# DCM LIMITED ANNUAL REPORT

2020 -2021

BOARD OF DIRECTORS

Mr. Bipin Maira
*Chairman*

Mr. Jitendra Tuli
*Managing Director*

Mr. Vinay Sharma
*Executive Director (Engineering Business)*

Dr. Kavita A. Sharma

Prof. Sudhir Kumar Jain

CHIEF FINANCIAL OFFICER

Mr. Ashwani Kumar Singhal

COMPANY SECRETARY

Mr. Sanjeev Kumar

BANKERS

State Bank of India

HDFC Bank Limited

ICICI Bank Limited

AUDITORS

SS Kothari Mehta & Company
New Delhi

REGISTERED OFFICE
Unit Nos. 2050 to 2052, 2nd Floor,
Plaza - II, Central Square, 20,
Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi – 110006
Tel : 011-41539170

SHARE TRANSFER AGENT
MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi-110 020
Tel : 011-41406149-52
Fax : 91-11-41709881

## DCM LIMITED

**Registered Office:** Unit Nos. 2050 to 2052, 2nd Floor, Plaza - II, Central Square,
20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi – 110006
CIN: L74899DL1889PLC000004
e-mail: investors@dcm.in, website: www.dcm.in, Ph: 011-41539170

**Notice is hereby given that the 131st Annual General Meeting of DCM Limited ('the Company') will be held on Tuesday, September 28, 2021 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt:

   a. the audited standalone financial statements of the Company for the financial year ended March 31, 2021, 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, 2021 together with Report of Auditors thereon.

2. To appoint a director in place of Mr. Jitendra Tuli (DIN: 00272930), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

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

   **"RESOLVED THAT** Mr. Vinay Sharma (DIN: 08977564), who was appointed by the Board of Directors as an Additional Director of the Company on the recommendations of Nomination & Remuneration Committee, with effect from December 15, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, as amended from time to time, 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."

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 recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule –V of the Companies Act, 2013, as amended from time to time, and relevant provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Vinay Sharma (DIN:08977564), as Whole-Time Director of the Company designated as Executive Director (Engineering Business) w.e.f. December 15, 2020 for a period of three (3) years from December 15, 2020 up to December 14, 2023 on the remuneration and terms and conditions as given below:

| Sl. No. | Particulars | Amount in Rs. (Per Month) | Amount in Rs. (Per Annum) |
|---|---|---|---|
| I | **SALARY AND ALLOWANCES** | | |
| | Basic Salary | 35,000 | 4,20,000 |
| | House Rent Allowance | 17,500 | 2,10,000 |
| | LTA | 1,875 | 22,500 |
| | Medical Allowance | 2,920 | 35,040 |
| | Special Allowance | 83,000 | 9,96,000 |
| | Car Allowance | 20,000 | 2,40,000 |
| | **Sub-Total (I)** | **1,60,295** | **19,23,540** |
| II | **OTHERS** | | |
| | Company Contribution to Provident Fund as per policy/rules of the Company. | 4,207 | 50,484 |
| | Gratuity as per policy / rules of the Company. | 1,683 | 20,196 |
| | **Sub-Total (II)** | **5,890** | **70,680** |
| III | **Total (I)+(II)** | **1,66,185** | **19,94,220** |

In addition to the above, he shall also be entitled to telephone facility necessary for the purposes of business, which will not be considered as perquisites.

The annual increase in total remuneration (as stated at point no. III of table given above) of Mr. Vinay Sharma, Whole-Time Director of the Company designated as Executive Director (Engineering Business) shall be as may be decided by the Board of Directors of the Company on the recommendations of Nomination and Remuneration Committee, from time to time.

**Other Terms and Conditions:**

a) The Board may in its discretion pay to him lower remuneration than the maximum remuneration stipulated hereinabove and revise it from time to time within the limits stipulated herein or if it exceeds, then with the necessary approvals, if any, at the appropriate point of time.

b) For the discharge of duties, Mr. Vinay Sharma shall report to and derive his authorities and functional responsibilities from the Chairman and/or Managing Director or as may be decided by the Board of Directors of the Company, from time to time.

c) Subject to overall superintendence, direction and control of the Board of Directors, Mr. Vinay Sharma shall be responsible for the day to day affairs of the Engineering Business Unit of the Company namely 'DCM Engineering Product' situated at Village Asron, Tehsil Balachur, District Shaheed Bhagat Singh Nagar, Punjab.

d) Either party may terminate the appointment by giving to the other, three (3) calendar months' notice in writing.

e) In the event of termination of appointment by the Company, he shall not be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013, as amended from time to time.

f) Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

g) Remuneration for a part of the year shall be computed on a pro-rata basis.

h) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

i) He shall not be entitled to any sitting fees for attending the meeting(s) of Board of Directors or Committee(s) thereof of the Company.

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

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

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

**"RESOLVED THAT** subject to approval of shareholders of the Company to the resolution no. 2 for appointment of Mr. Jitendra Tuli (DIN 00272930), as a director of the Company liable to retires by rotation, of this notice of the 131st Annual General Meeting of the Company and pursuant to recommendation of the Nomination and Remuneration Committee and Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and the applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the members of the Company be and is hereby accorded for continuation of the appointment of Mr. Jitendra Tuli (DIN 00272930), aged around 81 years, as a Director of the Company, (whose office of director is liable to retire by rotation and whose continuation in office with effect from 131st AGM, requires approval of shareholders by way of special resolution), for his remaining term of office with effect from 131st AGM upto the period till he retires by rotation or ceases to be director of the Company.

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

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as 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), a fee upto Rs. 5000/- (Rupees five thousand only) plus GST & out-of-pocket expenses, if any, payable to M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2021-22, 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, be and is hereby ratified and confirmed.

**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** — **By order of the Board of Directors**
Unit Nos. 2050 to 2052, 2nd Floor, Plaza - II, — **For DCM Limited**
Central Square, 20, Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi – 110006

**Sd/-**
**Place :** New Delhi — **Sanjeev Kumar**
**Date :** June 29, 2021 — **Company Secretary & Compliance Officer**
**ACS 32723**

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, as amended from time to time, in respect of Item nos. 3 to 6 under Special Business is annexed with this Notice. The Board of Directors of the Company at its meeting held on June 29, 2021 considered that the special business under Item Nos. 3 to 6, being considered unavoidable, be transacted at the 131st Annual General Meeting (AGM) of the Company.

2. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together with Circular No. 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'SEBI Circulars') has permitted the Company to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual means (OAVM, accordingly the 131st AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Accordingly, the Proxy Form and the Attendance Slip are not annexed to this Notice.

4. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive).

5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its board of governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf

and to vote through e-voting. The said resolution/authorization shall be sent to the scrutinizer by e-mail through its registered e-mail address to pragnyap.pradhan@gmail.com with a copy mark to investors@dcm.in.

6. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MCS, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

7. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013, as amended from time to time.

9. Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by September 21, 2021 through an email on investors@dcm.in Such questions shall be taken up during the meeting or replied by the Company suitably. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number at investors@dcm.in on or before September 21, 2021. Those Members, who have registered themselves as a speaker will only be allowed to express their view, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

10. Statutory Registers as maintain under Companies Act, 2013, as amended from time to time, will be available electronically for inspection by the member on the website of the Company at www.dcm.in during the time of AGM, basis the request being send on investors@dcm.in.

11. In Compliance with the aforesaid MCA and SEBI Circular(s), Notice, inter-alia, explaining the manner of attending AGM through VC/OAVM and electronic voting (e-voting) along with explanatory statement of 131$^{st}$ AGM of the Company and Annual Report of the Company for financial year 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories as on August 20, 2021. Members may note that the Notice and Annual Report will also be available on the website of the Company (www.dcm.in), website(s) of BSE Limited (www.bseindia.com) and the National Stock Exchange of India Ltd. (www.nseindia.com) and on the website of NSDL (www.evoting.nsdl.com).

12. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('SEBI Listing Regulations'), securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to convert their holdings to dematerialized form. Members are requested to get in touch with any Depository Participant ("DPs") having registration with SEBI to open a demat account or alternatively, contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agents Limited (MCS) for assistance in this regard. You may visit website of depositories viz., NSDL or CDSL or websites of stock exchanges for further understanding about the demat procedure.

13. Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Annual Report of the Company for financial year 2020-21 along with AGM Notice by email to investors@dcm.in or admin@mcsregistrars.com. Members holding shares in demat form can update their email address with their Depository Participants.

