

DCM LIMITED ANNUAL REPORT

2016 -2017

BOARD OF DIRECTORS

Dr. Vinay Bharat Ram
Chairman and Managing Director

Mr. Bipin Maira

Mr. Chandra Mohan

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

COMPANY SECRETARY

Mr. Yadvinder Goyal

BANKERS

Punjab National Bank

State Bank of Bikaner and Jaipur

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 127th Annual General Meeting of DCM Limited ('the Company') will be held on Friday, September 22, 2017 at 11:00 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, 2017, 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, 2017 together with Report of Auditors thereon.
2. To appoint a director in place of Dr. Vinay Bharat Ram, (DIN 00052826), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company 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 pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Rules issued thereunder, as amended from time to time, and pursuant to resolution passed by the members at the 125th Annual General Meeting (AGM) of the Company held on August 18, 2015, the appointment of M/s. BSR & Co. LLP, Chartered Accountants, (Regn. no. 101248W/W-100022) as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and the Audit Committee of the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them."

SPECIAL BUSINESS

4. 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:

 - i. Rs. 50,000/- (Rupees fifty thousand only) plus GST & out-of-pocket expenses, if any, to M/s K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), as Cost Auditors, for financial year 2017-18, for audit of cost accounting records of 'Cotton Textiles' manufactured by the Company;
 - ii. 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 2017-18, 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

- iii. 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 2017-18, for consolidation of the Cost Audit Report 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

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

Place : New Delhi
Date : July 6, 2017

**Sd/-
Yadvinder Goyal
Company Secretary**

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item no. 4 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.**

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 Saturday, September 16, 2017 to Friday, September 22, 2017 (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. 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. 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 Share Transfer Agent 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). However, physical copy of the Annual Report including Notice of AGM and Attendance Slip is also 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, Sundays & Public Holidays) during business hours up to the date of the Meeting.
15. 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 of the Notice, are provided at page no. 4 of the Annual Report.
16. 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.

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/Debentures and Dividend on the website of MCA as well as on its website www.dcm.in. Deposit-holders/Debenture-holders/Shareholders may kindly check the said information and if any amount on account of matured deposits, matured debentures, 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.

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.

Any person whose shares, unclaimed/un-encashed dividend, matured deposits, matured debentures, 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/debenture-holders/shareholders to claim the unclaimed / un-encashed amount of dividend, matured deposits, matured debentures or interest thereon with in scheduled time.
17. 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.
18. 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.
19. 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.
20. 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).

21. 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 pragnyap.pradhan@gmail.com with a copy marked to 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
- 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 Tuesday, September 19, 2017 (9.00 a.m. IST) and ends on Thursday, September 21, 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 15, 2017 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 15, 2017 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 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.

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

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

vi. 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.

vii. 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

viii. 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 22, 2017.

22. The route map to the venue of the Annual General Meeting is given at page no. 5 of this Annual Report.

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

Item No. 4

The Board of Directors of the Company at their meeting held on May 30, 2017, on the recommendation of the Audit Committee, have approved the following appointments:

- i. M/s K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), as Cost Auditors, for financial year 2017-18, 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 2017-18, 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)
- iii. M/s V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Lead Cost Auditors, for financial year 2017-18, 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for financial year 2017-18.

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. 4 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of this Notice for approval of the members of the Company.

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

Place : New Delhi
Date : July 6, 2017

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

**Sd/-
Yadvinder Goyal
Company Secretary**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT 127TH ANNUAL GENERAL MEETING OF THE COMPANY

Name of the Director	Dr. Vinay Bharat Ram
Director Identification Number (DIN)	00052826
Date of Birth	18.02.1936
Date of Appointment	Appointed as an Additional Director of the Company w.e.f. 29.01.2016 and Managing Director of the Company w.e.f. 30.01.2016
Qualification	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
Experience & Expertise inspecific functional area	Industry and Management experience of more than five decades
Profile of the Director	Dr. Vinay Bharat Ram was Past President of the Manufactures' Association of Information Technology, Ex-member of International Council of the Asia Society, New York, U.S.A. He was honored and admired 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.
Terms & Conditions of re-appointment along with details of remuneration sought to be paid and last drawnby him	Dr. Vinay Bharat Ram, Chairman & Managing Director of the Company is liable to retire in his capacity as director of the Company and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company. He is drawing remuneration from the Company, in his capacity as Managing Director of the Company, which is as mentioned in the Corporate Governance Report, forming part of this Annual Report.
Shareholding in the Company as on 31.03.2017	6525 Equity Shares
Relationship with other directors and KMPs of the Company	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.
No. of Meetings of Board attended during the year	7 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)
List of Companies in which outside directorship held	Purearth Infrastructure Ltd. Aggresar Leasing & Finance Pvt. Ltd. Crescita Enterprises Pvt. Ltd.
Chairman/Member of the Committees of Board of Directors of Indian Companies	1. Chairmanship(s) of Committees of the Board DCM Limited - Corporate Social Responsibility Committee - Review Committee- Textile & IT Division 2. Membership(s) of Committees of the Board NIL

Route map for Venue of Annual General Meeting

Route map for Venue of 127th Annual General Meeting of the Company



DIRECTORS' REPORT

Your directors have pleasure in presenting this 127th Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2017.

