



GREWAL & SINGH

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DCM TEXTILES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **DCM TEXTILES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other Matter

In our opinion and to the best of our knowledge and belief, there is nothing to report hereunder.

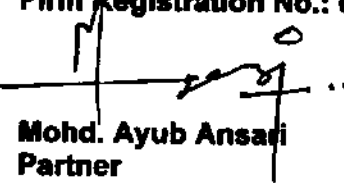
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including statement of changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Grewal & Singh
Chartered Accountants
Firm Registration No.: 012322N**



**Mohd. Ayub Ansari
Partner**

M. No. 500810

UDIN: 20500810AAAHK6601

Place: New Delhi

Date: 10.06.2020



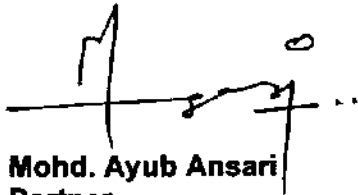
Annexure A referred to in our Independent Auditors' Report to the members of DCM TEXTILES LIMITED on the Ind AS Financial Statements for the year ended 31st March, 2020

- 1 The Company does not own any fixed assets. Hence no comment is made on the maintenance of records, procedure of physical verification of fixed assets and title deeds of immovable properties.
- 2 The company does not carry any inventory and hence no comment is made on its physical verification and any discrepancy therein.
- 3 According to the Information and explanations given to us and based on our examination of the records of the Company, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable.
- 4 The Company has not granted any loans and does not hold any investment. Accordingly paragraph 3(iv) of the Order is not applicable.
- 5 The Company has not accepted any deposits from the public.
- 6 The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- 7
 - a) According to the books of account and other information as produced and examined by us in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including income-tax and other statutory dues with the appropriate authorities.
 - b) According to the information and explanations given to us, we report that no undisputed amount payable in respect to income tax and other statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of income-tax, and any other statutory dues which have not been deposited on account of any dispute.
- 8 The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- 9 The company did not raise any money by way of Initial Public offer (IPO), further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10 According to the Information and explanations given to us and based on our examination of the records of the Company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11 The directors of the Company are not provided with managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.



- 12 In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13 According to the Information and explanations given to us and based on our examination of the records of the Company, there are no transactions with related Parties during the year.
- 14 According to the Information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15 According to the Information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Grewal & Singh
Chartered Accountants
Firm Registration No.: 012322N



Mohd. Ayub Ansari
Partner

M. No. 500810

UDIN: 20500810AAA AHK6601

Place: New Delhi
Date: 10.06.2020



Annexure B to the Independent Auditors' Report of even date on the Ind AS Financial Statements of DCM TEXTILES LIMITED

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

We have audited the internal financial controls over financial reporting of **DCM TEXTILES LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

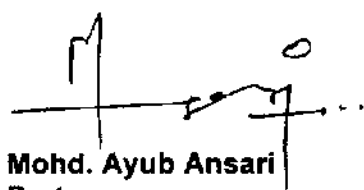
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Grewal & Singh
Chartered Accountants
Firm Registration No.: 012322N



Mohd. Ayub Ansari
Partner

M. No. 500810

UDIN: 20500810 A AAA HK 6601

Place: New Delhi
Date: 10.06.2020




DCM TEXTILES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2020**

Particulars	Note No.	Amount in ₹	
		As at 31st March, 2020	As at 31st March, 2019
ASSETS			
(1) Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	2	5,93,414	6,13,984
TOTAL ASSETS		5,93,414	6,13,984
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	3	5,00,000	5,00,000
(b) Other Equity	4	82,464	1,00,276
Liabilities			
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	5	8,850	8,850
(b) Current Tax Liabilities (Net)	6	2,100	4,858
TOTAL EQUITY AND LIABILITIES		5,93,414	6,13,984