14. Please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of 131$^{st}$ AGM and Annual Report for 2020-21 and thereafter shall be disabled from the records of the RTA immediately after the 131$^{st}$ AGM. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.

15. 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.

16. As per SEBI Listing Regulations, it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/ RTA/ DPs, as the case may be.

17. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to MCS in case the shares are held in physical form.

18. As per the provisions of Section 72 of the Companies Act, 2013, as amended from time to time, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.dcm.in. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to MCS in case the shares are held in physical form.

19. 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, as amended from time to time.

20. 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.

21. 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 making an application to the IEPFA, in Form No. IEPF-5 available on www.iepf.gov.in.

22. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are available for inspection by the members through electronic mode, basis the request being sent on investors@dcm.in.

23. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of directors seeking appointment /re-appointment at this 131st AGM under Item No. 2, 3, 4 & 5 of Notice of this 131st AGM, are provided at page no. 11 of the Annual Report.

24. Since the AGM will be held through VC/OAVM without the physical presence of Members at a common venue, the route map is not required.

25. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Share Transfer, Finance Facilities and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

26. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021.

27. Instructions for e-voting and joining the AGM are as follows:

**A. Voting through electronic means**

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

II. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.dcm.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

III. The remote e-voting period shall commence on Saturday, September 25, 2021 at (9.00 A.M. IST) and ends on Monday, September 27, 2021 at (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2021, may cast their vote by remote e-voting. The said remote e-voting module shall be disabled by NSDL for voting thereafter. Once the e-vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

IV. Those Members, who will be participating in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through e-voting prior to AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

V. The Members who has cast their vote by remote e-voting prior to the AGM may also attend and participate in the AGM through VC/OAVM means, but shall not be entitled to cast their e-vote again.

VI. Mrs. Pragnya Parimita Pradhan, Company Secretary in whole time practice, (COP:12030) 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.

VII. The manner and process of remote e-Voting are as under:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

   *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice**:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@dcm.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@dcm.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of DCM Limited "117152" to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@dcm.in. The same will be replied by the company suitably.

**GENERAL GUIDELINES FOR SHAREHOLDERS**

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 etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pragnyap.pradhan@gmail.com with a copy marked to evoting@nsdl.co.in

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

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 download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, NSDL, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559 or our RTA at admin@mcsregistrar.com or 011-41406149-52 to evoting@nsdl.co.in

I. In case of any queries/grievance, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of or call on toll free no.: 1800-222-990 or send a request at or contact Mr. Amarjit, Senior Manager at 011-41406148 (E-mail: admin@mcsregistrars.com) or Mr. Sanjeev Kumar (Company Secretary) at 011-41539170 (E-mail: investors@dcm.in). If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990. The Individual Shareholders holding securities in demat mode, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

III. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2021.

IV. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 21, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Registrar and Transfer Agent (RTA) of the Company. The Individual Shareholders holding securities in demat mode, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

V. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM and a person who is not a Member as on the cut-off date i.e. September 21, 2021 should treat this Notice for information purposes only.

**E-VOTING RESULT**

1. The Scrutinizer shall immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-vote cast during AGM and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in

writing, who shall countersign the same and declare the result of the voting forthwith.

2. The Results declared along with the report of the Scrutinizer will be placed on the website of the Company and on the website of NSDL at immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately submitted to the BSE Limited, Mumbai & The National Stock Exchange of India Ltd., Mumbai.

**OTHER INSTRUCTIONS**

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login ID and password can be used by you exclusively for e-voting on the Resolutions placed by the companies in which you are the Shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013, AS AMENDED FROM TIME TO TIME.**

**Item No. 3 & 4**

The Board of Directors (the 'Board') of the Company, on the recommendations of Nomination & Remuneration Committee, has appointed Mr. Vinay Sharma as an Additional Director of the Company with effect from December 15, 2020, in accordance with the provisions of Section 161(1) of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company. Further, in terms of the aforesaid provisions, he would hold office as such up to the date of ensuing Annual General Meeting of the Company.

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

The Board of Directors of the Company, on the recommendations of Nomination & Remuneration Committee, has also appointed Mr. Vinay Sharma as Whole-time director designated as Executive Director (Engineering Business) of the Company for a period of three (3) years with effect from December 15, 2020 up to December 14, 2023, subject to the approval of members of the Company.

The remuneration proposed to be paid to Mr. Vinay Sharma in his capacity as Executive Director (Engineering Business) will be subject to the approval of lending banks as per the provision of Section 197 read with schedule V of the Companies Act, 2013. However the approvals of lending banks are awaited.

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

Keeping in view the experience of Mr. Vinay Sharma in the Industry and his involvement in the operations of 'DCM Engineering Products' (unit of DCM limited), it would be in the interest of the Company to appoint Mr. Vinay Sharma as Whole-time director designated as Executive Director (Engineering Business) of the Company.

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

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

The Board of Directors recommends the resolutions as set out under item nos. 3 & 4 of this Notice for the approval of members of the Company.

None of the directors and their relatives except Mr. Vinay Sharma is interested or concerned, financially or otherwise, in the aforesaid resolutions as set out under item nos. 3 & 4.

Further no Key Managerial Personnel is interested or concerned, financially or otherwise in the aforesaid resolutions as set out under item nos. 3 & 4.

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

**I. GENERAL INFORMATION**

| | | |
|---|---|---|
| **(1)** | Nature of Industry | The Company is primarily engaged in the business of manufacturing and supply of castings across all segments in automotive market and Real Estate activities. |
| **(2)** | Date of or expected date of commencement of commercial production : | DCM Limited established in 1889 has been engaged in diversified business over the years. Presently, the Company is engaged inter alia in the manufacturing and supply of castings across all segments in automotive market and Real Estate activities. |
| **(3)** | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not applicable |

**(4) Financial Performance based on the given indicators:**

**₹ in Lakh**

| **Particulars** | **2020-2021** | **2019-2020** | **2018-2019** |
|---|---|---|---|
| Revenue from operations | 50.48 | 12890.01 | 38875.62 |
| Other income | 480.61 | 2611.78 | 307.96 |
| Total Income | 531.09 | 15501.79 | 39183.58 |
| Other Expenditure | 814.37 | 16526.89 | 40695.23 |
| Finance Costs | 856.71 | 1071.90 | 1308.35 |
| Depreciation and amortisation | 856.71 | 1177.13 | 1718.52 |
| Profit /(Loss) before tax | (1996.70) | (3130.06) | 280.18 |
| Provision for taxation (including deferred taxes ) | - | 56.29 | 80.55 |
| Profit / Loss after tax | (1996.70) | (3073.77) | 199.63 |

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

## II) INFORMATION ABOUT THE APPOINTEE

| | | |
|---|---|---|
| **(1)** | Background Details | Mr. Vinay Sharma joined DCM Engineering Product, Engineering Division of the Company in 2011 as Senior Manager (Costing and MIS) and was promoted to the position of DGM Finance & Accounts in 2017.<br><br>He did his B. Com in the year 1987 from Punjab University. He qualified ICWAI (Inter). He did his MBA in Finance in 2004.<br><br>He is having more than 25 years of experience in various industries i.e. Foundry, Automotive Component Industry, Life Style Products Industries, Textile and Cycle Industries. Before joining DCM Engineering, he worked with reputed companies like Jindal Stainless Steel Limited, Vardhman Textile, Mannesmann Sachs India Limited and Atlas Cycles Industries Limited. |
| **(2)** | Past Remuneration | 7,42,220 (paid to him in his capacity as DGM Finance & Accounts) |
| **(3)** | Recognition or Awards | N.A. |
| **(4)** | Job Profile and his Suitability | His 25 years of experience in various industries i.e. Foundry, Automotive Component Industry, Life Style Products Industries, Textile and Cycle Industries and his contribution during with his stay with the Company makes him suitable for appointment as Whole-time director designated as Executive Director (Engineering Business) of the Company. [Please refer point no. 1 above (i.e. Background details)] |
| **(5)** | Proposed Remuneration* | As set out in the Ordinary Resolution above relating to his appointment as Whole-Time Director, designated as Executive Director (Engineering Business) of the Company. |
| **(6)** | Comparative Remuneration | The remuneration proposed to be paid to Mr. Vinay Sharma is in line with the remuneration paid to the Whole-Time Directors of the similar sized companies in the Industry. |
| **(7)** | Pecuniary Relationship directly or indirectly with the company , or relationship with the managerial personnel; if any | Mr. Vinay Sharma holds NIL equity shares in the Company.<br><br>Mr. Vinay Sharma does not have any relationship financial or otherwise with Board of Directors of the Company. |

*remuneration will be subject to the approval of lending banks.

