

DCM LIMITED ANNUAL REPORT

2014 -2015

BOARD OF DIRECTORS

Mr. Jitendra Tuli
Chairman and Managing Director

Mr. Bipin Maira

Mr. Ravi Vira Gupta

Prof. Sudhir Kumar Jain

Mr. Narendra Pal Chawla
(Nominee of LIC)

Dr. Meenakshi Nayar

Mr. Arun Kumar Vedhera

COMPANY SECRETARY

Mr. Yadvinder Goyal

BANKERS

Punjab National Bank

State Bank of Bikaner and Jaipur

AUDITORS

A.F Ferguson & Co.
Chartered Accountants
New Delhi

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

MCS 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 125th Annual General Meeting of DCM Limited (the Company) will be held on Tuesday, August 18, 2015 at 1.00 P.M., at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi -110 054 for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2015, 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, 2015 together with Report of Auditors thereon.
2. To consider and declare payment of final dividend of Rs. 1.50 per equity share and confirm the interim dividend of Rs. 1.50 per equity share, already declared and paid during the year, for the financial year ended March 31, 2015.
3. To appoint a director in place of Mr. Jitendra Tuli, (holding DIN 00272930), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W) as Statutory Auditors of the Company in place of M/s. A. F. Ferguson & Co., Chartered Accountants, (Firm Registration No. 112066W) the retiring Statutory Auditors, to hold office from the conclusion of 125th Annual General Meeting, until the conclusion of 130th Annual General Meeting, subject to ratification at every Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this 125th Annual General Meeting until the conclusion of the 130th Annual General Meeting, subject to ratification of appointment by shareholders at every Annual General Meeting, at such remuneration plus service tax & out-of-pocket expenses, if any, as may be fixed by the Audit Committee of the Board of Directors of the Company."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Arun Kumar Vedhera (DIN 02211540), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 20, 2015 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 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, 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."

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), appointed as Cost Auditors, by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2016, be paid remuneration of Rs. 50,000/- (Rupees fifty thousand only) plus service tax & out-of-pocket expenses, if any.

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 in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (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 the re-appointment of Mr. Jitendra Tuli (holding DIN 00272930), as Managing Director of the Company, with effect from December 20, 2014 without payment of salary and perquisites but with sitting fees as paid to other directors, for a period of one year, which is extendable for further period(s) not exceeding 5 years, on each occasion from time to time at the discretion of the Board.

RESOLVED FURTHER THAT the Managing Director shall be entitled to reimbursement of all expenses incurred in the course of business of the Company on actual basis.

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

By the order of the Board
For DCM Limited

Sd/-
Place : New Delhi
Date : June 20, 2015

Yadvinder Goyal
Company Secretary

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Items nos. 5 to 7 under Special Business of this Notice is annexed hereto.
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.

DCM

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 Wednesday, August 12, 2015 to Tuesday, August 18, 2015 (both days inclusive).
4. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio.
5. Members are requested to bring their copy of Annual Report.
6. The Board of Directors in its meeting held on November 14, 2014 had declared an interim dividend of Rs. 1.50 per equity share (@ 15% on the paid-up equity share capital of the Company) which was paid on December 8, 2014. Members who have not received or not encashed their dividend warrant may approach M/s MCS Limited, Registrar and Transfer Agent of the Company or to the Company, for revalidating the warrant or for obtaining duplicate warrant. Subject to the provisions of Section 126 of the Companies Act, 2013, final dividend @ Rs. 1.50 per equity share (@ 15 % on the paid-up equity share capital of the Company) as recommended by the Board of Directors, for financial year ended March 31, 2015, if declared, at this Annual General Meeting, will be paid to the members whose names appear in the Register of Members of the Company as on the book closure dates.
7. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
8. 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.
9. 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.
10. 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.
11. The Securities and Exchange Board of India 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 Limited.
12. 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. Members who have not registered their e-mail address with the Company can now register the same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s MCS Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.