The accompanying notes are an integral part of the financial statements 1 to 18


In terms of our separate report of even date

For Grewal & Singh
Chartered Accountants
Firm No. 012322N


Mohd. Ayub Ansari
Partner
M. No. 500810

Place: New Delhi
Date: 10.06.2020




Pawan Kumar Gupta
Director
DIN No. 05172941


Krishan Gopal Gupta
Director
DIN No. 06798713

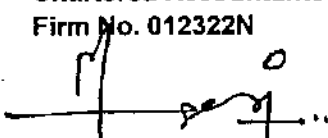
DCM TEXTILES LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No.	Amount in ₹	
		Year ended 31st March, 2020	Year ended 31st March, 2019
I Other income	7	20,319	32,338
II Total Income		<u>20,319</u>	<u>32,338</u>
III Expenses			
Other expenses	8	32,929	24,936
IV Total Expenses		<u>32,929</u>	<u>24,936</u>
V Profit / (loss) before tax (II - IV)		(12,610)	7,402
VI Tax expense			
(1) Current tax		5,200	8,410
(2) Prior period tax adjustment		2	(180)
Total tax expense		<u>5,202</u>	<u>8,230</u>
VII Profit / (Loss) for the year (V - VI)		<u>(17,812)</u>	<u>(828)</u>
VIII Other Comprehensive Income / (expense)		-	-
IX Total Comprehensive Income / (expense) for the year (VII + VIII)		<u>(17,812)</u>	<u>(828)</u>
X Earnings per equity share:			
(a) Basic		(0.36)	(0.02)
(b) Diluted		(0.36)	(0.02)

The accompanying notes are an integral part of the financial statements

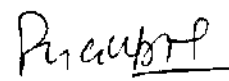
1 to 18

In terms of our separate report of even date
For Grewal & Singh
Chartered Accountants
Firm No. 012322N


Mohd. Ayub Ansari
Partner
M. No. 500810

Place: New Delhi
Date: 10.06.2020




Pawan Kumar Gupta
Director
DIN No. 05172941


Krishan Gopal Gupta
Director
DIN No. 06798713

DCM TEXTILES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

Amount in ₹

Balance at the beginning of 1st April, 2018	Changes in equity share capital during the year 2018-2019	Balance at the end of 31st March, 2019	Balance at the beginning of 1st April, 2019	Changes in equity share capital during the year 2019-2020	Balance at the end of 31st March, 2020
5,00,000	-	5,00,000	5,00,000	-	5,00,000

B. Other Equity

Amount in ₹

Particulars	Reserve and Surplus	Total
	Retained Earning	
Balance at the beginning of the 1st April 2018	1,01,104	1,01,104
Total Comprehensive Income / (expense) for the year	(828)	(828)
Balance at the end of the 31st March 2019	1,00,276	1,00,276
Balance at the beginning of the 1st April 2019	1,00,276	1,00,276
Total Comprehensive Income / (expense) for the year	(17,812)	(17,812)
Balance at the end of the 31st March 2020	82,464	82,464

In terms of our separate report of even date

For Grewal & Singh

Chartered Accountants

Firm No. 012322N

Mohd. Ayub Ansari

Partner

M. No. 500810

Place: New Delhi

Date: 10.06.2020



Pawan Kumar Gupta

Director

Director

DIN No. 05172941

Krishan Gopal Gupta

Director

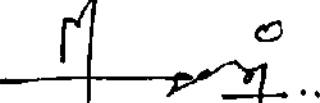
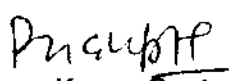
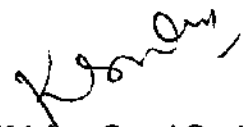
Director

DIN No. 06798713

DCM TEXTILES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Amount in ₹	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash flow from operating activities		
Profit before taxation	(12,610)	7,402
Adjustments for :-		
Interest income on financial assets	(20,319)	(32,338)
Operating cash flow before working capital changes	(32,929)	(24,936)
Changes in assets and liabilities		
(Increase) / Decrease in other financial assets	-	6,227
Increase / (Decrease) in other current liabilities	-	(2,400)
Cash used in operations	(32,929)	(21,109)
Income tax paid	(7,960)	(9,252)
Net cash used in operating activities (A)	(40,889)	(30,361)
Cash flow from investing activities		
Interest income on financial assets	20,319	32,338
Deposits matured and credited to bank account	-	3,91,540
Net cash generated from investing activities (B)	20,319	4,23,878
Cash flow from financing activities		
Net cash generated from financing activities (C)	-	-
Net cash flows [increase / (decrease)] during the year (A+B+C)	(20,570)	3,93,517
Cash and cash equivalents at the beginning of the year	6,13,984	2,20,467
Cash and cash equivalents at the end of the year	5,93,414	6,13,984