## III) OTHER INFORMATION

| | | |
|---|---|---|
| **(1)** | Reasons of loss or inadequate profits | The Engineering Division continue to make losses because of lower productivity and production constraints, primarily on account of IR issues and due to continued situation of industrial unrest at the Engineering Division, the Company was forced to declare a lockout of its Engineering operation w.e.f October 22, 2019. |
| **(2)** | Steps taken or proposed to be taken for improvement | In order to post sustainable profitability and implement the sound operational model to revive the Engineering Business Undertaking:-<br><br>1. The Board of Directors of the Company has approved a Composite Scheme of Arrangement in its meeting held on November 28, 2019. This Scheme provides for transfer of Engineering Business of the Company into DCM Engineering Ltd., a wholly owned subsidiary of the Company, on a going concern basis to facilitate the strategic investment and restructuring of outstanding loan, debts and liabilities pertaining to the Engineering Business to improve its serviceability.<br><br>2. In addition to the said Restructuring Scheme, the Company is also taking other interim measures to improve the liquidity including proposed Rights Issue of equity shares approved by the Board in its meeting held on February 12, 2021, to augment capital and expedite the de-leveraging of the Company. |
| **(3)** | Expected increase in productivity and profits in measurable terms | The series of steps taken/to be taken for improvement by the Company would help to increase productivity and profits. With these measures the company would expect increase in productivity and profits. |

## IV) DISCLOSURES:

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

(i) All elements of remuneration package such as salary, benefits and perquisites etc. of all the directors;

(ii) Details of fixed component and performance linked incentives along with the performance criteria;

(iii) Service contracts, notice period, severance fees;

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

**Item No. 5**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as "SEBI Listing Regulations"), with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the Explanatory Statement annexed to the Notice for such appointment.

Further, Mr. Jitendra Tuli, aged 81 years (date of birth 20th September, 1939), as a Director of the Company, (whose office of director is liable to retire by rotation and whose continuation in office with effect from 131st AGM, requires approval of shareholders by way of special resolution), for his remaining term of office with effect from 131st AGM upto the period till he retires by rotation or ceases to be director of the Company.

A brief justification for his continuation as Director on the Board of the Company with effect from 131st AGM of the Company is as under:

Mr. Jitendra Tuli obtained his Post Graduate Diploma from London School of Journalism and attended the School of Public Relations and Communications at Boston University, USA. Mr. Jitendra Tuli is an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for 19 years till 1996. He has written for leading Newspapers and Magazines. He is deeply involved in thework for the less privileged ones, as trustee of Amarjyoti Charitable Trust and as founder member of Cancer Sehyog. Mr. Jitendra Tuli was Chairman of the Company for the period from December 20, 2011 to January 29, 2016, and has also served as Managing Director of the Company for the period from December 20, 2012 to January 29, 2016. He was also appointed as Managing Director of the Company for a period of three (3) years w.e.f October 1, 2019. He has good track record of managing the affairs of the Company is also a plus for the Board.

Mr. Jitendra Tuli has around 57 years of vast experience in communications, external relations, media management and social responsibility. Due to his long association with the Company including in his capacity as Chairman & Managing Director of the Company in the past, he has ample experience and understanding of the business of the Company. In view of Board, the presence of Mr. Jitendra Tuli on the Board further enhances the diversity of the Board in terms of its composition.

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

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

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

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

**Item No. 6**

As per Section 148 of the Companies Act, 2013 and Rules issued there under, as amended from time to time, Cast Iron Unit namely 'DCM Engineering Products' located at Ropar, Punjab is covered under the ambit of mandatory cost audit. Therefore Company is required to appoint Cost Auditor for financial year 2021-22 in respect of Cast Iron Unit of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab.

The Board of Directors of the Company at their meeting held on June 29, 2021 on the recommendation of the Audit Committee, have approved the appointment of M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2021-22, 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 fees of upto Rs. 5,000/- (Rupees Five Thousand only) plus GST and out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rules issued there under, as amended from time to time, the remuneration payable to the Cost Auditor, as stated above, has to be ratified by members of the Company.

Accordingly, consent of the members is sought for passing **Ordinary Resolution** as set out at Item No. 6 of the Notice of this 131st AGM for ratification of the remuneration payable to the Cost Auditors for financial year 2021-22.

None of the Directors and Key Managerial Personnel of the Company or their relatives is 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.

**Registered Office**
Unit Nos. 2050 to 2052, 2nd Floor, Plaza - II,
Central Square, 20, Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi – 110006

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

**Sd/-**
**Sanjeev Kumar**
**Company Secretary & Compliance Officer**
**ACS 32723**

**Place :** New Delhi
**Date :** June 29, 2021

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT 131st ANNUAL GENERAL MEETING OF THE COMPANY.**

| | | |
|---|---|---|
| **Name of the Director** | Mr. Vinay Sharma | Mr. Jitendra Tuli |
| **Director Identification Number (DIN)** | 08977564 | 00272930 |
| **Date of Birth** | 24.04.1967 | 20.09.1939 |
| **Date of Appointment** | 15.12.2020<br>(Appointed as an additional director of the Company).<br>He was also appointed as Whole-Time Director designated as Executive Director (Engineering Business) of the Company w.e.f. 15.12.2020 for a period of three (3) years. | 20.12.2005<br>(Appointed as an additional director of the Company).<br>12.08.2019.<br>(Appointed as Independent Director of the Company).<br>1.10.2019<br>(Re-designated as Director, liable to retire by rotation). He was also appointed as Managing Director of the Company effective from the same date for a period of three (3) years. |
| **Qualification** | B.com, MBA in Finance and ICWAI (Inter). | B.Com (Hon.), Post Graduate Diploma from London School of Journalism. Attended the School of Public Relations and communications at Boston University, USA. |
| **Experience & Expertise in specific functional area** | He has more than 25 years of experience in various industries i.e. Foundry, Automotive Component Industry, Life Style Products Industries, Textile and Cycle Industries. | He has around 57 years of vast experience in Communications, external relations, media management and social responsibility. |
| **Profile of the Director** | Mr. Vinay Sharma did B. Com in the year 1987 from Punjab University. He qualified ICWAI (Inter) and MBA in Finance. He is having more than 25 years of working experience in various industries i.e. Foundry, Automotive Component Industry, Life Style Products Industries, Textile and Cycle Industries. | Mr. Jitendra Tuli was an editorial and communications consultant with World Health Organization, regional office for South East Asia, where he served as the Public Information Officer for Nineteen years. He has written for leading Newspapers and Magazines. He is deeply involved in the work for the less privileged ones, as trustee of Amarjyoti Charitable Trust and as founder member of Cancer Sehyog. |
| **Terms & Conditions of appointment/ reappointment along with details of remuneration sought to be paid and last drawn by him** | Please refer respective resolution nos. 3 & 4 and explanatory statement in respect of said resolution nos. 3 & 4 for terms and conditions of his appointment.<br>He will draw remuneration from the Company, in his capacity as Whole-Time Director designated as Executive Director (Engineering Business) of the Company, which is subject to the approval of lending banks as per the requirement of Companies Act, 2013, as amended from time to time. | Please refer respective resolution no. 5 and explanatory statement in respect of said resolution no. 5 for terms and conditions of his appointment.<br>He is not entitled to any remuneration except payment by way of sitting fee for attending meetings of Board of Directors and Committees thereof. |
| **Shareholding in the Company as on 31.03.2021** | Nil | Nil |
| **Relationship with other directors and KMPs of the Company** | Nil | Nil |
| **No. of Meetings of Board attended during the year** | 3 (for details please refer to the Corporate Governance Report, forming part of this Annual Report) | 8 (for details please refer to the Corporate Governance Report, forming part of this Annual Report) |
| **List of Companies in which outside directorship held** | Nil | DCM Nouvelle Limited |
| **Chairman/Member of the Committees of Board of Directors of Indian Companies** | Nil | **DCM Limited:**<br>**Chairmanship(s) of Committees:** Nil<br>**Membership(s) of Committees:**<br>- Share Transfer, Finance Facilities and Stakeholders Relationship Committee.<br>**DCM Nouvelle Limited:**<br>- **Chairmanship(s) of Committees:** Nil<br>- **Membership(s) of Committees:** Stakeholders Relationship Committee. |

## DIRECTORS' REPORT

Your directors have pleasure in presenting this 131st Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2021.

