustment for current tax of prior years	(0.41)	2.84
	<u>(0.41)</u>	<u>14.59</u>
<b>Deferred tax expense/ (credit) (b)</b>	-	-
<b>Tax expense for the year</b>	<u><b>(0.41)</b></u>	<u><b>14.59</b></u>

## (b) Amounts recognised in other comprehensive income/(expense)

	For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	48.41	-	48.41
Exchange difference in translating financial statements of foreign operations	(1.65)	-	(1.65)
	<u>46.76</u>	<u>-</u>	<u>46.76</u>

	For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	(149.27)	-	(149.27)
Exchange difference in translating financial statements of foreign operations	(22.86)	-	(22.86)
	<u>(172.13)</u>	<u>-</u>	<u>(172.13)</u>

- (c) As at March 31, 2018, the Group has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have been recognised only to the extent of deferred tax liability. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	-	-	-
Provision for gratuity and compensated absences	(723.88)	(743.53)	(692.85)
Unabsorbed depreciation	(3,305.64)	(2,546.60)	(2,373.34)
Business loss	(117.94)	-	-
Provision for trade receivables and other advances	(24.88)	(18.98)	(35.71)
Other items	(160.02)	(149.02)	(141.90)
<b>Net deferred tax (assets) liabilities</b>	<u><b>(4,332.36)</b></u>	<u><b>(3,458.13)</b></u>	<u><b>(3,243.80)</b></u>

(Rupees in lacs)

	Deferred tax liabilities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	892.92	1,187.81	1,349.48
Provision for gratuity and compensated absences	-	-	-
Unabsorbed depreciation	-	-	-
Business loss	-	-	-
Provision for trade receivables and other advances	-	-	-
Other items	-	-	-
<b>Net deferred tax (assets) liabilities</b>	<b>892.92</b>	<b>1,187.81</b>	<b>1,349.48</b>

	Net deferred tax (asset) liabilities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	892.92	1,187.81	1,349.48
Provision for gratuity and compensated absences	(723.88)	(743.53)	(692.85)
Unabsorbed depreciation	(3,305.64)	(2,546.60)	(2,373.34)
Business loss	(117.94)	-	-
Provision for trade receivables and other advances	(24.88)	(18.98)	(35.71)
Other items	(160.02)	(149.02)	(141.90)
<b>Net deferred tax (assets) liabilities</b>	<b>(3,439.44)</b>	<b>(2,270.32)</b>	<b>(1,894.32)</b>

## (d) Movement in temporary differences:

	Balance as at April 1, 2016	Movement during 2016-17	Recognised in OCI during 2016-17	Balance as at March 31, 2017
Property, plant and equipment	1,349.48	(161.67)	-	1,187.81
Provision for gratuity and compensated absences	(692.85)	(50.68)	-	(743.53)
Unabsorbed depreciation	(2,373.34)	(173.26)	-	(2,546.60)
Business loss	-	-	-	-
Provision for trade receivables and other advances	(35.71)	16.73	-	(18.98)
Other items	(141.90)	(7.12)	-	(149.02)
	<u>(1,894.32)</u>	<u>(376.00)</u>	<u>-</u>	<u>(2,270.32)</u>

	Balance as at March 31, 2017	Movement during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018
Property, plant and equipment	1,187.81	(294.89)	-	892.92
Provision for gratuity and compensated absences	(743.53)	19.65	-	(723.88)
Unabsorbed depreciation	(2,546.60)	(759.04)	-	(3,305.64)
Business loss	-	(117.94)	-	(117.94)
Provision for trade receivables and other advances	(18.98)	(5.90)	-	(24.88)
Other items	(149.02)	(11.00)	-	(160.02)
	<u>(2,270.32)</u>	<u>(1,169.12)</u>	<u>-</u>	<u>(3,439.44)</u>



## Notes forming part of the consolidated financial statements continued

### (e) Tax losses carried forward:

MAT credit recognised and carried forward as follows	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount Rs./Lacs	Expiry year	Amount Rs./Lacs	Expiry year	Amount Rs./Lacs	Expiry year
<b>MAT</b>	<b>0.42</b>	<b>2021-22</b>	0.42	2021-22	0.42	2021-22

Tax losses for which no deferred tax asset was recognised expire as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount Rs./Lacs	Expiry year	Amount Rs./Lacs	Expiry year	Amount Rs./Lacs	Expiry year
<b>Business Loss</b>	<b>378.01</b>	<b>2026-27</b>	-	-	-	-
<b>Unabsorbed depreciation</b>	<b>10,595.00</b>	-	8,241.42	-	7,680.71	-
<b>MAT ^</b>	<b>120.79</b>	<b>2020-21</b>	120.79	2020-21	120.79	2020-21
	<b>419.47</b>	<b>2021-22</b>	419.47	2021-22	419.47	2021-22
	<b>8.22</b>	<b>2022-23</b>	8.22	2022-23	8.22	2022-23
	<b>48.34</b>	<b>2024-25</b>	48.34	2024-25	48.34	2024-25

^ Impact has been taken to Retained earnings for the adjustments made on transition. Refer note 56 for transitional adjustments

### 37. Disclosures related to government grant

(Rupees in lacs)

The government grant/government assistance recognised are as under:

Nature of grant/assistance	Income/ expense head	For the year ended March 31, 2018	For the year ended March 31, 2017
Benefit of loan at concessional rate of interest	Interest income under Other income	<b>154.28</b>	189.56
Grant for schools	Corporate social responsibility	<b>0.83</b>	4.67
Duty drawback on exports	Other operating revenue	<b>583.57</b>	939.44

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Statement of Profit and loss.

### 38. Leases

#### Operating leases

The Group's significant operating lease arrangements are in respect of premises for residential use of employees, office, stores, godown, etc. for a period of ranging from 1-5 years. These leasing arrangements, which are cancellable, are renewable at mutually agreeable terms. The lease rentals charged as employee benefits expense aggregate Rs. 113.47 lacs (March 31, 2017: Rs. 111.25 lacs) under note 32 and lease rentals charged as rent aggregate Rs. 120.22 lacs (March 31, 2017: Rs. 114.02 lacs) under note 35.

Future minimum lease payments		(Rupees in lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Not later than one year	<b>25.65</b>	10.36	9.86	
Later than one year and not later than five years	-	10.87	21.23	
Later than five years	-	-	-	
<b>Total</b>	<b>25.65</b>	<b>21.23</b>	<b>31.09</b>	

#### Finance leases

##### A. Leases as a lessor

The group has classified the arrangement with the customers wherein the patterns/tooling/moulds are lease out in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17 'Leases' and accounted for as finance lease in accordance with those principles.

The agreement with the customers is for a period of 15 years.

(Rupees in lacs)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	118.66	101.52	161.52	136.60	162.90	131.11
Later than one year and not later than five years	245.43	224.84	371.33	320.33	475.61	411.99
Later than five years	0.32	0.32	15.97	25.52	73.21	70.46
<b>Total minimum lease payments</b>	<b>364.41</b>	<b>326.68</b>	<b>548.82</b>	<b>482.45</b>	<b>711.72</b>	<b>613.56</b>
<b>Less: Amounts representing unearned finance income</b>	<b>37.73</b>	<b>-</b>	<b>66.37</b>	<b>-</b>	<b>98.16</b>	<b>-</b>
<b>Present value of minimum lease payments</b>	<b>326.68</b>	<b>326.68</b>	<b>482.45</b>	<b>482.45</b>	<b>613.56</b>	<b>613.56</b>

## 39. Earnings per share

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net loss attributable to equity shareholders as per Statement of profit and loss (Rs. In lacs)	(4,024.08)	(711.57)
Weighted average number of equity shares in calculating Basic EPS	18,677,749	18,677,749
Weighted average number of equity shares in calculating Diluted EPS	18,677,749	18,677,749
Basic loss per share in rupees (face value per equity share Rs. 10 each) (Rs.)	(21.54)	(3.81)
Diluted loss per share in rupees (face value per equity share Rs. 10 each) (Rs.)	(21.54)	(3.81)

## 40. Restructuring

In terms of the Scheme of Restructuring and Arrangement approved by the Delhi High Court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 (Act) and subsequent modification thereto vide Delhi High Court order dated April 28, 2011 (hereinafter referred to as SORA), the Holding Company as envisaged thereunder has:

- entered into definitive agreement on February 16, 2004 with Purearth Infrastructure Limited (PIL), a co-promoted company, for sale of development rights in freehold and leasehold land at Bara Hindu Rao/Kishanganj for a total consideration of Rs. 28,820 lacs (includes Rs. 3,400 lacs on account of leasehold land out of which Rs. 2,400 lacs is subject to certain minimum profits being earned by PIL from the leasehold land). The status of these agreements is as under:
  - In terms of the Freehold Definitive Agreement dated February 16, 2004, the Holding Company had, during the year 2003-04, recognised the sale of development rights to PIL in freehold land at Bara Hindu Rao for a consideration of Rs.14,449.92 lacs (excluding the outstanding of Rs.10,962.08 lacs against the sale of rights aggregating Rs. 39,567 lacs in the Previous years).
  - In terms of the "Leasehold Definitive Agreement" ("LDA") dated February 16, 2004, pursuant to completion of its obligation to get the leases restored/converted from leasehold to freehold, the Holding Company had recognized the entire revenue of Rs. 3,400 lacs from sale of development rights in leasehold land in the year 2014-15 and 2015-16.
  - The outstanding receivable from for the said sale of development rights in freehold and leasehold land is amounting to Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs 1,850.00 lacs) as at year end.
- after considering the effect of Delhi High Court order dated April 28, 2011, the Holding Company, had complied with the debt repayment obligations including in respect of debentures, deposits, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien /Designated Account' with scheduled banks. Aggregate of amount so deposited as at the year-end is Rs. 10.84 lacs (March 31, 2017: Rs. 19.52 lacs, April 1, 2016: 91.83 lacs).