ECONOMIC SCENARIO

The growth in emerging markets and developing economies was encouraging in 2016 despite a slow down in the western economies.

On the global front, two key events have led to a lot of uncertainty and a spurt in volatility across markets. In June 2016, UK voted to leave the European Union leading to an immediate ratings downgrade and financial market volatility. The financial markets have seemingly factored in this event but the impending round of trade negotiations between UK and the European Union, point to a tough road ahead. The November 2016 US election outcome led to considerable capital flight from the emerging markets, including India, on the hopes of strong pro-US growth policy rollouts from the new Government. The challenges faced during the initial roll-out of some of these policies by the new US administration, point to a difficult road ahead which have implications not just for the US economy but globally as well.

India remained the fastest growing major economy in the world, after surpassing China last year. Gross Domestic Product growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and government spending. Inflation eased sharply led by a decline in food inflation amidst government's astute food management, facilitating a 50 basis points rate cut by the RBI in FY 2016-17 before it adopted a neutral stance.

The Indian Economy is on the threshold of the next phase of growth through government sponsored "Make-In-India" programmes and other investment-led strategies. Concurrently, the business environment in India is expected to undergo a radical transformation with the big push to build quality infrastructure covering roads, ports, water-ways, airways and railways.

FY 2016-17 was also marked by two significant economic measures by the government. Government's demonetisation move to counter the shadow economy and promote cashless economy has boosted digital payments in the country. The recent implementation of the landmark GST legislation has been a milestone reform that is bound to usher in efficiencies in the system via ease of doing business (one tax rate subsuming all other taxes), thereby leading to an improved business environment. It is poised to provide a fillip to India's economic growth as it will create a single national market and enhance the efficiency of inter-state movement of goods and services apart from moving a large part of the informal sector within the formal set-up of the economy. The reform process would further help boost India's position in the global arena.

The government also announced a slew of measures aimed at boosting consumption, particularly in rural India. Increased government focus (both central and state) on the rural sector and initiatives like improved support prices, agri-insurance schemes, infrastructure investments (including irrigation projects), and higher outlay for rural employment guarantee schemes all indicate a possibility of improved rural incomes, thereby driving a consumption-led growth.

With a normal monsoon expected in this year, almost all economic indicators are showing positive trends. With a stable government at the Centre and the ruling party winning major state elections, the Indian business community is showing renewed confidence.

The stock markets are scaling new peaks. The Rupee is becoming stronger against the US dollar. Though global markets continue to stagnant and are not encouraging the exports, an increase in domestic consumption is the main driver of growth.

Unless there are some serious unforeseen crises, the reforms such as overhauling the bankruptcy laws and giving banks more teeth to deal with their non-performing assets (NPAs), sustained increase in public infrastructure spending and continuing tight supervision of monetary policy suggests that India is well placed for a period of sustained growth in excess of 7% per annum.

FINANCIAL DATA

Rs. / Crores

	Financial Year ended March 31, 2017	Financial Year ended March 31, 2016
Profit before Interest, Depreciation, Tax and Exceptional Item	52.95	69.14
Add: Exceptional Items	7.75	-
Profit before Interest, Depreciation, Tax but after Exceptional Item	60.70	69.14
Less: -Finance Cost	26.72	32.56
-Depreciation	37.68	36.40
Profit before Tax	(3.70)	0.18
Less -Provision for tax	(0.14)	(3.11)
Profit after tax	(3.84)	3.29
Add - Profit brought forward	143.75	151.56
Less - Adjustment of Depreciation	-	-
Less - Adjustment for amalgamation	-	7.96
Profit available for appropriation	139.91	146.89
Appropriations:		
Interim Dividend on equity shares	-	2.61
Proposed Final Dividend on equity shares	-	-
Corporate Dividend Tax	-	0.53
General Reserves	-	-
Balance Profit carried forward	139.91	143.75

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 2016-17.

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) increased to Rs. 31.15 crores in financial Year 2016-17 from Rs. 6.65 crores in the previous financial year 2015-16 on account of increase in yarn prices, reduction in cost of consumed cotton on account of stocking in cotton season at lower prices and operational efficiencies and reduction in interest cost.

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 44,970 MT (previous year 40,544 MT). The Division continued to make losses because of lower volume resulting under recovery of fixed overheads, higher rejections and decline in margins on account of price reduction to retain market share as competitors are supplying at lower prices.