## ECONOMIC SCENARIO

The year 2020 has been an unprecedented year. The COVID-19 pandemic spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

Most recently, India witnessed a sharp second wave and while the resultant health and humanitarian crisis was most severe, the economy is expected to bounce back and grow between 8-10% in FY 21-22. At present, the biggest challenge for India continues to be vaccinating its large population more so given the impending third wave.

With large government stimulus and the ongoing vaccination drive, it is expected that economic activity will continue its recovery from the third quarter of FY2020 and rebound strongly in the current fiscal year with an uptick in domestic demand, especially in urban services.

Governments and central banks across the world stepped in with fiscal and monetary support and global economic recovery from the depths of the Covid-19 plunge has proceeded significantly faster than what most envisioned.

IMF now projects global growth at 6% in 2021 moderating to 4.9% in 2022. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

India was one of the worst hit economies between April – June 2020 quarter with GDP growth contracting by 23.9% primarily driven by the rigorous nature of our lockdown. That said, our economy came back strongly and while FY 20-21 will still be a contraction of 7.3%, the pace of contraction is much lower contrary to most expectations.

In November 2020, the Government of India announced a Rs. 2.65 lakh crore (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide Rs. 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.

Economic activity will continue to normalize and recover, backed by government measures over the past year including a large stimulus in FY2020 and a steep increase in capital expenditure budget in FY2021. Increased government expenditure on health care, water, and sanitation will strengthen the country's resilience against future pandemics.

## FINANCIAL DATA

| Particulars | Financial Year ended March 31, 2021 (Rs. in Lakh) | Financial Year ended March 31, 2020 (Rs. in Lakh) |
|---|---|---|
| Profit before Interest, Depreciation and Tax | (283.28) | (881.03) |
| Less: -Finance Cost | 856.71 | 1,071.90 |
| -Depreciation | 856.71 | 1,177.13 |
| Profit before Tax | (1996.70) | (3,130.06) |
| Less -Provision for tax | 0 | (56.29) |
| Profit after tax | (1996.70) | (3,073.77) |
| Other Comprehensive income | 63.98 | (35.54) |
| Total Comprehensive income | (1932.72) | (3,109.31) |
| Add - Profit brought forward | (1664.12) | 10,069.69 |
| Add \Less adjustment on Amalgamation \Demerger | 0 | (8,624.50) |
| Profit available for appropriation | (3596.84) | (1664.12) |
| Appropriations: | - | |
| Interim Dividend on equity shares | - | - |
| Proposed Final Dividend on equity shares | - | - |
| Corporate Dividend Tax | - | - |
| General Reserves | - | - |
| Balance Profit carried forward | (3596.84) | (1664.12) |

## COVID-19 PANDEMIC AND ITS IMPACT

The Covid-19 impact remains a serious concern for governments and businesses. The Company has implemented Standard Operating Procedures of social distancing, workplace sanitization and employee health monitoring, and these are being followed strictly.

The Management has been closely reviewing the impact of COVID-19 on the Company. Due to continuation of lockout of Engineering Business Unit declared on October 22, 2019, the operation of the said Business Unit remained suspended during the lock down period on account of COVID-19. Based on current indicators of future economic conditions, the Company has concluded that although due to Covid-19 the Company's initiatives of restructuring of Engineering Business Undertaking and infusing liquidity by focusing /managing of its real estate operation are taking time, however, the impact of COVID-19 is not material on long term basis on the future potential of its said Engineering Business Unit and Real Estate operation. Due to the nature of the pandemic, the Company will continue to monitor any material changes on the future economic conditions and relating to its Businesses in future periods.

## TRANSFER TO RESERVES

During the financial year under review the Board has not proposed to transfer any amount to Reserve.

## DIVIDEND

The Board of directors do not recommend any dividend for the financial year 2020-21.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with provisions of the Ind AS as per the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013, as amended from time to time and form part of this Annual Report.

## OPERATIONS OVERVIEW

### 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 under review, no production activities were carried out due to continuance of lockout declared by the Company w.e.f. October 22, 2019 on account of situation of industrial unrest. However, during the previous year, the Division had achieved total dispatch of 15,271 MT.

In order to post sustainable profitability and implement the sound operational model to revive the Engineering Business Undertaking, it is considered necessary to rationalize the workforce and induct strategic partner(s) in the said Business Undertaking who can provide critically required modern technology and financial investment to sustain and grow the business operations.

In order to achieve this, the Board of Directors of the Company has approved a Composite Scheme of Arrangement in its meeting held on November 28, 2019. This Scheme provides for transfer of Engineering Business of the Company into DCM Engineering Ltd., a wholly owned subsidiary of the Company, on a going concern basis to facilitate the strategic investment and restructuring of outstanding loan, debts and liabilities pertaining to the Engineering Business to improve its serviceability.

In addition to the said Restructuring Scheme, the Company is also taking other interim measures to improve the liquidity including proposed Rights Issue of equity shares approved by the Board in its meeting held on February 12, 2021, to augment capital and expedite the de-leveraging of the Company.

## SCHEMES OF ARRANGEMENT/AMALGMATION

The Board of Directors in their meeting held on November 28, 2019 had approved the Composite Scheme of Arrangement (referred hereinafter as "Composite Scheme") among DCM Limited and DCM Engineering Limited and their respective shareholders and Creditors, subject to requisite approvals of shareholders, creditors, NCLT and other regulatory authorities.

In terms of Regulation 37 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide their letter(s) dated June 24, 2020 enabling the Company to file the said Scheme before Hon'ble National Company Law Tribunal, Principal Bench, New Delhi (NCLT) for seeking their approval under section 230-232 of the Companies Act, 2013, as amended from time to time, on or before 23.12.2020. However, the Scheme remained pending for filing with NCLT awaiting approval of secured lenders (Banks).

In view of aforesaid delay, the Company has requested both the Stock Exchanges to grant extension of validity of 'Observation Letter' for extending the validity of said Observation Letter(s) which remained pending.

## CHANGES IN SHARE CAPITAL

There is no change in the issued and paid-up share capital of the company during the period under review.

## SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

At present, the Company has six (6) subsidiaries and one associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013, as amended from time to time, respectively.

The Board of Directors of the Company in their meeting held on June 26, 2020 had approved the proposal for removal/strike off the name of certain non-operative subsidiary companies under the applicable provisions of the Companies, Act, 2013, in order to reduce the compliance cost and other miscellaneous expenses. However, the Board of Directors in their meeting held on June 29, 2021 approved the proposal to activate some of these subsidiary companies and to take up real estate business and/or to hold investment and/or real estate assets of the Company for development.

Accordingly, the Board had approved the proposal to amend the MOA and AOA of said subsidiary companies by inserting the activities related to real estate business. Except this there has been no material change in the nature of the business of the subsidiaries and associate company.

Pursuant to provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 read with Rules made there under, as amended from time to time, a statement containing salient features of the financial statements, performance and financial position of each of the subsidiaries, associates and joint venture companies in Form AOC-1 is provided as part of the standalone financial statements of the Company at page no. 149 and hence not repeated here for the sake of brevity.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, as amended from time to time, 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 (www.dcm.in).

## DIRECTORS

Mr. Jitendra Tuli, retires by rotation at the ensuing 131st Annual General Meeting (AGM) and being eligible offers himself for re-appointment as a director of the Company, liable to retire by rotation. Accordingly, a resolution is included in the Notice of forthcoming 131st AGM of the Company for seeking approval of members for his re- appointment as a director of the Company, liable to retire by rotation.

Further, Mr. Jitendra Tuli is more than 75 years of age and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), a suitable resolution for continuation of appointment of Mr. Jitendra Tuli in his capacity as director of the Company, liable to retire by rotation w.e.f. 131st AGM, has also been included in the Notice of forthcoming 131st AGM of the Company for seeking approval of members of the Company by Special Resolution.

During the year under review, Mr. Vinay Sharma was appointed as an Additional Director as well as Whole-Time Director designated as Executive Director (Engineering Business) of the Company for a period of three (3) years w.e.f December 15, 2020 to December 14, 2023, subject to the approval of shareholders of the Company in the ensuing AGM. Accordingly, a resolution is included in the Notice of forthcoming 131st AGM of the Company for seeking approval of members for his appointment. However prior approval of lending banks are also required for payment of remuneration to Mr. Vinay Sharma.