13. The 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) unless the members have registered their request for a hard copy of the same. However, physical copy of the Annual Report including Notice of AGM and Attendance Slip is being sent to all members.
14. 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, during business hours up to the date of the Meeting.
15. The relevant details as required under Clause 49 of the listing agreement with the stock exchanges, in respect of persons seeking appointment / re-appointment as Directors of the Company under Items No. 3, 5 and 7 of the Notice, are provided at page no. 33 of the Annual Report.
16. **Electronic Clearing Service (ECS) Facility**

With respect to the payment of dividend, the Company provides the facility of ECS to all of its shareholders, holding shares in electronic form and also to shareholders, holding shares in physical forms and opted for ECS.

Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, which can be obtained from the Registrar and Share Transfer Agents, M/s MCS Limited or downloaded from the Company's website www.dcm.in. Requests for payment of dividend through ECS should be lodged with M/s MCS Limited.

Further, members holding shares in physical form are requested to intimate any change of address and / or bank mandate to the Company / Registrar and Share Transfer Agents, M/s MCS Limited immediately.

17. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, 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 transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim as per provisions of the Companies Act, 1956.

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 5INV 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.

18. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder and clause 35B of the listing agreement, 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).
19. Mrs. Pragnya Parimita Pradhan, Company Secretary in whole-time practice has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting at AGM in a fair and transparent manner.
20. 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.
21. The Members who have casted 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.
22. 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) 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 pragnya.pradhan@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a member receiving physical copy of the Notice of AGM:

- (i) Initial Password is provided 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. The remote e-voting period commences on Saturday, August 15, 2015 (9.00 a.m. IST) and ends on Monday, August 17, 2015 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on August 11, 2015 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.
- ii. 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 August 11, 2015 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.
- iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in 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.
If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, would 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 countersign the same.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dcm.in and on the NSDL's website www.evoting.nsdl.com, after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

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

Item No. 5

The Board of Directors of the Company have appointed Mr. Arun Kumar Vedhera as an Additional Director of the Company with effect from June 20, 2015, 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 forthcoming Annual General Meeting of the Company.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Arun Kumar Vedhera for the office of Director of the Company, liable to retire by rotation.

Brief resume of Mr. Arun Kumar Vedhera, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in Corporate Governance Report forming part of Annual Report.

Other than Mr. Arun Kumar Vedhera and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out at Item No. 5 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Keeping in view of his experience and knowledge, it will be in the interest of the Company that Mr. Arun Kumar Vedhera is appointed as Director of the Company, liable to retire by rotation. Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 5 of this Notice for approval of the members of the Company.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), as Cost Auditors to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2016 at a remuneration of Rs. 50,000/- (Rupees fifty thousand only) plus service tax & out-of-pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

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. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of this Notice for approval of the members of the Company.

Item No. 7

The Board of Directors of the Company (the 'Board'), at its meeting held on November 14, 2014 have, subject to the approval of members, re-appointed Mr. Jitendra Tuli, as Managing Director of the Company, w.e.f. December 20, 2014, without payment of salary and perquisites but with sitting fees as paid to other directors, for a period of one year which is extendable for further period not exceeding five years.

Since Mr. Jitendra Tuli is 75 years old, it is proposed to seek the members' approval for the re-appointment of Mr. Jitendra Tuli, as Managing Director of the Company, by way of Special Resolution, as required under applicable provisions of the Companies Act, 2013.

Accordingly, the said re-appointment of Mr. Jitendra Tuli is in compliance of all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment as Managing Director of the Company.

Mr. Jitendra Tuli has been on Board of the Company since December 20, 2005. He was appointed as Chairman and Managing Director w.e.f. December 20, 2012. He continued to be member of various Committee(s) of the Board from time to time. Keeping in view of his long association as member of the Board/Committee(s) and his experience and knowledge, it will be in the interest of the Company to re-appoint Mr. Jitendra Tuli as Managing Director of the Company.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Jitendra Tuli under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Jitendra Tuli, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, his shareholding in the Company, relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, is provided in Corporate Governance Report forming part of Annual Report.

Other than Mr. Jitendra Tuli and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution set out at Item No. 7 of the Notice which pertains to his re-appointment as Managing Director of the Company.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 7 of this Notice for approval by the members of the Company.

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

By the order of the Board
For DCM Limited

Place : New Delhi
Date : June 20, 2015

Sd/-
Yadvinder Goyal
Company Secretary

DIRECTORS' REPORT

Your directors have pleasure in presenting this 125th Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2015.