## 41. Amalgamation and demerger

The Board of Directors of the Holding Company, in its meeting held on October 15, 2016, approved a Scheme of Arrangement ('the Scheme') between DCM Ltd and DCM Nouvelle Limited, a wholly owned subsidiary of DCM Limited for the demerger of the Textile business of DCM Limited as per the scheme and vesting of the same with DCM Nouvelle Limited, on a going concern basis with effect from January 1, 2017, i.e the appointed date.

Further the Board of Directors of the Holding Company, in its meeting held on October 15, 2016, approved a Composite scheme of arrangement ('the Composite Scheme') which was further amended in its subsequent meeting held on February 13, 2017 for the:-

- Amalgamation of Tiara Investment Holdings Limited into Purearth Infrastructure Limited, a jointly controlled entity ('the Amalgamated Company'), with effect from December 31, 2016;

- (b) Demerger of the Real Estate business of DCM Limited, as defined in the Composite Scheme, into DCM Realty and Infrastructure Limited ('the Resulting Company'), on a going concern basis with effect from January 1, 2017; and
- (c) Following the amalgamation as referred to in (a) and demerger as referred to in (b) above, amalgamation of the Amalgamated Company, i.e. Purearth Infrastructure Limited with the Resulting Company, i.e. DCM Realty and Infrastructure Limited, with effect from January 1, 2017.

The aforesaid schemes are subject to approval from the concerned regulatory authorities which is not perfunctory and considered to be substantive. Accordingly, the aforesaid schemes of arrangement cannot be considered as highly probable unless the regulatory approvals are obtained and hence do not meet the criteria for held for sale/ discontinued operations. Accordingly, the proposed demerger of Textile business and Real Estate business has not been considered as Discontinued Operations in these consolidated financial statements.

42. The Board of Directors of the Holding Company, in its meeting held on 31 March 2017, approved a scheme of Amalgamation of Crescita Enterprises Private Limited ('the Transferor Company') into & with the Company with effect from 31 March 2017 (i.e. the appointed date). After the above said amalgamation, 48.35% shares of the Company which are presently held by the Transferor Company would be cancelled and the Company would issue same number of equity share to the shareholder of the Transferor Company in proportion to their shares held by them in the Transferor Company at record date. The aforesaid scheme is subject to approval from the concerned regulatory authorities.
43. "The Group has set up a solar power plant at its textile division at Hisar with a cost of Rs. 471.60 lacs during the year ended March 31, 2017. A term loan of Rs. 325 lacs (out of sanctioned term loan of Rs. 330 lacs) is taken for this purpose. Total power units generated during the year are 15.31 lacs KWH (March 2017 : 1.47 lacs KWH). The company is eligible for tax holiday under section 80IA up to 2030-31 (to claim deduction in any 10 consecutive assessment year out of 15 year starting from the year in which operation begins).
44. Capital advances includes Rs. 870.00 lacs (March 31, 2017: Rs. 870.00 lacs, April 1, 2016: 870.00 lacs) to acquire certain property under construction at New Delhi. The construction was a matter of litigation between the builder and the local authorities. The High Court of Delhi has allowed the builder to construct the property subject to certain conditions. The management is confident that the advance paid to acquire the property is good and fully recoverable.
45. In the previous years, DCM Limited's claim for the refund of an Inter Corporate Deposit amounting to Rs. 100 lacs against a body corporate was settled by the body corporate by issuing, in terms of an arbitration award, 0% non-cumulative, non-voting, redeemable preference shares of Rs. 100 each to DCM Limited, redeemable within 20 years. The management is confident that the investment acquired by DCM Limited in preference shares of the body corporate is good and fully recoverable.
46. Disclosure of Specified Bank Notes (SBNs) (as defined in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated 08 November 2016) during the period November 08, 2016 to December 30, 2016, as required by Notification No. G.S.R 308(E) dated March 30, 2017 issued by the Ministry of Company Affairs:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	7.57	10.46	18.03
Add: Permitted receipt transactions	-	27.45	27.45
Less : Paid for permitted transactions	-	30.57	30.57
Less : Deposited in bank accounts	7.57	-	7.57
Closing cash in hand as on December 30, 2016	-	7.34	7.34

#### 47. Operating segments

##### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Group has identified five reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Chief operating decision maker (CODM) reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Group's reportable segments:

##### Reportable segments   Operations

Textiles	Yarn manufacturing
IT services	IT Infrastructure services
Real estate	Development at the Group's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi.
Grey iron casting	Grey iron casting manufacturing
Others	Others

## Notes forming part of the consolidated financial statements continued

### B. Information about operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Board of Directors of the holding company. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(Rupees in lacs)

Particulars	Reportable segment										Unallocated		Total	
	Textile		IT Services		Real Estate		Grey iron casting		Others		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017				
<b>Segment revenue</b>														
- External revenues	54,802.71	53,706.15	4,448.87	6,026.69	-	-	32,814.60	34,742.25	-	-	-	-	92,066.18	94,475.09
- Other operating revenue	4,872.17	4,441.46	-	-	-	-	119.68	103.93	0.68	2.65	-	-	4,992.53	4,548.04
- Unallocable income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>59,674.88</b>	<b>58,147.61</b>	<b>4,448.87</b>	<b>6,026.69</b>	<b>-</b>	<b>-</b>	<b>32,934.28</b>	<b>34,846.18</b>	<b>0.68</b>	<b>2.65</b>	<b>-</b>	<b>-</b>	<b>97,058.71</b>	<b>99,023.13</b>
<b>Segment Results</b>	<b>2,417.15</b>	<b>4,164.20</b>	<b>111.08</b>	<b>619.47</b>	<b>-</b>	<b>-</b>	<b>(2,931.86)</b>	<b>(2,156.66)</b>	<b>(27.30)</b>	<b>(24.49)</b>			<b>(430.93)</b>	<b>2,602.52</b>
Unallocated corporate expenses/ income (net of unallocated income/ expenses)											(767.95)	(113.78)	(767.95)	(113.78)
Interest income											259.42	294.04	259.42	294.04
Profit before finance costs and tax													(939.46)	2,782.78
Finance costs											2,613.03	3,017.85	2,613.03	3,017.85
Profit/(loss) before tax													(3,552.49)	(235.07)
Share of (loss) of equity accounted investee													(472.00)	(461.91)
Profit/(loss) before tax													(4,024.49)	(696.98)
Provision for taxation											(0.41)	14.59	(0.41)	14.59
Profit/(loss) after taxation													(4,024.08)	(711.57)
Depreciation and amortization	1,873.73	1,912.11	29.26	27.13	-	-	1,666.56	1,670.17	0.04	0.03	54.76	27.78	3,624.35	3,637.22
Capital expenditure during the year	112.79	631.95	5.96	48.12	-	-	379.58	389.42	4.25	116.52	-	116.51	502.58	1,302.52
Non cash expense other than depreciation	(4.67)	0.47	(1.18)	5.52	-	-	49.27	6.33	-	-	(0.27)	-	43.15	12.32

(Rupees in lacs)

Particulars	Reportable segment												Unallocated				Total
	Textile				IT Services		Real Estate			Grey iron casting			Others				
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2016	As at April 1, 2017	As at March 31, 2018	As at April 1, 2016	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at April 1, 2016	As at March 31, 2017		
Segment assets	38,037.68	39,215.00	33,652.67	2,547.21	2,687.16	2,624.72	25.00	1,933.50	16,899.17	18,452.72	20,915.41	362.63	361.52	350.17	-	-	57,871.69
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,420.53	1,884.24	1,420.53
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,444.08	4,469.83	3,444.08
Total assets	38,037.68	39,215.00	33,652.67	2,547.21	2,687.16	2,624.72	25.00	1,933.50	16,899.17	18,452.72	20,915.41	362.63	361.52	350.17	4,864.61	6,354.07	62,736.30
Segment liabilities	5,670.23	2,396.64	1,437.94	537.58	614.52	695.26	23.62	23.62	8,360.04	5,004.37	5,700.56	6.38	6.73	5.52	1,562.89	1,349.83	16,160.74
Share capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,662.09	21,639.41	17,662.09
Loan funds	20,208.24	24,696.03	22,327.62	19.40	210.10	193.49	-	-	6,606.45	9,051.65	12,332.58	-	-	-	2,079.38	2,102.57	28,913.47
Total liabilities	25,878.47	27,092.67	23,765.56	556.98	824.62	888.75	23.62	23.62	14,966.49	14,056.02	18,033.14	6.38	6.73	5.52	21,304.36	25,091.81	62,736.30
																	66,437.63

**C. Geographical information**

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

**i. Revenues****(Rupees in lacs)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India (a)	63,833.73	65,348.30
Outside India		
China	14,001.82	17,832.75
Other countries	19,223.16	15,842.08
Outside India (b)	33,224.98	33,674.83
<b>Total (a+b)</b>	<b>97,058.71</b>	<b>99,023.13</b>

**ii. Non current assets\*****(Rupees in lacs)**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
India	21,720.59	25,979.64	27,015.65
Outside India	3.75	4.71	3.74
<b>Total</b>	<b>21,724.34</b>	<b>25,984.35</b>	<b>27,019.39</b>

\* Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

**D. Major customers**

There is no single customer who contributed 10% or more of the Group's revenue during the year ended March 31, 2018 and March 31, 2017.