Mr. Krishna Singh Nagnyal, Nominee Director of Life Insurance Corporation of India (LIC) resigned from the directorship of the Company w.e.f August 17, 2020. The Board placed on record its sincere appreciation and thanks for the valuable contributions made by Mr. Krishna Singh Nagnyal as Director of the Company.

Due to his preoccupation with other professional activities Mr. Ravi Vira Gupta, Independent Director of the Company has resigned from the Board of Directors of the Company w.e.f. August 27, 2020 before the expiry of his term as an Independent Director of the Company. In terms of SEBI Listing Regulations, Mr. Ravi Vira Gupta has provided necessary confirmation that there is no other material reason for his resignation other than those provided.

The Board placed on record its sincere appreciation and thanks for the valuable contributions made by Mr. Ravi Vira Gupta an as Independent Director of the Company.

During the period under review, Mr. Dinesh Dhiman, Whole-Time Director designated as Executive Director (Engineering Operation) of the Company has resigned from the directorship of the Company w.e.f December 12, 2020. The Board placed on record its sincere appreciation and thanks for the valuable contributions made by Mr. Dinesh Dhiman.

Further, Dr. Vinay Bharat Ram, Chairman and Non–executive Director of the Company, resigned from the directorship of the Company w.e.f February 17, 2021. The Board placed on record its sincere appreciation and thanks for the valuable contributions made by Dr. Vinay Bharat Ram as Chairman and Director of the Company.

Further, pursuant to the provisions of Section 149 of the Companies Act, 2013, as amended from time to time, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, as amended from time to time, along with Rules framed there under and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances affecting their status as independent directors of the Company. In terms of regulation 25(8) of SEBI Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to their duties.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis (please refer to the auditor's opinion in their report on standalone and consolidated financial statements of the Company with regard to material uncertainty related to going concern.);

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

**KEY MANAGERIAL PERSONNEL**

During the period under review, Mr. Dinesh Dhiman, Whole –Time Director designated as Executive Director (Engineering Operation) of the Company resigned from the Directorship of the Company w.e.f. December 12, 2020.

Further, during the period under review, Mr. Vinay Sharma was appointed as whole -Time Director designated as Executive Director (Engineering Business) of the Company w.e.f. December 15, 2020 for a period of three (3) years.

Mr. Vimal Prasad Gupta, Company Secretary & Compliance Officer of the Company resigned from the position of Company Secretary & Compliance Officer w.e.f. June 10, 2021.

Further, the Board of Directors in their meeting held on June 29, 2021 appointed Mr. Sanjeev Kumar as Company Secretary and Compliance Officer of the Company w.e.f June 29, 2021.

Accordingly, as on date, the following persons are the Whole-Time Key Managerial Personnel ('KMPs') of the Company in terms of provisions of Section 203 of the Companies Act, 2013, as amended from time to time:

a. Mr. Jitendra Tuli – Managing Director;

b. Mr. Vinay Sharma – Executive Director (Engineering Business);

c. Mr. Ashwani Kumar Singhal – Chief Financial Officer;

d. Mr. Sanjeev Kumar- Company Secretary & Compliance Officer

**NUMBER OF BOARD MEETINGS**

Eight (8) 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**

The Board of Directors has carried out an Annual Performance Evaluation of its own, Individual Directors and Board Committees pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge, competency, availability, attendance, commitment and contribution of the Individual Director to the Board and Committee meetings.

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, effectiveness of Committee meetings etc.

Further performance of Independent Directors was evaluated on additional criteria such as fulfillment of independence criteria by them and their independence from the management of the Company. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

Also in a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman were evaluated, taking into account formal & informal views of Executive Director(s) and Non- Executive Director(s). The Directors expressed their satisfaction with the evaluation process.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

Based on inputs received from the Board members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. There was active participation and adequate time was given for discussing strategy. Overall, the Board was functioning very well in a cohesive and interactive manner.

**INTERNAL FINANCIAL CONTROL**

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

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

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

**STATUTORY AUDITORS**

Members of the Company at the 130th AGM held on 25th September 2020, approved the appointment of M/s. S S Kothari Mehta and Company, Chartered Accountants, (Firm Registration no. 000756N), as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of the 130th AGM held on 25th September 2020 until the conclusion of 135th AGM of the Company to be held in the year 2025.

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

The Statutory Auditors, Cost Auditors and 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 there under, as amended form time to time.

**DIRECTORS' VIEW ON AUDITORS' OBSERVATIONS/OPINION**

The Statutory Auditors' Report for financial year 2020-21 does not contain any qualification, reservation or adverse remark. The Report is enclosed along with the financial statements and forms the part of this Annual Report.

**FIXED DEPOSIT / DEBT REPAYMENT**

The Company has complied with its debt repayment obligation under 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 subsequently modified vide Hon'ble Delhi High Court order dated April 28, 2011, including in respect of fixed deposits, debentures, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien/Designated Account' with scheduled banks.

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

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

Any person whose unclaimed/un-encashed matured fixed deposits, matured debentures, or interest thereon, have been transferred to the IEPF, can apply for refund, as the case may be, by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. Therefore, it is in the interest of deposit-holders/debenture-holders to claim the unclaimed/un-encashed amount of matured fixed deposits, matured debentures or interest thereon within scheduled time.

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

**TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS AND RELEVANT EQUITY SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also require to be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the Company's website (www.dcm.in).

Accordingly, during the year under review, the Company has transferred the unclaimed final dividend amount of Rs. 8,84,786/- for FY 2012-13 and Interim Dividend amount of Rs. 9,71,801/- for FY 2013-14 which were outstanding for 7 consecutive years. Further 8,811 & 14,440 Equity Shares of the Company, in respect of unclaimed final dividend for FY 2012-13 and Interim Dividend for FY 2013-14 respectively, have also been transferred by the Company to the demat account of IEPF Authority.

Any shareholder, whose shares, unclaimed/un-encashed dividend have been transferred to the IEPFA, can claim back the shares or apply for refund from IEPFA, as the case may be, by making an application to the IEPFA, in Form No. IEPF-5 available on www.iepf.gov.in. Therefore, it is in the interest of shareholders to claim the unclaimed amount of dividend, with in scheduled time.

The following tables give information relating to total amount lying in the Unpaid Dividend Accounts of the company in respect of the last seven years and when such unclaimed Dividend is due for transfer to the IEPF:

| Sr. No. | Financial Year | Type of Dividend | Due date of transfer to IEPF | Amount Outstanding as on 31.03.2021 (Rs. in Lakh) |
|---|---|---|---|---|
| 1. | 2013-14 | Final Dividend | 10.10.2021 | 9.17 |
| 2. | 2014-15 | Interim Dividend | 20.01.2022 | 9.65 |
| 3. | 2014-15 | Final Dividend | 24.10.2022 | 9.52 |
| 4. | 2015-16 | Interim Dividend | 15.01.2023 | 9.34 |
| Total | | | | **37.68** |

**RIGHTS ISSUE OF EQUITY SHARES**

The Board of Directors of the Company in their meeting held on February 12, 2021 has given their consent to raise the funds for an aggregate amount not exceeding Rs. 50 crores, by way of 'Rights Issue' of Equity shares, to augment capital and expedite to complete the de-leveraging of the Company and constituted a Special purpose Committee namely 'Rights Issue Committee' in this regard. The said Rights Issue committee comprise of three directors namely Prof Sudhir Kumar Jain as Chairman, Mr. Bipin Maira and Mr. Jitendra Tuli as members of the Committee. The Company has initiated the requisite steps in this regard.

**MATERIAL CHANGES AND COMMITMENTS**

In view of continued situation of industrial unrest, a lockout was declared on October 22, 2019 at 'Engineering Business Undertaking' of the Company situated at Village Asron, District Shaheed Bhagat Singh Nagar (Punjab). This lockout continued as on the date of this Directors' report and no production was carried out in the Engineering Division subsequent to the declaration of said lockout.

Except as stated above, there was no change in the nature of the business of the Company. Further, there were no other material changes and commitments affecting the financial position of the Company occurring between March 31, 2021 and the date of this Report.

**RISK MANAGEMENT**

The Company has in place Risk Management Process for identifying / managing risks. The Company's Risk Management Framework helps in identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The risk management process consists of risk identification, risk assessment, risk monitoring & risk mitigation. During the year, the Board was informed about measures taken for minimization of risks. The Board provides oversight and reviews the Risk Management process.