ECONOMIC SCENARIO

The global economic environment in recent years has been challenging which coupled with slowing growth in some of the leading global economies has impacted currencies all over the world. However, despite unpredictable headwinds, the global economic recovery seems to be gaining momentum. Specifically, the recovery in the United States was stronger than expected, which provided momentum for the global economic recovery.

After a tepid start by India's economy in FY 2014-15, there was a shift to positive sentiments led by commitments from the newly elected Government at the Centre. FY 2014-15 was indeed a year of transformation and optimism for the Indian economy.

The new government has ushered in an era of hope and development, and a vision to create a robust economy for India. An initiative that has particularly galvanized the entire country is 'Make in India' led by our Hon'ble Prime Minister. This campaign is designed to transform India into a global manufacturing hub.

India's economy is in the midst of recovery with lower fiscal and current account deficit and structural reforms to boost investments. The Indian economy is expected to grow @ 7.5% in 2015-16 (as per the World Bank) and is expected to reach around 8% by 2017. While the various steps are being taken to de-clog the growth, it is expected that the government's reform agenda will spur economic growth and increase business sentiment this fiscal year.

FINANCIAL DATA

	Rs./Crores	
	Financial Year ended March 31, 2015	Financial Year ended March 31, 2014
Profit before Interest, Depreciation, Tax and Exceptional Item	57.67	63.85
Less: – Finance Cost	20.10	12.43
– Depreciation	24.86	11.53
Profit before Tax & Exceptional Item	12.71	39.89
Exceptional Item #	–	15.50
Profit before tax	12.71	55.39
Less -Provision for tax	(1.21)	19.19
Profit after tax	13.92	36.20
Add -Profit brought forward	146.76	120.41
Less- Adjustment of Depreciation	2.35	–
Profit available for appropriation	158.33	156.61
Appropriations:		
Interim Dividend on equity shares	2.61	2.61
Proposed Final Dividend on equity shares	2.61	2.61
Corporate Dividend Tax	1.05	0.88
General Reserves	0.50	3.75
Balance Profit carried forward	151.56	146.76

Compensation receivable from developer of real estate project pursuant to settlement reached in relation to residential complex of the said project.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 0.50 crore to the General Reserve out of the amount available for appropriation. After the said transfer, an amount of Rs. 151.56 crores is proposed to be retained in the Profit and Loss account.

DIVIDEND

During the financial year ended March 31, 2015, your Company has declared an interim dividend of Rs. 1.50 (Rupee one and fifty paise only) per equity share of Rs. 10 each, out of accumulated profits of past years, in the month of

November 2014 and the same was paid in the month of December 2014. In addition, your directors recommend a final dividend of Rs. 1.50 (Rupee one and fifty paise only) per equity share of Rs. 10 each for the financial year 2014-15. If approved, the total dividend (interim and final dividend) for the financial year 2014-15 will be Rs. 3.00 (Rupees three only) per equity share aggregating to Rs. 626.57 lacs (including Corporate Dividend Tax).

OPERATIONS OVERVIEW

Textile Division

The Textile Division of the Company is located at Hisar in Haryana with a capacity of 114096 Spindles. During the year under review, the production of yarn increased by 32% (approx.) to 25271 MT from 19095 MT last year mainly due to the successful execution of expansion project through an addition of 39168 spindles at Hisar entailing capital cost of about Rs. 105 Crores. Lower global demand especially from China, higher depreciation cost due to expansion and increase in power cost during the year resulted in lower Profit before Tax (PBT) of Rs. 3.97 Crores as against Rs. 45.25 Crores in the previous year.

IT Division

The IT Division of the Company is an established service provider for IT Infrastructure Services and Analytics operating through various offices located in India and USA.

During the year under review, the sales and other income of the Division increased to Rs. 75.54 Crores from Rs. 64.79 Crores in the last year. The Division earned Profit before Tax (PBT) of Rs. 6.44 Crores compared to Rs. 4.39 Crores in the previous year.