**48. Contingent liabilities, contingent assets and commitments****a) Commitments****(Rupees in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital commitments	654.93	80.99	195.00

**b) Contingent liabilities not provided for:****(Rupees in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Claims not acknowledged as debts: *			
- Excise claims	1.49	512.40	512.40
- Sales tax matters	277.21	277.21	277.21
- Income-tax matters	248.03	345.32	293.99
- Customs duty	12.55	12.55	12.55
- Employees' claims (to the extent ascertained)	56.42	43.47	42.70
- Property tax	283.67	283.67	283.67
- Others	313.93	321.09	397.72

\* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Group.

## Notes forming part of the consolidated financial statements continued

- (i) There are no undisputed dues of wealth tax and service tax which have not been deposited by the Group. The details of disputed dues as of March 31, 2018 in respect of customs duty, income tax, excise duty and sales tax/ PVAT that have not been deposited by the Group, are as follows:

Name of the statute	Nature of dues	Amount Involved * (Rupees in lacs)	Amount paid under protest (Rupees in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	40.28	40.28	Financial Year 2013-14	CIT (Appeals)
		58.39	-	Financial Year 2012-13	CIT (Appeals)
		10.08	5.00	Financial Year 2011-12	ITAT
Customs Act, 1962	Custom duty	12.55	-	1988-89	Commissioner of customs (Appeals)
Central Excise Act, 1944	Excise duty	0.99	0.06	2013-14	Commissioner of Central Excise
		0.50	-	2002-03, 2003-04	Supreme court
Punjab VAT Act, 2005	Sales tax	146.96	36.75	2010-11	Punjab VAT Appellate Tribunal
		130.25	35.09	2009-10	

\* amount as per demand orders including interest and penalty wherever indicated in the demand.

For the above purposes, statutory dues payable in India have been considered. Further, the demands raised and already set off by the Income-tax Authorities against the carried forward losses of the Group or the refunds due to the Group, being no longer due for payment, have not been considered.

- (ii) The following matters which have been excluded from the above table have been decided in favour of the Group, although the concerned regulatory authority has preferred an appeal at a higher level:

Name of the statute	Nature of dues	Amount involved (Rupees in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	442.48	Financial Year 1982-83 to 1989-90	High court
		27.93	Financial Year 2008-09	High court
		76.35	Financial Year 2010-11	Income tax appellate tribunal
		62.93	Financial Year 2011-12	Income tax appellate tribunal

- c) The Group has been regular in transferring amounts to the Investor Education and Protection Fund after considering SORA, pursuant to which certain past dues have been rescheduled for repayment.

### 49. Employee benefits

#### A Defined contribution plans

Contributions to defined contribution plans charged off for the year are as under:

Particulars	(Rupees in lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Group's contribution to provident fund	455.20	492.02
Group's contribution to superannuation fund	58.05	75.47
Group's contribution to employees' state insurance	151.86	123.81
Group's contribution to social security	115.66	152.55
Group's contribution to NPS	2.48	-
Total	783.25	843.85

#### B Defined benefit plans

The Group operates the following post-employment defined benefit plans:-

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act. Liability with regards to Gratuity is accrued based on actuarial valuation at the balance sheet date, carried out by independent actuary. For details about the related employee benefits plan, refer accounting policies on employee benefits.



The following table set out the status of the defined benefit obligation

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Defined benefit liability- Gratuity	1,859.82	1,926.92	1,804.33
<b>Total employee benefit liabilities</b>			
Non current	1,532.56	1,648.96	1,550.31
Current	327.26	277.96	254.02
<b>Total</b>	<b>1,859.82</b>	<b>1,926.92</b>	<b>1,804.33</b>

For details about the related employee benefit expenses, refer note 41.

(i) *Reconciliation of the defined benefit liability*

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1,926.92	1,804.33
Current service cost	130.28	131.49
Interest cost	144.52	131.61
Actuarial (gains) losses recognised in other comprehensive income/(expense)	(48.41)	149.27
Benefits paid	(293.49)	(289.78)
<b>Balance at the end of the year</b>	<b>1,859.82</b>	<b>1,926.92</b>
Non-current	1,532.56	1,648.96
Current	327.26	277.96

ii) *Expense recognized in profit and loss*

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	130.28	131.49
Interest cost	144.52	131.61
<b>Net cost</b>	<b>274.80</b>	<b>263.10</b>

iii) *Remeasurements recognized in other comprehensive income/(expense)*

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain) loss on defined benefit obligation	(48.41)	149.27
	(48.41)	149.27

**iv) Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Financial assumptions</b>			
Discount rate	7.50%	7.50%	8.00%
Future salary growth	6.00%	6.00%	5.00/6.00%
Retirement age	58/60 years	58/60 years	58/60 years
Mortality table	IALM (2006-08) ultimate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Withdrawal rate			
Upto 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

As at March 31, 2018, the weighted average duration of the defined benefit obligation was 9.33 - 19.91 year (March 31, 2017 : 10.88 - 19.54 year, April 1, 2016: 8.73-20.05 years)

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are Rs. 285.58 lacs.

**v) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rupees in lacs)

Particulars	As as March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(121.13)	121.20	(119.27)	126.65
Future salary growth (1%)	130.37	(123.29)	129.56	(120.66)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

**vi) Maturity profile**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Year 1	327.26	277.96	254.03
Year 2	139.13	209.07	430.17
Year 3	206.21	202.45	178.18
Year 4	130.09	129.02	156.36
Year 5	104.94	120.80	104.15
Next 6	167.54	153.79	79.08
Next to 6 years	784.65	833.83	602.36

**vii) Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

- Interest risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**50. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**A. Name and description of relationship of the related party****Entity having significant control over the Company**

Crescita Enterprises Private Limited (w.e.f. March 09, 2017)

**Other related parties with whom transaction have taken place during the year****Joint venture**

Purearth Infrastructure Limited

**Key management personnel and/or individuals having direct or indirect control or significant influence, and their relatives:**

Dr. Vinay Bharat Ram – Chairman and Managing Director

Mr. Hemant Bharat Ram – President (Textiles division)

Mr. Sumant Bharat Ram – Chief Executive and Financial Officer

Mr. Sushil Kapoor Executive Director (Business) - Engineering Division (with effect from January 15, 2018)

Mr. Dinesh Dhiman - Executive Director (Operations)- Engineering Division (with effect from December 13, 2017)

Mr. Varun Sarin - Chief of Operation and Finance (IT Division)

Mr. Rakesh Kumar Goel - CEO (Textile Division)

Mr. Yadvinder Goyal - Company Secretary

Mr. Rahil Bharat Ram – Son of Mr. Sumant Bharat Ram

Mr. Yuv Bharat Ram – Son of Mr. Sumant Bharat Ram

**Entities where key management personnel have significant influence**

Juhi Developers Private Limited

Teak Farms Private Limited

Crescita Enterprises Private Limited

**B. Transactions with related parties:**

(Rupees in lacs)

Particulars	Joint Venture		Others*	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Expense reimbursed</b>				
Crescita Enterprises Private Limited	-	-	-	0.61
<b>Expense recovered (net)</b>				
Purearth Infrastructure Limited	50.25	63.74	-	-
<b>Interest income</b>				
Purearth Infrastructure Limited	108.04	65.84	-	-
<b>Other income</b>				
Purearth Infrastructure Limited	-	775.00	-	-
<b>Purchase of rights in flats/ Other tangible assets</b>				
Purearth Infrastructure Limited	2.40	867.07	-	-
<b>Refund against cancellation of rights in flats</b>				
Purearth Infrastructure Limited	867.07	-	-	-

\*Entities in which key management personnel have significant influence/ Entity having significant control over the Company

## Transactions with key management personnel

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Compensation of key management personnel</b>		
Salaries and bonus including contributions made to provident fund		
Dr. Vinay Bharat Ram	147.85	153.95
Mr. Hemant Bharat Ram	240.06	183.06
Mr. Sumant Bharat Ram	152.32	134.24
Mr. Sushil Kapoor	21.28	-
Mr. Dinesh Dhiman	10.56	-
Mr. Varun Sarin	64.32	64.95
Mr. Rakesh Kumar Goel	118.25	108.41
Mr. Yadvinder Goyal	18.27	17.41
<b>Post-employment defined benefit plan</b>		
Gratuity		
Mr. Hemant Bharat Ram	13.89	21.06
Mr. Sumant Bharat Ram	4.47	3.81
Mr. Dinesh Dhiman	0.23	-
Mr. Varun Sarin	2.06	2.37
Mr. Rakesh Kumar Goel	9.90	-
Mr. Yadvinder Goyal	0.41	0.35
<b>Other long term defined benefit plan</b>		
Compensated absences		
Mr. Hemant Bharat Ram	11.62	11.31
Mr. Sumant Bharat Ram	4.59	5.51
Mr. Dinesh Dhiman	0.30	-
Mr. Varun Sarin	0.77	1.30
Mr. Rakesh Kumar Goel	2.03	4.06
Mr. Yadvinder Goyal	0.38	0.40
<b>Total compensation paid to key management personnel</b>	<b>823.56</b>	<b>712.19</b>