Due to continued situation of industrial unrest at the Engineering Division, the Company was forced to declare a lockout of its Engineering operation w.e.f October 22, 2019 and consequently the liquidity position of the Company was severely curtailed. This has resulted delay/defaults in payment of Banks dues as well as operational creditors/ other liabilities.

During the year under review a bank has served a demand notice under the provisions of section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). However, the Hon'ble High Court of Punjab & Haryana has passed an order on 22.12.2020 to maintain the '**Status Quo'** of notice issued by the said bank. Some of the operational creditors of 'Engineering Division' of the Company have also given legal notice(s) and/or filed petition(s) under the Insolvency and Bankruptcy Code, 2016 (IBC Act, 2016) for recovery of their outstanding dues towards supply of materials by them to the Engineering Division. However no such petition has been admitted by the Court/ National Company Law Tribunal (NCLT).

The management believes that with the restructuring of Engineering Business Undertaking along with the debt pertaining to said Undertaking and infusing liquidity by focusing /managing of its remaining business undertaking/real estate operation as well as other interim measures to improve liquidity including proposed Rights Issue approved by the Board in its meeting held on February 12, 2021, the Company will be able to continue its operation on a going concern basis and there is no threat to the existence of the Company.

**AUDIT COMMITTEE**

As on March 31, 2021, the Audit Committee of the Company consists of Dr. Kavita A Sharma, Chairperson, Mr. Bipin Maira and Prof. Sudhir Kumar Jain as members of the Audit Committee.

The terms of reference of the Audit Committee are in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Due to continue losses in recent years currently the Company does not meet the Criteria of sub-section (1) of section 135 of the Companies Act, 2013, as amended from time to time, which require a Company to constitute Corporate Social Responsibility Committee.

In view of the above, the 'Corporate Social Responsibility Committee' of the Company has been discontinued during the year under review. The Company will comply the requirement of aforesaid provisions of the Companies Act, 2013, as amended from time to time, as and when, applicable.

Further in view of the above, during the period under review no amount has been spent by the Company on CSR activities.

**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, as amended from time to time, is enclosed as Annexure – I, and forms part of this Report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The details 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, as amended in respect of Directors, KMPs and other employees of the Company, are given in Annexure-II of this Board's Report.

However, in terms of Section 136(1) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the Statement of particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

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

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

Further, pursuant to the approval given by the members, the Company in its capacity as title holder of land at Bara Hindu Rao / Kishanganj, Delhi (Project land), in respect of which the development rights were vested with a joint venture company in terms of SORA, has mortgaged the said land for loans availed in connection with development of real estate project on the said land by joint venture company and also by a body corporate who has been developing the real estate project along with the said joint venture company. The outstanding amount of loans, on which mortgage was created, as on 31.03.2021 was Rs. 406.58 crores (previous year Rs. 306.33 crore).

**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. All transactions with related parties were reviewed and approved by the Audit Committee.

The prescribed Form AOC-2 is enclosed as Annexure - III, and forms part of this Report. Your directors draw attention of members of the Company to Note No. 44 to the standalone financial statements which sets out related party disclosures.

**ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, as amended from time to time, the Annual Return of the Company as on March 31, 2021 is available on the Company's website on weblink: https://dcm.in/notices/.

**SECRETARIAL AUDIT**

In terms of Section 204 of the Act and Rules made thereunder, the Board has appointed Mrs. Pragnya Parimita Pradhan (M. No. A32778 and CP No.12030), Company Secretary in whole time practice, Proprietor of M/s. Pragnya Pradhan & Associates, Company Secretaries, to conduct Secretarial Audit for financial year 2020-21.

The Secretarial Audit Report for the financial year 2020-21 under the Companies Act, 2013, read with Rules made there under, as amended from time to time and Regulation 24A of the SEBI Listing Regulations is enclosed herewith as Annexure – IV, and forms part of this Report.

The Secretarial Compliance Report for the financial year ended 31st March, 2021, in relation to compliance of all applicable SEBI Regulations and circulars / guidelines issued there under, pursuant to requirement of Regulation 24A of SEBI Listing Regulations read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 is enclosed herewith as Annexure - IV-I, and forms part of this Report. The Secretarial Compliance Report has been voluntarily enclosed as part of Annual Report as good disclosure practice.

The Secretarial Audit Report and Secretarial Compliance Report does not contain any qualifications, reservation or adverse remark.

The Company is in compliance with Regulation 24A of Listing Regulations. The Company's unlisted material subsidiary i.e. DCM Infotech Limited undergo Secretarial Audit, copy of Secretarial Audit Report of DCM Infotech Limited is available on the website of the Company. The Secretaial Audit Report of this unlisted material subsidiary does not contain any qualification, reservation, adverse remarks or disclaimer.

**NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Policy was approved by the Board of Directors of the Company. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior Management employees. The remuneration involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The salient features of Nomination and Remuneration Policy are as stated below:

**Appointment Criteria and Qualifications**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel, or at Senior Management Personnel level and recommend to the Board his/ her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

**Remuneration to Managing Director(s)/Whole Time Director(s)/ Key Managerial Personnel (KMP).**

(i) The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits permissible under the law.

(ii) The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

(iii) The remuneration of Executive Directors and Key Managerial Personnel will include the following components:

a) Basic Pay;

b) Commission / Variable Component / Bonus;

c) Perquisites and Allowances;

d) Retirement Benefits.

**Remuneration to Non-Executive and Independent Directors**

(i) The Board on the recommendation of the Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits permissible under the law.

(ii) The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee(s) thereof and profit related commission as may be recommended by the Committee and as permissible under the law.

**Senior Management Personnel/ other Officers and Staff**

- All remuneration, in whatever form, payable to Senior Management Personnel of the Company should be recommended by the Committee to the Board for its approval.
- Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The Nomination and Remuneration Policy is enclosed herewith as Annexure - V, which forms part of this Report and is also available on the website of the company at weblink: https://dcm.in/wp-content/uploads/2020/12/Nomination-and-Remuneration-Policy.pdf.

**COST AUDIT**

During the financial year 2020-21, the Company was required to maintain cost records as specified by Central Government under section 148(1) of the Companies Act, 2013, as amended from time to time, in respect of 'Cast Iron Unit' of the Company namely 'DCM Engineering Products' located at Shaheed Bhagat Singh Nagar, Punjab.

Accordingly, the Board of Directors in its meeting held on June 29, 2021 have approved the appointment of M/s. V Kumar & Associates, Cost Accountants (Firm Registration Number 100137), as Cost Auditors, for financial year 2021-22, 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 fee of upto Rs. 5000/- (Rupees Five thousand only) plus GST & out-of-pocket expenses, if any.

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, remuneration of Cost Auditor as stated above is to be ratified by members of the Company. Accordingly, suitable resolution has been included in the Notice of forthcoming 131st Annual General Meeting for ratification of remuneration payable to Cost Auditor, for financial year 2021-22, by members of the Company.

## CORPORATE GOVERNANCE

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

## DISCLOSURE REQUIREMENTS

1. Details of the familiarization programme of the independent directors are available on the website of the Company at weblink: https://www.dcm.in/wp-content/uploads/2016/10/Familirisation-Program-for-Independent-Directors.pdf.

2. Policy for determining material subsidiaries of the Company is available on the website of the Company at weblink: https://www.dcm.in/wp-content/uploads/2016/10/Material-subsidiary-policy.pdf.

3. Policy on materiality of related party transactions and dealing with related party transactions is available on the website of the Company at weblink: https://dcm.in/wp-content/uploads/2020/12/Policy-on-Related-Party-Transactions.pdf.

4. The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns, which is available on Company's website www.dcm.in. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

5. 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.

6. The Company has constituted Internal Complaints Committee(s) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were no cases reported under the said Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

7. During the year under review, the Company has complied with mandatory applicable Secretarial Standards issued by Institute of Company Secretaries of India (ICSI).