The increase in volumes both in India & overseas business, better margins on exports and favorable exchange rates, contributed to the improved overall performance of the Division. In addition, efforts were made to broaden the customer base and build capabilities in newer technology areas. Exports of Infrastructure services showed good growth during the year.

Investments have been made in building sales bandwidth and acquiring tools for further expanding the export services business. This should help to provide the desired impetus to the business 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, 2015 and the date of this Report.

SCHEME OF AMALGAMATION OF DCM ENGINEERING LIMITED INTO AND WITH DCM LIMITED

During the year under review, the Board of Directors of your Company on December 8, 2014 approved the merger of DCM Engineering Limited ('Subsidiary Company') into and with your Company under a Scheme of Amalgamation (i.e. 'Scheme') under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

The Scheme envisages that upon it becoming effective and with effect from the appointed date i.e. April 1, 2014, all assets and liabilities and the entire business of DCM Engineering Ltd. shall be transferred to and vested in the Company as a going concern. The Scheme is subject to and would become effective on receipt of all regulatory/statutory approvals. The said Scheme has been pending approvals from the concerned regulatory/statutory authorities as at March 31, 2015.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has six (6) subsidiaries and one (1) associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 ("Act") respectively, as on March 31, 2015. There has been no material change in the nature of the business of the subsidiaries and associate companies. During the year under review, no company has become or ceased to be Company's subsidiaries, joint ventures or associate companies.

Pursuant to provisions of Section 129(3) and other applicable provisions of the Act read with Rules made thereunder, 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 enclosed as Annexure - A to the standalone financial statements of the Company and hence not repeated here for the sake of brevity.

Pursuant to the provisions of Section 136 of the Act, 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.

CONSOLIDATED ACCOUNTS

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.

DIRECTORS

Dr. Surendra Nath Pandey, director of the Company passed away on December 23, 2014. He was 84 years old. He was Chairman of the Board of Directors of the Company from December 20, 2005 to December 19, 2011. Your Board placed on record its deep condolences on his sad demise.

Prof. Joginder Singh Sodhi has resigned from directorship of the Company with effect from February 13, 2015. Your Board placed on record its appreciation for the contributions made by Prof. Joginder Singh Sodhi during his tenure as director of the Company.

Mr. Arun Kumar Vedhera was appointed as an Additional Director with effect from June 20, 2015 and holds office upto date of forthcoming Annual General Meeting of the Company. The Company has received a notice under Section 160 of the Companies Act, 2013 along with the requisite deposit from a member proposing the appointment of Mr. Arun Kumar Vedhera as a Director of the Company, liable to retire by rotation. Accordingly, a resolution is included in the Notice of the forthcoming 125th Annual General Meeting of the Company for seeking approval of members for his appointment as a Director of the Company, liable to retire by rotation.

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 125th Annual General Meeting of the Company for seeking approval of members for his appointment as a Director of the Company.

The Board of Directors of the Company in their meeting held on November 14, 2014 had appointed Mr. Jitendra Tuli as Chairman and Managing Director of the Company for a period of one year i.e. with effect from December 20, 2014 to December 19, 2015. Accordingly, a resolution is included in the Notice of the forthcoming 125th Annual General Meeting of the Company for seeking approval of members for his appointment as Managing Director of the Company.

The members of the Company at 124th Annual General Meeting of the Company held on August 04, 2014 had appointed Mr. Bipin Maira, Mr. Ravi Vira Gupta, Prof. Sudhir Kumar Jain & Dr. Meenakshi Nayar, existing directors as Independent Directors of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014. The aforesaid Independent Directors have submitted their Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they continue to meet the criteria of Independence as provided in 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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL

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. Mr. Jitendra Tuli | – Chairman and Managing Director |
| b. Dr. Vinay Bharat Ram | – Chief Executive Officer |
| c. Mr. Sumant Bharat Ram | – Chief Operating & Finance Officer |
| d. Mr. Hemant Bharat Ram | – President (Textiles) |
| e. Mr. Rakesh Kumar Goel | – CEO, Textile Division |
| f. Mr. Varun Sarin | – Chief of Operations & Finance, IT Division |
| g. Mr. Mukesh Sharma | – Company Secretary* |
| h. Mr. Yadvinder Goyal | – Company Secretary** |

*Ceased to be Company Secretary w.e.f. November 14, 2014.