## Balances with related parties

(Rupees in lacs)

Particulars	Joint Venture			Others*		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade receivables</b>						
Purearth Infrastructure Limited	-	-	1,850.00	-	-	-
<b>Advance given for purchase of rights in flats</b>						
Purearth Infrastructure Limited	587.37	1,454.44	587.37	-	-	-
<b>Guarantee taken during the year</b>						
Mr. Suman Bharat Ram	-	-	-	2,000.00	2,000.00	-

(Rupees in lacs)

Particulars	Joint Venture			Others*		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Advances recoverable / (Payable)</b>						
Purearth Infrastructure Limited	23.42	7.12	89.37			
Dr. Vinay Bharat Ram	-	-	-	(4.10)	(3.90)	-
Mr. Hemant Bharat Ram	-	-	-	(7.93)	(7.57)	-
Mr. Sumant Bharat Ram	-	-	-	(5.01)	-	-
Mr. Sushil Kapoor	-	-	-	(6.55)	-	-
Mr. Dinesh Dhiman	-	-	-	(3.18)	-	-
Mr. Varun Sarin	-	-	-	(3.71)	(4.55)	-
Mr. Rakesh Kumar Goel	-	-	-	(3.29)	(3.55)	(3.95)
Mr. Yadvinder Goyal	-	-	-	(1.01)	(1.10)	-

\*Entities in which key management personnel have significant influence/ Entity having significant control over the Company

**51. Research and development expenditure**

Company has claimed weighted tax deductions on eligible research and development expenditure u/s 35(2AB) of the Income Tax Act, 1961 equivalent to 200% of such expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) w.e.f. May 28, 2015. The details of such expenditure are as follows:

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Capital expenditure</b>		
Office equipment	0.26	-
Plant and machinery	-	3.70
Computers	6.87	1.03
<b>Revenue expenditure</b>	-	-
Salaries, wages and compensated absences	142.05	157.25
Contribution to provident and other funds	4.84	8.68
Travelling and conveyance	5.66	6.35
Others	0.35	3.96
<b>Development expenditure</b>	138.56	118.61
<b>Total</b>	298.59	299.58

**52. Assets held for sale**

The Board of Directors of the Company, in its meeting held on February 8, 2018, approved the sale of land and building held at Tamil Nadu and Punjab for such consideration and on such terms and conditions as may be deemed fit in the best interest of the Company.

**53. Corporate Social Responsibility (CSR)**

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Gross amount required to be spent</b>	6.20	45.64
<b>Amount spent (in cash):</b>		
Promotion of education	17.36	18.88
Others	-	0.50
	17.36	19.38

Notes forming part of the consolidated financial statements continued

54. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on April 1, 2016

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	61.00	-	-	<b>61.00</b>	-	-	61.00
Loans *	-	-	947.95	<b>947.95</b>	-	-	947.95
Other financial assets *	-	-	485.36	<b>485.36</b>	-	-	485.36
<b>Current</b>							
Trade receivables *	-	-	12,983.28	<b>12,983.28</b>	-	-	12,983.28
Cash and cash equivalents *	-	-	1,207.10	<b>1,207.10</b>	-	-	1,207.10
Balances other than above *	-	-	1,314.27	<b>1,314.27</b>	-	-	1,314.27
Loans *	-	-	51.17	<b>51.17</b>	-	-	51.17
Other financial assets *	-	-	295.67	<b>295.67</b>	-	-	295.67
<b>Total</b>	<b>61.00</b>	-	<b>17,284.80</b>	<b>17,345.80</b>	-	-	<b>17,345.80</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	10,154.90	<b>10,154.90</b>	-	-	10,154.90
Other financial liabilities *	-	-	636.03	<b>636.03</b>	-	-	636.03
<b>Current</b>							
Borrowings #	-	-	20,153.85	<b>20,153.85</b>	-	-	20,153.85
Trade payables *	-	-	3,446.44	<b>3,446.44</b>	-	-	3,446.44
Other current financial liabilities *	-	-	5,940.29	<b>5,940.29</b>	-	-	5,940.29
<b>Total</b>	-	-	<b>40,331.51</b>	<b>40,331.51</b>	-	-	<b>40,331.51</b>

ii. As on March 31, 2017

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	68.03	-	-	<b>68.03</b>	-	-	68.03
Loans *	-	-	951.96	<b>951.96</b>	-	-	951.96
Other financial assets *	-	-	347.14	<b>347.14</b>	-	-	347.14
<b>Current</b>							
Trade receivables *	-	-	10,624.70	<b>10,624.70</b>	-	-	10,624.70
Cash and cash equivalents *	-	-	1,302.71	<b>1,302.71</b>	-	-	1,302.71
Balances other than above *	-	-	374.76	<b>374.76</b>	-	-	374.76
Loans *	-	-	63.90	<b>63.90</b>	-	-	63.90
Other financial assets *	-	-	484.98	<b>484.98</b>	-	-	484.98
<b>Total</b>	<b>68.03</b>	-	<b>14,150.15</b>	<b>14,218.18</b>	-	-	<b>14,218.18</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	11,204.32	<b>11,204.32</b>	-	-	11,204.32
Other financial liabilities *	-	-	626.08	<b>626.08</b>	-	-	626.08
<b>Current</b>							
Borrowings #	-	-	22,298.53	<b>22,298.53</b>	-	-	22,298.53
Trade payables *	-	-	3,925.83	<b>3,925.83</b>	-	-	3,925.83
Other current financial liabilities *	111.15	-	4,147.19	<b>4,258.34</b>	-	-	4,258.34
<b>Total</b>	<b>111.15</b>	-	<b>42,201.95</b>	<b>42,313.10</b>	-	-	<b>42,313.10</b>

## iii. As on March 31, 2018

(Rupees in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments							
Preference shares	76.32	-	-	76.32	-	-	76.32
Loans *	-	-	955.33	955.33	-	-	955.33
Other financial assets *	-	-	242.32	242.32	-	-	242.32
<b>Current</b>							
Trade receivables *	-	-	11,840.90	11,840.90	-	-	11,840.90
Cash and cash equivalents *	-	-	772.60	772.60	-	-	772.60
Balances other than above *	-	-	494.71	494.71	-	-	494.71
Loans *	-	-	57.39	57.39	-	-	57.39
Other financial assets *	-	-	662.48	662.48	-	-	662.48
<b>Total</b>	<b>76.32</b>	<b>-</b>	<b>15,025.73</b>	<b>15,102.05</b>	<b>-</b>	<b>-</b>	<b>15,102.05</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	9,349.14	9,349.14	-	-	9,349.14
Other financial liabilities *	-	-	647.33	647.33	-	-	647.33
<b>Current</b>							
Borrowings #	-	-	16,948.81	16,948.81	-	-	16,948.81
Trade payables *	-	-	10,505.97	10,505.97	-	-	10,505.97
Other current financial liabilities *	-	-	4,203.83	4,203.83	-	-	4,203.83
<b>Total</b>	<b>-</b>	<b>-</b>	<b>41,655.08</b>	<b>41,655.08</b>	<b>-</b>	<b>-</b>	<b>41,655.08</b>

# The Group's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The loans, investments and other non-current financial assets represents finance lease receivable and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Group at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Group at each balance sheet date.

**b. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

There is a continuous process of identifying/ managing risk through a Risk Management Process. The measures used in managing the risk are also reviewed. Financial Risk identified by the Group broadly fall in the category of Credit risk, Liquidity risk and Market risk.

The Group's risk management process consists of risk identification, risk assessment, risk monitoring and risk mitigation. Risk management process are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



## (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments	1,420.53	1,884.24	2,339.12
Trade receivables	11,840.90	10,624.70	12,983.28
Cash and cash equivalents	772.60	1,302.71	1,207.10
Balances other than cash and cash equivalents	494.71	374.76	1,314.27
Loans	1,012.72	1,015.86	999.12
Other financial assets	904.80	832.12	781.03

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and are derived from revenue earned from customers primarily located in India and China. The Group continuously monitors the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The average credit period on sales of goods and services (other than moulds) within India is 30 to 60 days, sale of moulds is 180 days and sales of goods and services outside India is 30 to 90 days.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

(Rupees in lacs)

Particulars	Gross carrying amount		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Not due	4,343.23	5,085.47	6,108.71
1-90 days past due	732.27	232.15	632.83
91 to 180 days past due	84.55	21.29	227.30
More than 180 days past due #	267.34	117.82	251.37
Other receivables having negligible credit risk	6,487.78	5,225.54	5,874.78
<b>Total</b>	<b>11,915.17</b>	<b>10,682.27</b>	<b>13,094.99</b>

# The Company believes that the unimpaired amounts that are past due by more than credit period are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

(Rupees in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning	57.57	111.71
Impairment loss recognised / (reversed)	16.69	(54.14)
Amount written off	0.01	-
Balance at the end	74.27	57.57

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 1,267.31 lacs as at March 31, 2018 (March 31, 2017 Rs. 1,677.47 lacs, April 1, 2016 Rs. 2,521.37 lacs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rupees in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
From banks	3,838.54	4,594.22	6,946.13
From others	-	-	-