In terms of our separate report of even date

For Grewal & Singh
Chartered Accountants
Firm No. 012322N
Mohd. Ayub Ansari
Partner
M. No. 500810
Pawan Kumar Gupta
Director
DIN No. 05172941
Krishan Gopal Gupta
Director
DIN No. 06798713Place: New Delhi
Date: 10.06.2020

DCM TEXTILES LIMITED

Notes to the financial statements for the year ended 31st March, 2020

1 Significant Accounting Policies

- (a) The financial statements have been prepared on the historical cost basis except for assets and liabilities which have been measured at fair value amount and stated accordingly.
- (b) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

Particulars	Amount in ₹	
	As at 31st March, 2020	As at 31st March, 2019
3 Equity Share capital		
(a) Authorised capital		
2,50,000 (31st March, 2019 : 2,50,000) Equity shares of ₹10/- each	25,00,000	25,00,000
	25,00,000	25,00,000
(b) Issued, subscribed and paid-up capital		
50,000 (31st March, 2019 : 50,000) Equity shares of ₹10/- each fully paid up	5,00,000	5,00,000
	5,00,000	5,00,000

(i) Reconciliation of number of shares

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Equity Shares				
As at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

(ii) Rights, Preferences and restrictions attached to shares

Equity Shares

The Company has issued one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one voter per share held.

(iii) Details of Holding Company shareholding and of equity shareholders holding more than 5% shares:-

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares				
DCM Limited (the Holding Company) *	50,000	100.00%	50,000	100.00%

* including shares held jointly by its nominees



DCM TEXTILES LIMITED

Notes to the financial statements for the year ended 31st March, 2020

Particulars	Amount in ₹	
	As at 31st March, 2020	As at 31st March, 2019
2 Cash and cash equivalents		
Balance with bank		
- In current account	5,79,267	6,11,894
Cash on hand	14,147	2,090
	5,93,414	6,13,984
4 Other Equity		
Reserve and Surplus		
Retained Earning		
Balance as at the beginning of the year	1,00,276	1,01,104
Add: Profit for the year	(17,812)	(828)
Add: Other Comprehensive income/(expense)	-	-
Balance as at the end of the year	82,464	1,00,276
5 Financial Liabilities		
Trade payables		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8,850	8,850
	8,850	8,850
6 Current tax liabilities (net)		
Provision for income tax [Net of advance tax of ₹ 3,100/-, (31st March, 2019: ₹3,552/-)]	2,100	4,858
	2,100	4,858



DCM TEXTILES LIMITED

Notes to the financial statements for the year ended 31st March, 2020

Particulars	Amount in ₹	
	Year ended 31st March, 2020	Year ended 31st March, 2019
7 Other income		
interest income on financial assets	20,319	32,338
	20,319	32,338
8 Other expenses		
ROC filing fees	5,000	2,100
Professional charges (refer note (i) below)	27,610	21,770
Postage expenses	18	30
Bank charges	236	236
Miscellaneous expenses	65	800
	32,929	24,936
(i) Includes auditors remuneration		
For audit	8,850	8,850
For certification and other services	14,160	10,620
	23,010	19,470
9 Taxation		
a) Income Tax recognised in Profit or Loss		
Current Tax	5,200	8,410
Prior period Tax	2	(180)
Total Tax expense for the year	5,202	8,230
b) Reconciliation of effective tax rate		
Profit before Tax	(12,610)	7,402
Applicable Tax Rate	25.17%	26.00%
Computed Tax expense	(3,174)	1,925
Tax effect of :		
Expenses not claimed	8,374	6,485
Tax expenses recognised in Statement of Profit and Loss	5,200	8,410
Effective Tax Rate	-41.24%	113.62%

Particulars	Amount in ₹	
	As at 31st March, 2020	As at 31st March, 2019
c) Current Tax Liabilities (Net)		
At start of the year	4,858	5,880
Charge for the year	5,200	8,410
Prior period adjustment	2	(180)
Tax paid during the year	(7,960)	(9,252)
At the end of the year	2,100	4,858



DCM TEXTILES LIMITED

Notes to the financial statements for the year ended 31st March, 2020

- d) The income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961 and after complying with the provisions of Ind AS - 12 "Income Taxes", there is no deferred tax liability so far.
- 10 The main object of the Company mainly comprise to carry on the business of ginners, weavers, spinners, dyers, manufactures, importers, exporters in all kind of yarn, cloth and as such there are no separate reportable segments as per Ind AS - 108 "Accounting for operating segments" issued by the Institute of Chartered Accountants of India .