**Appointed as Company Secretary w.e.f. November 15, 2014.

NUMBER OF BOARD MEETINGS

Six meetings of the Board of Directors of your Company were held during the year under review.

EVALUATION OF BOARD PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49"), the Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors.

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

The performances of the committees were evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees and effectiveness of the committee meetings etc.

The performance of the individual directors was reviewed on the basis of the criteria such as contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

The performances of non-independent directors, Board as a whole and of the Chairman were evaluated in a separate meeting of Independent Directors after taking into account the views of executive directors and non-executive directors.

INTERNAL FINANCIAL CONTROL

The Company has in place an established internal control system to ensure proper recording of financial & operational information, compliance of various internal controls and other regulatory/statutory compliances. 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

The term of office of M/s A.F. Ferguson & Co., Chartered Accountants, as Statutory Auditors of the Company will expire with the conclusion of forthcoming Annual General Meeting of the Company. As on commencement of the Companies Act, 2013, M/s A.F. Ferguson & Co., Chartered Accountants, have completed more than 10 years as Statutory Auditors of the Company.

A resolution proposing appointment of M/s BSR & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company in place of M/s A.F. Ferguson & Co., Chartered Accountants pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the forthcoming 125th Annual General Meeting of the Company.

The Board place on record its appreciation for the services rendered by M/s A.F. Ferguson & Co., Chartered Accountants, as the Statutory Auditors of the Company.

DIRECTORS' VIEW ON AUDITORS' OBSERVATIONS

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

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

Purearth Infrastructure Limited, a joint venture company, has received advances Rs. 3,431.98 lacs (Group's share in advances of joint venture are Rs. 563.35 lacs) for certain bookings of units in its Plaza 4 of Central Square Project (referred as 'said Project'). The said advances have been shown as 'Advances from customers' under 'Other Current Liabilities'. The management of the joint venture company is yet to draw up construction plans for said 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 said Project cannot be determined at this stage. Thus, the management of Joint Venture could not be able to estimate the likely losses for such bookings under the 'Plaza 4 of Central Square Project' and hence have not been provided in the financial Statement of the joint venture company. (Refer note 40 to the consolidated financial statements annexed.)

DEBT REPAYMENT

The Company has complied with its debt repayment obligation under 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. Where such amount has not been claimed by the creditors, the same has been deposited in separate designated Bank Account(s) in scheduled bank(s).

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 established by the Central Govt. (the relevant details of the same are uploaded on the Company's website www.dcm.in)

The investors, whose investment has remained unclaimed /un-encashed and in respect of whom a period of seven years has not lapsed from the due date as per SORA, are required to lodge their claim with the Company by surrender of Debenture Certificates/Letter of Allotment/un-encashed payment warrants at the registered office of the Company.

FIXED DEPOSITS

No disclosure or reporting is required in respect of deposits covered under Chapter V of the Companies Act, 2013, as there were no transactions in respect of the same during the year under review. However in respect of deposits accepted by the Company under the Companies Act, 1956, the Company has paid the fixed deposit holders in all claimed cases in terms of the provisions of SORA. The amount of unclaimed / legal cases has been deposited in a separate bank account to earmark the funds for the payment of these unclaimed / legal cases. In case a deposit remained unclaimed and un-encashed for a period of seven years from the date it became due for payment, the same has been/will be transferred to the Investor Education and Protection Fund established by the Central Govt.

RISK MANAGEMENT

There is a continuous process of identifying / managing risks through a Risk Management Process. The measures used in managing the risks are also reviewed. The risks identified by the Company broadly fall in the category of operational risk, regulatory risk, financial & accounting risk & foreign currency related risks. The risk management process consists of risk identification, risk assessment, risk monitoring & risk mitigation. During the year, measures were taken for minimization of risks and the Board was informed from time to time. In the opinion of the Board, none of the said risks which have been identified may threaten the existence of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company consists of Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Mr. Jitendra Tuli and Prof. Sudhir Kumar Jain. The Board of Directors of your Company has revised its terms of reference to make it in line with the requirements of Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors of your Company has constituted a CSR Committee comprising of Mr. Ravi Vira Gupta, Chairman, Prof. Joginder Singh Sodhi and Dr. Meenakshi Nayar, as members of the committee. Pursuant to resignation of Prof. Joginder Singh Sodhi from directorship of the Company, the Board of Directors of your Company in their meeting held on February 14, 2015 has reconstituted the CSR Committee with Mr. Ravi Vira Gupta, Chairman,

Mr. Bipin Maira 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.