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Rupees in lacs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	9,349.14		10,941.74	132.86	11,074.60
Other financial liabilities	647.33	7.45	29.80	610.08	647.33
<b>Current liabilities</b>					
Borrowings	16,948.81	16,948.81	-	-	16,948.81
Trade payables	10,505.97	10,505.97	-	-	10,505.97
Other financial liabilities *	4,203.83	5,387.09	-	-	5,387.09
<b>Total</b>	<b>41,655.08</b>	<b>32,849.32</b>	<b>10,971.54</b>	<b>742.94</b>	<b>44,563.80</b>

(Rupees in lacs)

As at March 31, 2017	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	11,204.32		12,575.78	1,654.06	14,229.84
Other financial liabilities	626.08	7.45	29.80	588.83	626.08
<b>Current liabilities</b>					
Borrowings	22,298.53	22,298.53	-	-	22,298.53
Trade payables	3,925.83	3,925.83	-	-	3,925.83
Other financial liabilities *	4,258.34	5,620.41	-	-	5,620.41
<b>Total</b>	<b>42,313.10</b>	<b>31,852.22</b>	<b>12,605.58</b>	<b>2,242.89</b>	<b>46,700.69</b>

(Rupees in lacs)

As at April 1, 2016	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	10,154.90		9,995.33	3,317.56	13,312.89
Other financial liabilities	636.03	7.45	29.80	598.78	636.03
<b>Current liabilities</b>					
Borrowings	20,153.85	20,153.85	-	-	20,153.85
Trade payables	3,446.44	3,446.44	-	-	3,446.44
Other financial liabilities *	5,940.29	7,316.33	-	-	7,316.33
<b>Total</b>	<b>40,331.51</b>	<b>30,924.07</b>	<b>10,025.13</b>	<b>3,916.34</b>	<b>44,865.54</b>

\* Contractual cash flow includes the interest to be incurred and paid in subsequent periods

### iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

#### Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

(Rupees in lacs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	EURO	USD	EURO	USD	EURO
<b>Financial assets</b>						
Trade receivables	2,679.09	-	1,544.27	-	2,038.20	-
Cash and cash equivalent	476.88	-	636.11	-	490.49	-
Loans and advances	58.98	-	117.80	-	105.67	-
	3,214.95	-	2,298.18	-	2,634.36	-
<b>Financial liabilities</b>						
Borrowings	5,681.93	-	3,639.28	-	228.34	-
Trade payables	284.94	10.28	272.17	-	345.97	31.57
Other current liabilities	63.40	-	84.24	-	29.61	-
	6,030.27	10.28	3,995.69	-	603.92	31.57

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2018 (previous year ended as on March 31, 2017) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rupees in lacs)

Particulars	Statement of Profit and loss		Changes in equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2018</b>				
USD	28.15	(28.15)	28.15	(28.15)
EUR	0.10	(0.10)	0.10	(0.10)
	28.25	(28.25)	28.25	(28.25)
<b>For the year ended March 31, 2017</b>				
USD	17.23	(17.23)	17.23	(17.23)
EUR	-	-	-	-
	17.23	(17.23)	17.23	(17.23)

USD: United States Dollar, EUR: Euro

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

**Exposure to interest rate risk**

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

(Rupees in lacs)

Variable-rate instruments	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Term loans from banks (Non current)	9,349.14	11,204.32	10,154.90
Term loans from banks (Current)	16,948.81	22,298.53	20,153.85
Current maturities of borrowings	2,615.52	2,557.50	4,578.81
<b>Total</b>	<b>28,913.47</b>	<b>36,060.35</b>	<b>34,887.56</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rupees in lacs)

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended March 31, 2018	(229.42)	229.42	(229.42)	229.42
For the year ended March 31, 2017	(243.68)	243.68	(243.68)	243.68

**55 Capital management**

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to equity ratio, which is calculated as interest-bearing debts divided by total equity (equity share capital and other equity).

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	28,913.47	36,060.35	34,887.56
Less : Cash and bank balances	1,267.31	1,677.47	2,521.37
<b>Adjusted net debt (A)</b>	<b>27,646.16</b>	34,382.88	32,366.19
<b>Total equity (B)</b>	<b>17,662.09</b>	21,639.41	22,523.11
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>1.57</b>	1.59	1.44

**56. Transition to Ind AS**

As mentioned in note 2(a), these financial statements for the year ended March 31, 2018, are the first financial statements of the Group prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. For periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Group has prepared financial statements which comply with Ind-AS applicable for periods ended on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind-AS.

This note explains the principal adjustments made by the Group in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

In preparing its Ind AS financial statements as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2016, the group has adjusted amounts reported previously in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**Transition elections**

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Previous GAAP as at March 31, 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

**A.1 Ind AS optional exemptions****(i) Property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

**(ii) Business combination**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

**(iii) Determining whether an arrangement contains a lease**

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirement in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has elected to avail of the above exemption.

**A.2 Ind AS mandatory exceptions****Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**B. Reconciliations between previous GAAP and Ind AS:**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

**Reconciliation of equity as at April 1, 2016**

(Rupees in lacs)

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	b,g,o,p	26,279.90	(614.61)	25,665.29
Capital work-in progress		38.38	-	38.38
Intangible assets	o	58.28	(0.09)	58.19
Goodwill on consolidation	o	952.48	(952.48)	-
<b>Financial assets</b>				
(i) Investments	a,o	100.00	2,239.12	2,339.12
(ii) Loans	c,o	964.30	(16.35)	947.95
(iii) Other financial assets	g	2.91	482.45	485.36
Deferred tax assets (net)	i,o	575.60	(575.18)	0.42
Non-current tax assets (net)	o	1,097.59	(94.92)	1,002.67
Other non-current assets	c,o	1,331.91	(74.38)	1,257.53
<b>Total non-current assets</b>		<b>31,401.35</b>	<b>393.56</b>	<b>31,794.91</b>
<b>Current assets</b>				
Inventories	o	19,166.18	(4,020.74)	15,145.44
<b>Financial assets</b>				
(i) Trade receivables	e,o	13,043.77	(60.49)	12,983.28
(ii) Cash and cash equivalents	o,p	1,253.01	(45.91)	1,207.10
(iii) Bank balances other than (ii) above	o,p	1,309.93	4.34	1,314.27
(iv) Loans	o	53.23	(2.06)	51.17
(v) Other financial assets	g,o	249.47	46.20	295.67
Other current assets	c,o	3,588.06	57.73	3,645.79
<b>Total current assets</b>		<b>38,663.65</b>	<b>(4,020.93)</b>	<b>34,642.72</b>
<b>TOTAL</b>		<b>70,065.00</b>	<b>(3,627.37)</b>	<b>66,437.63</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,737.59	-	1,737.59
Other equity	o,p	21,092.76	(307.24)	20,785.52
<b>Total equity</b>		<b>22,830.35</b>	<b>(307.24)</b>	<b>22,523.11</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	b,o	10,470.75	(315.85)	10,154.90
(ii) Other financial liabilities	o	1,210.56	(574.53)	636.03

Notes forming part of the consolidated financial statements continued

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
Provisions	o	1,957.08	(15.10)	1,941.98
<b>Total non- current liabilities</b>		<b>13,638.39</b>	<b>(905.48)</b>	<b>12,732.91</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		20,153.85	-	20,153.85
(ii) Trade payables	o,p	3,931.21	(484.77)	3,446.44
(iii) Other financial liabilities	o,p	6,894.83	(954.54)	5,940.29
Other current liabilities	o,p	1,670.70	(952.73)	717.97
Provisions		832.61	-	832.61
Current tax liabilities (net)	o	113.06	(22.61)	90.45
<b>Total current liabilities</b>		<b>33,596.26</b>	<b>(2,414.65)</b>	<b>31,181.61</b>
<b>TOTAL</b>		<b>70,065.00</b>	<b>(3,627.37)</b>	<b>66,437.63</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of equity as at March 31, 2017

(Rupees in lacs)

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	b,g,o,p	23,580.15	(479.44)	23,100.71
Capital work-in progress		94.72	-	94.72
Intangible assets	o	65.00	(0.07)	64.93
Goodwill on consolidation	o	952.48	(952.48)	-
Financial assets				
(i) Investments	a,o	100.00	1,784.24	1,884.24
(ii) Loans	c,o	966.18	(14.22)	951.96
(iii) Other financial assets	g	1.29	345.85	347.14
Deferred tax assets (net)	i,o	572.50	(572.08)	0.42
Non-current tax assets (net)	o	1,238.27	(25.18)	1,213.09
Other non-current assets	c,o	2,691.17	32.82	2,723.99
<b>Total non-current assets</b>		<b>30,261.76</b>	<b>119.44</b>	<b>30,381.20</b>
<b>Current assets</b>				
Inventories	o	24,295.59	(4,189.59)	20,106.00
Financial assets				
(i) Trade receivables	e,o	11,088.40	(463.70)	10,624.70
(ii) Cash and cash equivalents	o,p	1,314.42	(11.71)	1,302.71
(iii) Bank balances other than (ii) above	o,p	415.18	(40.42)	374.76
(iv) Loans	o	65.90	(2.00)	63.90
(v) Other financial assets	g,o	348.83	136.15	484.98
Current tax assets (net)		19.25	-	19.25
Other current assets	c,o	3,760.68	(22.71)	3,737.97
<b>Total current assets</b>		<b>41,308.25</b>	<b>(4,593.98)</b>	<b>36,714.27</b>
<b>TOTAL</b>		<b>71,570.01</b>	<b>(4,474.54)</b>	<b>67,095.47</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,867.46	-	1,867.46
Other equity		20,138.61	(366.66)	19,771.95
<b>Total equity</b>		<b>22,006.07</b>	<b>(366.66)</b>	<b>21,639.41</b>