11 Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

Holding Company

DCM Limited

Fellow Subsidiaries

DCM Engineering Ltd. (Formerly DCM Tools and Dies Limited)

DCM Realty and Infrastructure Limited

DCM Finance and Leasing Limited

DCM Infotech Limited (Formerly DCM Realty Investment & Consulting Limited)

DCM Data Systems Limited

- B. Transactions during the year and Balance as on 31st March, 2020 with related parties referred to in (A) above:
NIL

- 12 Based on the information available with the Company, it has no outstanding dues in respect of Micro, Small and Medium Enterprises at the year ended 31st March, 2020, therefore no disclosure is required under the Micro, Small and Medium Enterprises Development Act, 2006.

13 Earnings per share

Particulars	Amount in ₹	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit attributable to equity shareholders	(17,812)	(828)
Weighted average number of equity shares in calculating Basic EPS	50,000	50,000
Weighted average number of equity shares in calculating Diluted EPS	50,000	50,000
Basic profit per share in ₹ (face value per equity share ₹ 10 each)	(0.36)	(0.02)
Diluted profit per share in ₹ (face value per equity share ₹ 10 each)	(0.36)	(0.02)



DCM TEXTILES LIMITED

Notes to the financial statements for the year ended 31st March, 2020

14 Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Amount in ₹							
	As at 31st March, 2020				As at 31st March, 2019			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Cash and Cash Equivalents *	5,93,414	-	-	5,93,414	6,13,984	-	-	6,13,984
Financial Liabilities								
At Amortised Cost								
Other Financial Liabilities	8,850	-	-	8,850	8,850	-	-	8,850

* The carrying amounts of cash and cash equivalents approximates the fair values, due to their short-term nature.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31st March, 2020 and 31st March, 2019.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ; and
- Liquidity risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management which includes to identify, analyse and monitor the risks faced by the Company.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk on cash and cash equivalents as mentioned above is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company believes that its liquidity position, including total cash and cash equivalent of ₹ 5,93,414/- as at 31st March, 2020 (31st March, 2019 ₹ 6,13,984/-), anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

C. Capital management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.



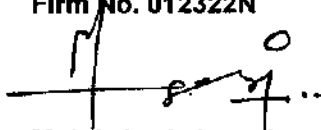
DCM TEXTILES LIMITED

Notes to the financial statements for the year ended 31st March, 2020

- 15 The Company alongwith DCM Engineering Ltd. Subsidiary of DCM Ltd. had executed a Surety Bond on the request of DCM Ltd., the Holding Company, in favour of Land Acquisition Collector - Delhi Administration, Delhi in connection with the release of certain compensation to DCM Limited
- 16 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown in economic activity. As the Company has no significant business activity, the pandemic has so far had no impact on the business operations of the Company. However the Company will continue to monitor current and future conditions and impact thereof on Company's operations.
- 17 The company has not taken any leased assets and therefore disclosure requirement of Ind AS – 17 "Leases" issued by the Institute of Chartered Accountants of India are not applicable.
- 18 Figures have been rounded off to the nearest rupee.

In terms of our separate report of even date

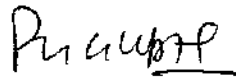
For Grewal & Singh
Chartered Accountants
Firm No. 012322N



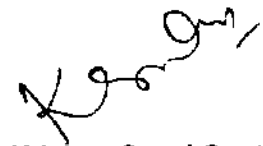
Mohd. Ayub Ansari
Partner

M. No. 500810

Place: New Delhi
Date: 10.06.2020



Pawan Kumar Gupta
Director
DIN No. 05172941



Krishan Gopal Gupta
Director
DIN No. 06798713