The Division continued to focus on process improvements and manufacturing techniques across all areas of operations to improve cost effectiveness and quality.

The sales volume of the Division is expected to increase in the medium and long-term with the commercial supplies of new development items as well as positive growth expected in auto industry on account of increased agriculture growth due to normal monsoon, pickup in rural consumption demand, 7th Pay Commission pay-out besides a healthy economic outlook and sustained increase in public infrastructure spending and new launches in the passenger and commercial vehicle segment.

IT Division

The IT Division of the Company is an established service provider for IT Infrastructure management, networking, Analytics and Cloud related services operating through its offices located in India and USA.

During the year under review, the sales and other income of the Division was Rs. 60.38 crores (previous year Rs. 66.50 crores). The Division continue to have consistent profits. The Profit before Tax (PBT) was Rs. 5.98 crores (Previous year Rs. 5.73 crores).

Based on market conditions and the growth prospects both in India and USA, the Division is consistently investing to build new capabilities which complement the core area of IT infrastructure management to target newer areas, which will help it to grow faster.

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, 2016 and the date of this Report.

SCHEMES OF ARRANGEMENT

- During the year, DCM Engineering Limited was amalgamated with the Company with effect from the appointed date of April 1, 2014 in terms of the scheme of amalgamation ("the Scheme") sanctioned by the Hon'ble High Court of Delhi vide its order dated May 16, 2016 and pursuant to that all assets, liabilities, duties and obligations of DCM Engineering Limited, were transferred to and vested with the Company with effect from April 1, 2014. The Scheme became effective on May 28, 2016 ("Effective Date") on filing of the certified copy of the said Order with the Registrar of Companies, NCT of Delhi & Haryana.

Pursuant to the Scheme coming into effect, 1,50,49,988 equity shares held by the Company in erstwhile DCM Engineering Limited stand cancelled. In terms of said Scheme the Company has allotted 12,98,712 equity shares of Rs. 10/- each fully paid-up to other shareholders of DCM Engineering Limited.

- The Board of Directors of the Company 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. The aforesaid scheme is subject to approval from concerned regulatory authorities.

- The Board of Directors of the Company in its meeting held on October 15, 2016, also approved a composite scheme of arrangement, which was further amended in their subsequent meeting held on February 13, 2017 for the:-

- Amalgamation of Tiara Investment Holdings Limited into Purearth Infrastructure Limited, a joint venture company with effect from December 31, 2016;
- 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
- 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.

- The Board of Directors of the Company, in its meeting held on March 31, 2017, approved a scheme of amalgamation for the merger 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 aforesaid scheme is subject to approval from the concerned regulatory authorities.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

As on April 1, 2016, the Company had six subsidiaries (including DCM Engineering Limited which was amalgamated with the Company under a Scheme of Amalgamation sanctioned by Hon'ble Delhi High Court vide its order dated May 16, 2016, which become effective from May 28, 2016. DCM Engineering Limited ceased to exist with effect from May 28, 2016) and one associate company with in the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively.

During the year under review, two companies namely DCM Realty and Infrastructure Limited and DCM Nouvelle Limited were incorporated as wholly owned subsidiaries of the Company.

At present, 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.

During the year under review, except as stated above no other company has become or ceased to be Company's subsidiary, joint venture or 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 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 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.

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. Vinay Bharat Ram, 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 127th Annual General Meeting of the Company for seeking approval of members for his appointment as a director of the Company.

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:

- 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:

- Dr. Vinay Bharat Ram – Chairman & Managing Director
- *Mr. Sumant Bharat Ram – Chief Executive & Financial Officer
- Mr. Hemant Bharat Ram – President (Textiles)
- Mr. Rakesh Kumar Goel – CEO, Textile Division
- Mr. Varun Sarin – Chief of Operations & Finance, IT Division
- Mr. Yadvinder Goyal – Company Secretary

* He remained as KMP in his capacity as Chief Operating & Finance Officer (CO&FO) of the Company till 13.11.2016 and thereafter re-designated as Chief Executive & Financial Officer (CE&FO) of the Company w.e.f. November 14, 2016.

NUMBER OF BOARD MEETINGS

Seven 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 the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 performance of the committees was 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 committee meetings etc.

The performance of the individual directors was reviewed on the basis of the criteria such as the 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 was 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. Further, the Company has also an independent Internal Audit function, which carries out periodic internal audits across locations and functions, based on the Internal Audit plan. 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), were appointed as Statutory Auditors of the Company from the conclusion of 125th Annual General Meeting (AGM) held on August 18, 2015 till the conclusion of 130th Annual General Meeting of the Company, subject to ratification of their appointment by the members at every intermittent AGM of the Company.

Accordingly, a resolution for ratification of their appointment as Statutory Auditors of the Company has been included in the Notice of forthcoming 127th Annual General Meeting 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 legal provisions.