Notes forming part of the consolidated financial statements continued

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	b,o	12,620.32	(1,416.00)	11,204.32
(ii) Other financial liabilities	o	1,205.75	(579.67)	626.08
Provisions	o	2,097.19	(16.30)	2,080.89
<b>Total non-current liabilities</b>		<b>15,923.26</b>	<b>(2,011.97)</b>	<b>13,911.29</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		22,298.53	-	22,298.53
(ii) Trade payables	o	4,674.95	(749.12)	3,925.83
(iii) Other financial liabilities	j,o,p	5,584.79	(1,326.45)	4,258.34
Other current liabilities	p	420.16	0.57	420.73
Provisions		448.65	-	448.65
Current tax liabilities (net)	o	213.60	(20.91)	192.69
<b>Total current liabilities</b>		<b>33,640.68</b>	<b>(2,095.91)</b>	<b>31,544.77</b>
<b>TOTAL</b>		<b>71,570.01</b>	<b>(4,474.54)</b>	<b>67,095.47</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2017 (Rupees in lacs)

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
Revenue from operations	g,o	100,022.03	(998.90)	99,023.13
Less: Excise duty on sales	k	3,957.74	(3,957.74)	-
		96,064.29	2,958.84	99,023.13
Other income	a,c,g,o	492.07	1,078.43	1,570.50
<b>Total income</b>		<b>96,556.36</b>	<b>4,037.27</b>	<b>100,593.63</b>
<b>Expenses</b>				
Cost of materials consumed	o	50,964.49	(319.40)	50,645.09
Changes in inventories of finished goods and work in progress		(555.32)	-	(555.32)
Excise duty on sales	k	-	3,957.74	3,957.74
Employee benefits expense	o	13,908.54	(249.20)	13,659.34
Finance costs	b,o	2,873.37	144.48	3,017.85
Depreciation and amortisation expense	g,b,o	3,773.79	(136.57)	3,637.22
Other expenses	c,o	27,014.98	(548.20)	26,466.78
<b>Total expenses</b>		<b>97,979.85</b>	<b>2,848.85</b>	<b>100,828.70</b>
<b>Loss before tax and share of loss of equity accounted investee</b>		<b>(1,423.49)</b>	<b>1,188.42</b>	<b>(235.07)</b>
<b>Exceptional items</b>	n,o	674.00	(674.00)	-
<b>Loss before tax and share of profit of equity accounted investee</b>		<b>(749.49)</b>	<b>514.42</b>	<b>(235.07)</b>
<b>Share of profit/ (loss) of equity accounted investee</b>	o	-	(461.91)	(461.91)
<b>Loss before tax</b>		<b>(749.49)</b>	<b>52.51</b>	<b>(696.98)</b>
<b>Tax expense</b>				
Current tax	o	12.44	(0.69)	11.75
Deferred tax credit		-	-	-
Tax adjustment relating to prior years	o	6.45	(3.61)	2.84
<b>Loss for the year</b>		<b>(768.38)</b>	<b>56.81</b>	<b>(711.57)</b>
<b>Other comprehensive income/(expense)</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Re-measurement gain/ (losses) of defined benefit obligations	d	-	(149.27)	(149.27)
Income tax relating to remeasurement of defined benefit obligations		-	-	-
<b>Net other comprehensive income/(expense) not to be reclassified subsequently to profit or loss</b>		-	<b>(149.27)</b>	<b>(149.27)</b>

Notes forming part of the consolidated financial statements continued

Particulars	Foot note reference	Previous GAAP*	Adjustments on transition to Ind AS	Ind AS
<b>Items that will be reclassified to profit or loss (net of tax)</b>				
Exchange difference in translating financial statements of foreign operations	k	-	(22.86)	(22.86)
Income tax relating to items that will be reclassified to profit or loss		-	-	-
<b>Net other comprehensive income/(expense) to be reclassified subsequently to profit</b>		-	<b>(22.86)</b>	<b>(22.86)</b>
<b>Total other comprehensive income/(expense), net of tax</b>	d,k	-	<b>(172.13)</b>	<b>(172.13)</b>
<b>Total comprehensive income for the year</b>		<b>(768.38)</b>	<b>(115.32)</b>	<b>(883.70)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**Reconciliation of total equity as at March 31, 2017 and April 1, 2016** (Rupees in lacs)

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
<b>Total equity (shareholder's funds) as per Previous GAAP</b>		<b>22,006.07</b>	<b>22,830.35</b>
<b>Adjustments:</b>			
Recognition of security deposit at amortised cost	c	(1.18)	(1.51)
Impact of measuring preference shares investment at fair value	a	(31.97)	(39.00)
Loss allowance for trade receivable	e	(22.88)	(56.26)
Fair valuation of forward contracts	j	(111.15)	-
Capitalisation of tooling income and lease of toolings and moulds	g	45.21	51.22
Measurement of borrowings as per effective interest rate method	b	28.25	(9.37)
Reversal of deferred tax assets	i	(548.48)	(548.48)
transition Adjustment for joint venture	o	267.12	287.21
Adjustment for consolidation of trust	p	8.42	8.95
<b>Total adjustments</b>		<b>(366.66)</b>	<b>(307.24)</b>
<b>Total equity as per Ind AS</b>		<b>21,639.41</b>	<b>22,523.11</b>

**Reconciliation of total comprehensive income/ (expense) for the year ended March 31, 2017**

Particulars	Notes	For the year ended March 31, 2017
<b>Loss after tax as per Previous GAAP</b>		<b>(768.38)</b>
Recognition of security deposits at amortised cost	c	0.33
Measurement of borrowings as per effective interest rate method	b	37.62
Impact of measuring preference shares investment at fair value	a	7.03
Capitalisation of tooling income and lease of toolings and moulds	g	(6.01)
Loss allowance for trade receivable	e	33.38
Fair valuation of forward contracts	j	(111.15)
Reclassification of post employment benefit obligations	d	(149.27)
Translation difference on foreign operation	k	(22.86)
Adjustment for joint venture accounting change from proportionate to equity	o	(75.99)
Adjustment for consolidation of trust	p	(0.53)
		<b>(287.45)</b>
Deferred tax asset		-
<b>Total adjustments</b>		<b>(287.45)</b>
<b>Loss after tax as per Ind AS</b>		<b>(1,055.83)</b>
<b>Other comprehensive income/(expense)</b>	d,k	<b>172.13</b>
<b>Total comprehensive income/(expense) as per Ind AS</b>		<b>(883.70)</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017**

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

**Notes to the reconciliation:****a. Fair valuation of investments**

Under previous GAAP, investments in preference shares were carried at cost. Under Ind AS, these investments are required to be measured at fair value. The investment in preference shares of subsidiary are measured at amortised cost and there is no impact of fair value change on total equity. The investment in preference shares of Combine Overseas Limited are measured at fair value through profit and loss, resulting fair value changes of these investments amounting to Rs. 39.00 lacs have been recognised in total equity as at the date of transition (i.e. April 1, 2016). The loss for the year ended March 31, 2017 has decreased and total equity has increased by Rs. 7.03 lacs due to the fair value changes.

**b. Measurement of borrowings as per effective interest rate method**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method. However, under previous GAAP, these transaction costs were capitalising/charging to the statement of profit and loss.

Accordingly, under Ind AS borrowings as at March 31, 2017 have been reduced by Rs. 48.51 lacs (April 1, 2016 Rs. 27.27 lacs) and property, plant and equipment have been reduced by Rs. 30.84 lacs as on March 31, 2017 (April 1, 2016 Rs. 36.64 lacs), net adjustment to retained earnings by Rs. 9.37 lacs. The loss for the year ended March 31, 2017 has been decreased by Rs. 31.85 lacs as a result of reversal of interest expense and by Rs. 5.80 lacs as a result of reversal of depreciation.

**c. Recognition of security deposits at amortised cost**

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on March 31, 2017 has decreased by Rs. 8.08 lacs (April 1, 2016 : Rs. 12.17 lacs) with a creation of deferred rent (included in other non-current and current assets) of Rs. 6.89 lacs (April 1, 2016 : Rs. 10.65 lacs). The total equity decreased by Rs. 1.52 lacs as at April 1, 2016. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The loss for the year ended March 31, 2017 increased and total equity for the year ended March 31, 2017 decreased by Rs. 5.27 lacs due to amortisation of deferred rent and increase in notional interest income of Rs. 5.61 lacs recognised on security deposits (included in other income).

**d. Employee benefits: Remeasurement of post employment benefit plans**

Under Ind AS, remeasurements i.e. actuarial gains and losses on the defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result loss for the year ended March 31, 2017 is decreased by Rs. 149.27 lacs and is reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

**e. Loss allowance for trade receivable**

On transition to Ind AS, the Group has recognised impairment loss on trade receivables based on the expected credit loss models required by Ind AS 109. Consequently, trade receivable have been reduced by Rs. 22.87 lacs (April 1, 2016: Rs. 56.25 lacs) with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended March 31, 2017.