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 the 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 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 investment made and loans given are provided in the standalone financial statements. (Please refer to Note Nos. 13 & 14 of the standalone financial statements).

The Company, in its capacity as title holder of land at Bara Hindu Rao / Kishanganj, Delhi, 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 by joint venture company in connection with development of real estate project on the said land. The outstanding amount of loans, on which mortgage was created, as on 31.03.2015 was Rs. 95 crores (previous year Rs. 80.75 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. During the year, the Company has not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The prescribed Form AOC-2 is enclosed as Annexure - III, and forms part of this Report. Your directors draw attention of members to Note 41 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.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder, the Board of Directors have appointed M/s K C Kohli & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost accounting records of the 'cotton textile' manufactured by the Company for the Financial Year 2015-16 at a remuneration of Rs. 50,000/- (Rupees fifty thousand only) plus Service tax and out of pocket expenses, if any. In terms of said Section 148 and rules made there under, remuneration of Cost Auditors is to be ratified by members of the Company. Accordingly, a resolution is included in the Notice of forthcoming Annual General Meeting for ratification of their remuneration by members of the Company.

SECRETARIAL AUDIT

The Board has appointed M/s Pragnya Pradhan & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year 2014-15 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

As per Clause 49 of the listing agreements entered into with the stock exchanges, Corporate Governance Report along with Auditors' certificate thereon and Management Discussion and Analysis Report are enclosed, and form part of this report.

DISCLOSURE REQUIREMENTS

- Details of the familiarization programme of the independent directors are available on the website of the Company at weblink: <http://www.dcm.in/pdf/Familiarisation-program-for%20independent%20directors.pdf>.
- Policy for determining material subsidiaries of the Company is available on the website of the Company at weblink: <http://www.dcm.in/pdf/Material-subsidiary-policy.pdf>
- Policy on materiality of related party transactions and dealing with related party transactions is available on the website of the Company at weblink: <http://www.dcm.in/pdf/Policy-on-related-party-transactions.pdf>
- 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. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreements with stock exchanges.
- The Company's Remuneration Policy is enclosed as Annexure - VI and forms part of this Report.
- Annual Report on CSR Activities is enclosed as Annexure - VII and forms part of this report.

- 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.
- During the year under review, there were no cases reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Place: New Delhi
Date : June 20, 2015

Sd/-
Jitendra Tuli
Chairman and Managing Director

ANNEXURES TO THE DIRECTORS' REPORT

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, 2015

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy

Textile Division:

The Textile mill is continuously endeavoring to develop the most energy efficient process as and to upgrade to latest energy-efficient devices. Recently the division has installed cyclic timer, ring inverter, and frequency drive. The conventional tubes/bulbs are being replaced with LED light.

IT Division:

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

(ii) the steps taken by the company for utilising alternate sources of energy

Textile Division – Nil

IT Division – Nil

(iii) the capital investment on energy conservation equipments

Textile Division – Rs. 8.82 lacs

IT Division – Nil

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption

Textile Division

During the year, the Company has replaced its 37 old MEI Ring Frames consisting of 17644 spindles with new 08 LR9AXL Ring Frames consisting of 11904 spindles of new technologies and also installed 24 New Ring Frames of 39168 spindles of latest technology with state of art machineries.

IT Division – Nil

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

Textile Division

The cotton yarn produced after the above expansion cum modernization, will be of high quality acceptable in the international market with better contribution besides saving in cost due to higher level of automation.

IT Division – Nil

(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.

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

IT Division – Nil

(C) FOREIGN EXCHANGE EARNINGS & 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, 2015	Financial Year ended March 31, 2014
Foreign Exchange Earned	32155.02	29094.61
Foreign Exchange Used	5967.23	7368.99