## ACKNOWLEDGEMENT

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

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

**Sd/-**
**Bipin Maira**
**Chairman**

**Place:** New Delhi
**Date:** June 29, 2021

**ANNEXURE – I**

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended from time to time, and forming part of the Directors' Report for the year ended March 31, 2021 in respect of Engineering Division.**

**(A) CONSERVATION OF ENERGY**

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

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

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

**(B) TECHNOLOGY ABSORPTION**

(i) The efforts made towards technology absorption :Nil

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

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

(a) The details of technology imported:

- Carbon/Sulphar element analyser
- Sand Mixer Gear Box

(b) The year of import:

- Carbon/Sulphar element analyser – FY 2017-18
- Sand Mixer Gear Box – FY 2017-18

(c) Whether the technology been fully absorbed: Yes

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

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

The Department of Scientific & Industrial Research, Ministry of Science and Technology, Delhi has given its approval for Recognition of In house R&D Unit for the period from 01.04.2018 to 31.03.2021. In pursuit of R&D endeavors, the Division has been regularly incurring the expenditure on R&D. However, due to lockout declared by the Company w.e.f October 22, 2019 and effective as on date, no expenditure is carried out on R&D activities during the year 2020-21. The expenditure incurred on Research and Development during the previous year given as per detail given bellow:

**Rs. in Lakh**

| **Particulars** | **Financial Year ended March 31, 2021** | **Financial Year ended March 31, 2020** |
|---|---|---|
| Capital expenditure | - | 10.50 |
| Revenue expenditure | - | 59.83 |
| Development expenditure | - | 72.12 |
| **Total** | - | **142.45** |

**(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 Lakh**

| **Particulars** | **Financial Year ended March 31, 2021** | **Financial Year ended March 31, 2020** |
|---|---|---|
| Foreign Exchange Earned | - | 1,850.27 |
| Foreign Exchange Used | - | 1,177.28 |

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

**Sd/-**
**Bipin Maira**
**Chairman**

**Place:** New Delhi
**Date:** June 29, 2021

ANNEXURE – II

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

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

| Particulars | Ratio to median remuneration |
|---|---|
| **Non-Executive Director(s)#** | |
| Dr. Vinay Bharat Ram* | NA |
| Mr. Bipin Maira | NA |
| Mr. Krishna Singh Nagnyal** | NA |
| Dr. Kavita A Sharma | NA |
| Mr. Ravi Vira Gupta** | NA |
| Prof. Sudhir Kumar Jain | NA |
| **Executive Director(s)** | |
| Mr. Jitendra Tuli^ | NA |
| Mr. Dinesh Dhiman*# | NA |
| Mr. Vinay Sharma*## | NA |

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

*Dr. Vinay Bharat Ram ceased to be Chairman and Non-Executive Director of the w.e.f. February 17, 2021.

**Mr. Krishna Singh Nagnyal and Mr. Ravi Vira Gupta ceased to be Non-Executive Directors of the Company w.e.f. August 17, 2020 and August 27, 2020 respectively.

^No remuneration was paid to Mr. Jitendra Tuli in his capacity as Managing Director. However he has been paid sitting fee as being paid to other Non-Executive for attending the meetings of Board or Committee(s), therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

*#Mr. Dinesh Dhiman ceased to be Executive Director (Engineering Operation) of the Company w.e.f. December 12, 2020. As he remained in employment in his capacity as Executive Director (Engineering Operation) of the Company, for the part of year, therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

*##Mr. Vinay Sharma was appointed as Executive Director (Engineering Business) of the Company w.e.f. December 15, 2020. As he was in employment in his capacity as Executive Director of the Company, for the part of year, therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

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

**Directors:**

| Particulars | % increase in remuneration in the financial year |
|---|---|
| **Non-Executive Director(s)#** | |
| Dr. Vinay Bharat Ram* | NA |
| Mr. Bipin Maira | NA |
| Mr. Krishna Singh Nagnyal** | NA |
| Dr. Kavita A Sharma | NA |
| Mr. Ravi Vira Gupta** | NA |
| Prof. Sudhir Kumar Jain | NA |

| Particulars | % increase in remuneration in the financial year |
|---|---|
| **Executive Director(s)** | |
| Mr. Jitendra Tuli^ | NA |
| Mr. Dinesh Dhiman*# | NA |
| Mr. Vinay Sharma*## | NA |

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

*Dr. Vinay Bharat Ram ceased to be Chairman and Non-Executive Director of the Company w.e.f. February 17, 2021.

**Mr. Krishna Singh Nagnyal and Mr. Ravi Vira Gupta ceased to be Non-Executive Directors of the Company w.e.f. August 17, 2020 and August 27, 2020 respectively.

^No remuneration was paid to Mr. Jitendra Tuli in his capacity as Managing Director. However he has been paid sitting fee as being paid to other Non-Executive Directors for attending the meetings of Board or Committee(s), therefore, the said percentage increase in remuneration Director is not applicable.

*#Mr. Dinesh Dhiman ceased to be Executive Director (Engineering Operation) of the Company w.e.f. December 12, 2020. As he remained in employment in his capacity as Executive Director (Engineering Operation) of the Company, for the part of year, therefore, the said percentage increase in remuneration Director is not applicable.

*##Mr. Vinay Sharma was appointed as Executive Director (Engineering Business) of the Company w.e.f. December 15, 2020. As he was in employment in his capacity as Executive Director (Engineering Business) of the Company, for the part of year, therefore, the said percentage increase in remuneration Director is not applicable

**Chief Executive Officer, Chief Financial Officer and Company Secretary:**

| Particulars | % increase in remuneration in the financial year |
|---|---|
| Mr. Ashwani Kumar Singhal (Chief Financial Officer) | - |
| Mr. Vimal Prasad Gupta (Company Secretary)* | - |

*Mr. Vimal Prasad Gupta, ceased to be Company Secretary & Compliance Officer of the Company w.e.f. June 10, 2021.

(C) **The percentage increase in the median remuneration of employees in the financial year:** (0.05%)

(D) **The number of permanent employees on the rolls of Company**: 728

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

The average annual percentile increase in the salaries of employees other than the managerial personnel during the FY 2020-21 over FY 2019-20 was around (0.2917%). Non-Executive Directors of the company were not paid any managerial remuneration in the financial year 2020-21. There is no average annual percentile increase in managerial remuneration during the FY 2020-21 over FY 2019-20. For details in this respect please refer notes given at point No. (B ) of this Annexure.

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

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

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

**Sd/-**
**Bipin Maira**
**Chairman**

**Place:** New Delhi
**Date:** June 29, 2021

**ANNEXURE- III**

**Form No. AOC – 2**

***[Pursuant to Clause (h) of sub-section (3) of Section 134 the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014], as amended from time to time***

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

**1 Details of contracts or arrangements or transactions not at arm's length basis entered into during the financial year 2020-21: NIL**

(a) Name(s) of the related party and nature of relationship: N.A.

(b) Nature of contracts/arrangements/transactions: N.A.

(c) Duration of the contracts / arrangements/transactions: N.A.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

(e) Justification for entering into such contracts or arrangements or transactions: N.A.

(f) Date(s) of approval by the Board: N.A.

(g) Amount paid as advances, if any: N.A.

(h) Date on which the resolution was passed in general meeting as required under first proviso to section 188: N.A.

**2 Details of material contracts or arrangements or transactions at arm's length basis entered into during the financial year 2020-21: NIL**

(a) Name of related party and Nature of relationship: N.A.

(b) Nature of contracts/arrangements/transactions: N.A.

(c) Duration of the contracts / arrangements/transactions: N.A.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

(e) Date of approval by the Board/Committee: N.A.

(f) Amount paid as advances, if any: N.A.

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

**Sd/-**
**Bipin Maira**
**Chairman**

**Place:** New Delhi
**Date:** June 29, 2021

**ANNEXURE IV**

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31$^{ST}$ March 2021
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015, as amended]*

To,
The Members,
DCM Limited
Unit Nos. 2050 to 2052,
2$^{nd}$ Floor, Plaza - II, Central Square,
20, Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi – 110006.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31$^{st}$ March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DCM Limited ("the Company") for the financial year ended 31$^{st}$ March, 2021 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the listed entity during the review period)*;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the listed entity during the review period)*;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the listed entity during the review period)*; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the listed entity during the review period)*;

VI. We have relied on the systems/mechanism formed by the Company for compliances under other Applicable Acts, laws and regulations applicable to the Company and the management explanation in this regard. The list of major Acts, Laws and Regulations as applicable to the Company is given in Annexure –A

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

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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

1. In view of continued situation of industrial unrest at Engineering Business Division, the Company was forced to declare lockout at its Engineering Business Undertaking situated at Village Asron, District Shaeed Bhagat Singh Nagar (Punjab) w.e.f. October 22, 2019. The said lockout is still continued as on the date and no production activity is carried out at the Division.