**f. Capitalisation of tooling income and lease of tooling's and moulds**

Under previous GAAP arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified to be as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per requirement of Ind AS 17, Leases. On the date of transition (i.e. April 1, 2016), the carrying value of property, plant and equipment has been reduced by Rs. 562.34 lacs (March 31, 2017: Rs. 437.25 lacs), with corresponding increase in other non-current financial assets (finance lease receivable) by Rs. 482.44 lacs (March 31, 2017: Rs. 345.85 lacs) and other current asset by Rs. 131.11 lacs (March 31, 2017: Rs. 136.60 lacs). Further an amount of Rs. 51.22 lacs (March 31, 2017: Rs. 45.21 lacs) has been transferred from deferred revenue to retained earnings.

**g. Other comprehensive income**

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of statement of profit and loss are to be reclassified to other comprehensive income. Consequent to this, the Group has reclassified remeasurement of defined benefit plans and translation difference on foreign operation from the statement of profit and loss to other comprehensive income.

**h. Reversal of deferred tax assets**

Under Previous GAAP, the Group has recorded the amount of MAT credit entitlement i.e. deferred tax assets. However, on transition to Ind AS, the Group has reversed the deferred tax assets amounting to Rs. 548.48 lacs as at 1 April 2016 pursuant to rectification of error in the estimate of recoverability.

**i. Fair valuation of forward contracts**

Under previous GAAP, forward contracts were revalued at each reporting date and the amount being recognised in the statement of profit and loss, but recognition was restricted only to the extent it represents any losses. Under Ind AS, such instruments needs to be fair valued on the balance sheet date /every reporting date and both fair value gains and losses needs to be recognised in statement of profit and loss, unless hedge accounting is followed in which the same needs to be recorded through OCI. As a result loss for the year ended March 31, 2017 has decreased by Rs. 111.15 lacs.

**j. Translation difference on foreign operation**

Under Ind AS, translation difference on arising on foreign operation are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result loss for the year ended March 31, 2017 is decreased by Rs. 22.82 lacs and is reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

**k. Excise Duty on sales**

Under the previous GAAP, excise duty on sale of goods was reduced from sales to present the revenue from operations. Whereas, under Ind AS, this excise duty is included in the revenue from operations and the corresponding expense is included is part of total expenses. The change does not affect total equity as at April 1, 2016 and March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**l. Cash discounts on sales**

Under the previous GAAP, only trade discount and volume rebates were netted off from the revenue. Whereas, under Ind AS, cash discounts and other sales incentives are also required to be factored in calculation of transaction price. The change does not affect total equity as at April 1, 2016 and March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**m. Revenue grants**

Under the previous GAAP, revenue grants from government were recognised as a deduction from the expenses to which they were intended to compensate. Whereas, under Ind AS, the Group has elected to present such grants within other income. The change does not affect total equity as at April 1, 2016 and March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**n. Exceptional items**

Under the previous GAAP, recovery of an amount of Rs. 775.00 lacs during the year ended March 31, 2017 from a jointly controlled entity pursuant to the settlement reached by the Holding Company is shown as exceptional items. Whereas, under Ind AS, the Group has elected to present such items as normal revenue/ expenses. The change does not affect total equity as at March 31, 2017, loss before tax or total loss for the year ended March 31, 2017.

**o. Change in accounting of joint venture**

Under previous GAAP, Purearth Infrastructure Limited ("PIL") was proportionately consolidated in Consolidated Accounts based on AS-23 and AS-27. Based on control assessment carried out by the Group under Ind AS 110 and Ind AS 28, PIL shall now be considered as a Joint Venture Entity and shall be accounted through using Equity method in Consolidated Accounts.

**p. Consolidation of trust**

Under previous GAAP, controlled societies were not consolidated based on AS-23 and AS-27. Based on control assessment carried out by the Group under Ind AS 110, DCM Engineering Products Educational society shall now be consolidated. The group does not hold any ownership interest in the structured entity DCM Engineering Products Education Society. However it is exposed to all the variable returns related to the operations and net assets based on terms of arrangements under which the entity was established and has the current ability to direct those activities that most significantly affect these returns. The aforesaid arrangement also provides the group with the power to appoint majority of the managing committee of the entity. Consequently, the Group Consolidates the entity. Because owner's interests in the entity is in the nature of liabilities of the group, there is no NCI in respect of the entity.

**57 Interests in other entities****(a) Subsidiaries**

The group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Entity	Place of business/ country of incorporation	Ownership interest held by the group			Ownership interest held by non-controlling interests		
		31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
DCM Finance & Leasing Limited	India	100%	100%	100%	-	-	-
DCM Textiles Limited	India	100%	100%	100%	-	-	-
DCM Realty and Infrastructure Limited	India	100%	100%	-	-	-	-
DCM Tools & Dies Limited	India	100%	100%	100%	-	-	-
DCM Realty Investment & Consulting Limited	India	100%	100%	100%	-	-	-
DCM Data Systems Limited	India	100%	100%	100%	-	-	-
DCM Nouvelle Limited	India	100%	100%	-	-	-	-
DCM Engineering Products Educational Society	India	100%	100%	100%	-	-	-

## Principal activities of group companies

DCM Finance & Leasing Limited	The operations of this company mainly comprises income from real estate activities.
DCM Textiles Limited	This mainly includes business of ginnerers, weavers, spinners, dyers, manufactures, import, export in all kinds of yarn and cloth.
DCM Realty and Infrastructure Limited	This mainly includes business of construction and Real Estate.
DCM Tools & Dies Limited	The company is engaged in the business of purchase, sell, import, export, manufacture Tools & Dies.
DCM Realty Investment & Consulting Limited	The company is engaged in the business of housing finance and brokerage.
DCM Data Systems Limited	The company is engaged in the business of providing IT and allied services .
DCM Nouvelle Limited	This mainly includes business of ginnerers, weavers, spinners, dyers, manufactures, importers, exporters in all kinds of yarn and cloth.
DCM Engineering Products Educational Society	The trust is engaged in providing educational services to children of its staff and workers mainly.

## (b) Joint venture

(Rupees in lacs)

Name of entity	Place of business	% of ownership interest	Accounting method	Carrying amount		
				31 March 2018	31 March 2017	1 April 2016
Purearth Infrastructure Limited	New Delhi	16.56%	Equity	1,344.21	1,816.21	2,278.12
<b>Total equity accounted investments</b>				<b>1,344.21</b>	1,816.21	2,278.12

Purearth Infrastructure Limited ("PIL") is a joint arrangement carrying on business of real estate in which Group has joint control and a 16.56% ownership interest. PIL is structured as a separate legal entity and the Group has an interest in the net assets of PIL. Accordingly, the Group has classified its interest in PIL as a joint venture.

## Summarised financial information for joint venture

The tables below provide summarised financial information of PIL and the carrying amount of the Group's interest in PIL.

(Rupees in lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Percentage ownership</b>	<b>16.56%</b>	16.56%	16.56%
Non-current assets	2,253.32	1,835.22	2,592.90
Current assets (including cash and cash equivalent March 31, 2018:Rs 442.10 lacs, March 31, 2017:Rs 76.94 lacs, April 1, 2016: Rs.289.42 lacs)	39,019.40	36,192.80	37,416.96
Non-current liabilities (including non-current financial liabilities other than trade and other payables and provision March 31, 2018 : Rs 10,366.48 lacs, March 31, 2017 : Rs 9,962.67 lacs, April 1, 2016: Rs.3,277.76 lacs)	11,504.79	11,397.48	4,987.33
Current liabilities (including current financial liabilities other than trade and other payables and provision March 31, 2018 : Rs 5,570.50 lacs, March 31, 2017 : Rs 2,025.17 lacs, April 1, 2016: Rs.5,566.79 lacs)	17,905.79	11,929.82	17,532.51
<b>Net assets</b>	<b>11,862.14</b>	14,700.73	17,490.02

(Rupees in lacs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	852.05	3,493.15
Depreciation and amortisation	27.35	34.43
Finance costs	1,867.94	1,490.61
Income tax expense	1.04	4.28
Profit/(loss)	(2,845.47)	(2,790.17)
Other comprehensive income	(6.92)	(0.86)
<b>Total comprehensive income</b>	<b>(2,838.55)</b>	<b>(2,789.31)</b>
Group's share of profit	(472.00)	(461.91)
<b>Group's share of total comprehensive income</b>	<b>(472.00)</b>	<b>(461.91)</b>
<b>Reconciliation to carrying amounts of investments</b>		
Investment in joint venture	1,816.21	2,278.12
Profit/(loss) for the year	(2,838.55)	(2,789.31)
Group's share in the profit/(loss)	(472.00)	(461.91)
Carrying amount of investment in the joint venture	1,344.21	1,816.21

- (c) The Jointly controlled entity (PIL) has received advances of Rs. 3,196.19 lacs, (31 March 2017: Rs. 3,335.87 lacs, 1 April 2016: Rs. 3,368.46 lacs) for sale bookings of units in Plaza 4 of Central Square project. These advances have been presented as 'advances from customers' under other current liabilities in the financial statements of PIL (share of the Group in these advances of joint venture are amounting Rs. 529.29 lacs [March 31, 2017 : Rs. 552.42 lacs, April 1, 2016 : Rs. 557.82 lacs]. The management of PIL is yet to draw up construction plans for Plaza 4 of Central Square project. Further, the revenue including price escalations and other recoveries in terms of the Scheme of Restructuring and understanding arrived with the booking holders of the project cannot be determined at this stage. Thus, the management of PIL has not been able to estimate the likely losses for such bookings under the Plaza 4 of Central Square project.

**58 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Joint venture.**

(Rupees in lacs)

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent company:</b>								
DCM Limited								
<b>31 March 2018</b>	<b>108.89%</b>	<b>19,231.43</b>	<b>88.32%</b>	<b>(3,554.26)</b>	<b>100.00%</b>	<b>46.76</b>	<b>88.19%</b>	<b>(3,507.50)</b>
31 March 2017	105.08%	22,738.93	35.22%	(250.58)	100.00%	(172.13)	47.83%	(422.71)
<b>Subsidiaries:</b>								
DCM Data Systems Limited								
<b>31 March 2018</b>	<b>0.00%</b>	<b>0.04</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
31 March 2017	0.00%	0.05	0.00%	0.02	0.00%	-	0.00%	0.02
DCM Finance & Leasing Limited								
<b>31 March 2018</b>	<b>0.04%</b>	<b>6.39</b>	<b>-0.01%</b>	<b>0.27</b>	<b>0.00%</b>	<b>-</b>	<b>-0.01%</b>	<b>0.27</b>
31 March 2017	0.03%	6.11	-0.04%	0.25	0.00%	-	-0.03%	0.25
DCM Nouvelle Limited								
<b>31 March 2018</b>	<b>-0.01%</b>	<b>(1.41)</b>	<b>0.02%</b>	<b>(0.98)</b>	<b>0.00%</b>	<b>-</b>	<b>0.02%</b>	<b>(0.98)</b>
31 March 2017	0.00%	(0.43)	0.06%	(0.44)	0.00%	-	0.05%	(0.44)
DCM Realty Investment & Consulting Limited								
<b>31 March 2018</b>	<b>0.32%</b>	<b>55.91</b>	<b>-0.04%</b>	<b>1.75</b>	<b>0.00%</b>	<b>-</b>	<b>-0.04%</b>	<b>1.75</b>

Notes forming part of the consolidated financial statements continued

(Rupees in lacs)

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
31 March 2017	0.25%	54.16	-0.28%	1.99	0.00%	-	-0.23%	1.99
DCM Textiles Limited								
<b>31 March 2018</b>	<b>0.01%</b>	<b>1.01</b>	<b>0.00%</b>	<b>0.04</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>0.04</b>
31 March 2017	0.00%	0.98	-0.01%	0.05	0.00%	-	-0.01%	0.05
DCM Tools & Dies Limited								
<b>31 March 2018</b>	<b>0.01%</b>	<b>1.75</b>	<b>0.00%</b>	<b>0.07</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>0.07</b>
31 March 2017	0.01%	1.68	-0.01%	0.08	0.00%	-	-0.01%	0.08
DCM Realty and Infrastructure Limited								
<b>31 March 2018</b>	<b>0.00%</b>	<b>(0.77)</b>	<b>0.01%</b>	<b>(0.30)</b>	<b>0.00%</b>	<b>-</b>	<b>0.01%</b>	<b>(0.30)</b>
31 March 2017	0.00%	(0.48)	0.07%	(0.48)	0.00%	-	0.05%	(0.48)
DCM Engineering Products Educational Society								
<b>31 March 2018</b>	<b>0.05%</b>	<b>8.91</b>	<b>-0.01%</b>	<b>0.49</b>	<b>0.00%</b>	<b>-</b>	<b>-0.01%</b>	<b>0.49</b>
31 March 2017	0.04%	8.41	0.07%	(0.53)	0.00%	-	0.06%	(0.53)
Elimination on consolidation								
<b>31 March 2018</b>	<b>-9.29%</b>	<b>(1,641.17)</b>	<b>-0.02%</b>	<b>0.84</b>	<b>0.00%</b>	<b>-</b>	<b>-0.02%</b>	<b>0.84</b>
31 March 2017	-5.41%	(1,170.00)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
NCI in all subsidiaries				-		-		-
<b>Joint venture (Investments as per Equity Method)</b>								
Purearth Infrastructure Limited								
<b>31 March 2018</b>	<b>7.61%</b>	<b>1,344.21</b>	<b>11.73%</b>	<b>(472.00)</b>	<b>0.00%</b>	<b>-</b>	<b>11.87%</b>	<b>(472.00)</b>
31 March 2017	8.39%	1,816.21	64.91%	(461.91)	0.00%	-	52.27%	(461.91)
<b>Total</b>								
<b>31 March 2018</b>		<b>17,662.09</b>		<b>(4,024.08)</b>		<b>46.76</b>		<b>(3,977.32)</b>
31 March 2017		21,639.41		(711.57)		(172.13)		(883.70)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

Firm's registration no.: 101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

Place : Gurugram

Date : May 30, 2018

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

**Dr. Vinay Bharat Ram**

Chairman and Managing Director

DIN: 00052826

**Sumant Bharat Ram**

Chief Executive and Financial Officer

Place : New Delhi

Date : May 30, 2018

**Bipin Maira**

Director

DIN: 05127804

**Ashwani Singhal**

Executive Vice President  
(Finance and Accounts)

**Yadvinder Goyal**

Company Secretary

**DCM**





**DCM LIMITED**

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

**PROXY FORM**

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

**128<sup>TH</sup> ANNUAL GENERAL MEETING - SEPTEMBER 24, 2018**

Name of the Member(s):


Registered address:


Email:

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Folio No. / Client ID:

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DP ID:

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

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

Address : .....

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

or failing him/ her;

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

Address : .....

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

or failing him/ her;

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

Address : .....

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

as my / our proxy to attend and vote (on a poll ) for me/ us and on my / our behalf at the 128th Annual General Meeting of the Company, to be held on Monday, September 24, 2018, at 11:30 a.m. at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi-110 054, and at any adjournment thereof in respect of such resolutions as are indicated over leaf:



Resolution Number	Resolutions	Vote (Optional See Note 4)	
		For	Against
Ordinary Business			
1	Adoption of: a. the audited standalone financial statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 together with Report of Auditors thereon		
2	Approval of appointment of a director in place of Mr. Jitendra Tuli, who retires by rotation and being eligible, offers himself for re- appointment		
Special Business			
3	Pursuant to SEBI (LODR) Regulations 2015, approval for continuation of appointment of Mr. Ravi Vira Gupta (DIN 00017410), as a Non-Executive Independent Director of the Company 1st April, 2019 upto August 3, 2019.		
4	Pursuant to SEBI (LODR) Regulations 2015, approval for continuation of appointment of Mr. Bipin Maira, (DIN 05127804), as a Non-Executive Independent Director of the Company 1st April, 2019 upto August 3, 2019.		
5	Pursuant to SEBI (LODR) Regulations 2015, approval for continuation of appointment of Mr. Jitendra Tuli (DIN 00272930), as a Director of the Company, liable to retire by rotation, for his remaining term of office with effect from 1st April, 2019 upto the period he retires by rotation or ceases to be director of the company.		
6	Pursuant to SEBI (LODR) Regulations 2015, approval for continuation of appointment of Dr. Vinay Bharat Ram (DIN 00052826), as a Director of the Company, liable to retire by rotation, for his remaining term of office with effect from 1st April, 2019 upto the period he retires by rotation or ceases to be director of the company.		
7	Approval of appointment of Dr. Vinay Bharat Ram as Managing Director of the Company, for a period of three years w.e.f. January 30, 2019.		
8	Approval of appointment of Mr. Dinesh Dhiman (DIN 08021624), as a Director of the Company, liable to retire by rotation.		
9	Approval of appointment of Mr. Dinesh Dhiman (DIN 08021624) as Whole-Time Director designated as Executive Director (Engineering Operation) of the Company, for a period of three years w.e.f. December 13, 2017.		
10	Approval of appointment of Mr. Sushil Kapoor (DIN 02481289) as a Director of the Company, liable to retire by rotation.		
11	Approval of appointment of Mr. Sushil Kapoor (DIN 02481289) as Whole-Time Director designated as Executive Director (Engineering Business) of the Company, for a period of one year w.e.f. January 15, 2018.		
12	Approval of ratification of remuneration payable to Cost Auditors for Financial Year 2018-19.		

Signed this ..... day of ..... 2018

.....  
Signature of the member

Affix revenue stamp of not Less than Rs. 0.15

.....  
Signature of the first proxy holder

.....  
Signature of the second proxy holder

.....  
Signature of the third proxy holder

**Notes:**

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

**DCM LIMITED****Registered Office:** Vikrant Tower, 4, Rajendra Place, New Delhi - 110008**CIN:** L74899DL1889PLC000004,**e-mail:** investors@dcm.in, website: www.dcm.in,**Ph:** 011-25719967, **Fax:** 011-25765214**ATTENDANCE SLIP****128<sup>TH</sup> ANNUAL GENERAL MEETING - SEPTEMBER 24, 2018**

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

I hereby record my presence at the 128<sup>th</sup> Annual General Meeting of the Company at the MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi - 110054, on Monday, September 24, 2018, at 11:30 A.M.

Member's Folio/DP. ID - Client ID No.

Name of the member / proxy  
(in BLOCK letters)

Signature of the member / proxy

**Note :** 1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

2. No bags, briefcases, drinks and eatables will be allowed to be carried inside the auditorium.

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

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

**Note:** Please read instructions given at Note No. 25 of the Notice of the 128<sup>th</sup> Annual General Meeting carefully before voting electronically.