2. In terms of regulation 37 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has received No Objection/observation from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) vide their letter(s) dated 24th June, 2020 for the Scheme of Arrangement (referred as 'Scheme') as approved by the Board in its meeting held on November 28, 2019.

   However, due to the time taking in process of seeking in-principle approval of the secured lenders (Banks) who have provided term loans and working capital facilities to the Engineering Division of the Company, the Board of directors in its meeting held on December 15, 2020 has decided to file an application with these Stock Exchanges for seeking their approval for extension of time for filing the petition with the NCLT for seeking approval of the Scheme, the Company has made an application on 22nd December, 2020 to both the Stock Exchanges (BSE & NSE) for extension of validity of its 'Observation Letter' for next six months to file petition with the NCLT for seeking their approval of Scheme under section 230-232 of the Companies Act, 2013.

3. The Board of Directors of the Company in their meeting held on February 12, 2021 has given their consent to raise funds for an aggregate amount not exceeding Rs. 50 crores, by way of 'Rights issue' of Equity shares and constituted a Special purpose Committee namely 'Rights issue Committee' in this regard.

**For Pragnya Pradhan & Associates**
**Company Secretaries**

**Sd/-**
**Pragnya Parimita Pradhan**
**ACS No. 32778**
**C P No.: 12030**
**UDIN: A032778C000538041**

**Place:** New Delhi
**Date:** June 29, 2021

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

**Annexure A**

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

**Annexure B**

To
The Members,
DCM Limited
Unit Nos. 2050 to 2052,
2nd Floor, Plaza - II, Central Square,
20, Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi – 110006.

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

(1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

(4) The Secretarial Audit report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FoFor Pragnya Pradhan & Associates**
**Company Secretaries**

**Sd/-**
**Pragnya Parimita Pradhan**
**ACS No. 32778**
**C P No.: 12030**
**UDIN: A032778C000538041**

**Place:** New Delhi
**Date:** June 29, 2021

**ANNEXURE - IV-I**

**Secretarial Compliance Report of**
**DCM LIMITED for the year ended 31.03.2021**

I, Pragnya Parimita Pradhan, Proprietor of Pragnya Pradhan & Associates, Company Secretaries have examined:

(a) all the documents and records made available to us and explanation provided by the **DCM Limited** *(*'the listed entity');

(b) the filings/ submissions made by the listed entity to the Stock Exchanges;

(c) website of the listed entity;

(d) any other documents/ filings, as may be relevant, which has been relied upon to make this certification.

for the year ended 31.03.2021("Review Period") in respect of compliance with the provisions of:

(a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, Guidelines issued thereunder; and

(b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the Circulars/Guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not Applicable to the listed entity during the review period)*;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

(e) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993*;*

(f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018*(Not Applicable to the listed entity during the review period)*;

(g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*(Not Applicable to the listed entity during the review period);*

(h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*(Not Applicable to the listed entity during the review period);*

(i) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013*(Not Applicable to the listed entity during the review period);*

(j) Securities and Exchange Board of India(Delisting of Equity Shares) Regulations, 2009*(Not Applicable to the listed entity during the review period).*

and Circulars/Guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder, except in respect of matters specified below:

| Sr. No | Compliance Requirement (Regulations/ Circulars / Guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|---|---|---|---|
| | Nil | Nil | Nil |

(b) The listed entity has maintained proper records under the provisions of the above Regulations and Circulars/ Guidelines issued thereunder in so far as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars)under the aforesaid Acts/Regulations and Circulars/Guidelines issued thereunder:

| Sr. No | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---|---|---|---|---|
| | Nil | Nil | Nil | Nil |

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the Secretarial Compliance Report for the year ended 31.03.2020 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---|---|---|---|---|
| 1 | After the resignation of Dr. Meenakshi Nayar Independent Woman Director, Company could not comply the requirement to appoint the new Independent Director within the prescribed time limit of 3 months and there has been procedural delay of 8 days primarily on account of time taken to identify suitable candidate with knowledge and experience for appointment of new Independent Director and conducting the meetings of Nomination & Remuneration Committee and Board of Directors.<br>Further Dr. Kavita A Sharma, Independent Woman Director was duly appointed on the Board of Company w.e.f. November 14, 2019 and thereafter the composition of the Board of Directors of the Company is as per the requirement of SEBI (Listings Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time | As specified in column 2 of this table. | Dr. Kavita A Sharma, Independent Woman Director was duly appointed on the Board of Company w.e.f. November 14, 2019. | The delay in the appointment of Independent Woman Director was complied by DCM Limited and duly intimated to the Stock Exchanges. |

I, further report that during the year under review Company has appointed M/s. S S Kothari Mehta and Company, as Statutory Auditors of the Company at the Annual General Meeting of the Company held on September 25, 2020 for a period of 5 (five) years. In this regard, I report that Company has complied with Para 6(A) and 6(B) of the Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

**For Pragnya Pradhan & Associates**

**Sd/-**
**Pragnya Parimita Pradhan**
**(Company Secretary)**
**ACS No. -32778**
**CP No. - 12030**
**UDIN: A032778C000426644**

**Place:** New Delhi
**Date:** June 07, 2021

ANNEXURE – V

**NOMINATION AND REMUNERATION POLICY**

**1. Preamble**

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). This Policy was approved by the Board of Directors of the Company.

**2. Definitions**

a) "Board":- means Board of Directors of the Company as constituted from time to time under the Companies Act, 2013.

b) "Director":- means Directors of the Company.

c) "Committee":- Nomination and Remuneration Committee of the Company as constituted orreconstituted by the Board, from time to time under the Companies Act, 2013.

d) "Company":- means DCM Limited.

e) "Independent Director":- As defined in Listing Regulations and/ or under the Companies Act,2013 and relevant rules thereto.

f) "Key Managerial Personnel" shall bear the meaning ascribed to it in sub-section 51 of Section 2 of the Companies Act, 2013.

g) "Senior Management Personnel":- shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and shall include the functional heads, company secretary and chief financial officer and such employees as may be deemed to be part of the core management team of the Company by the Board of Directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, shall have the meaning respectively assigned to them therein.

**3. Key Principles**

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

(i) Attract, retain and motivate the right talent, including the directors, Key Managerial Personnel, Senior Management Personnel and employees, required to meet the goals of the Company.

(ii) Remuneration to the Directors, Key Managerial Personnel, and Senior Management Personnel is aligned with the short term and long term goals and performance of the Company.

(iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual and overall Company's performance.

(iv) Reflect market trends and practices, competitive positions to attract the required talent.

**4. Appointment Criteria And Qualifications**

(i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel, or at Senior Management Personnel level and recommend to the Board his/ her appointment.

(ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

**5. Remuneration To Managing Director(S) / Whole Time Director(S And Key Managerial Personnel**

(i) The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits permissible under the law.

(ii) The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company

(iii) The remuneration of Executive Directors and Key Managerial Personnel will include the following components:

a) Basic Pay;

b) Commission / Variable Component / Bonus;

c) Perquisites and Allowances;

d) Retirement Benefits.

**6. Remuneration To Non Executive And Independent Directors**

(i) The Board on the recommendation of the Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits permissible under the law.

(ii) The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as may be recommended by the Committee and as permissible under the law.

**7. Remuneration To Senior Management Personnel**

All remuneration, in whatever form, payable to Senior Management Personnel of the Company should be recommended by the Committee to the Board for its approval.

**8. Remuneration To Other Employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**9. Evaluation**

The Committee shall carry out evaluation of performance of every Director of the Company.

**10. Amendments**

The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

## CORPORATE GOVERNANCE REPORT

### 1. CORPORATE GOVERNANCE PHILOSOPHY

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

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

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

The Corporate Governance philosophy is further strengthened with the adherence to Total Quality Management as a mean to drive excellence and articulating the Company's values and ethics with a Code of Conduct policy. Given below is a brief report for the year April 01, 2020 to March 31, 2021 on the practices followed at DCM Limited towards achievement of good Corporate Governance.

### 2. BOARD OF DIRECTORS

**Composition and Category of Directors, attendance of the Directors at the Board Meetings and the last Annual General Meeting, Outside Directorship(s) and Membership(s) or Chairmanship(s) of Board Committees, name of the Listed entities wherein directorship held along with category of Directorship held in that listed Company and numbers of shares or convertible instruments held.**

Above information as on March 31, 2021, as applicable, is tabulated hereunder:

**Composition of the Board**

As at March 31, 2021, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as 'SEBI Listing Regulations'), the Company's Board of Directors comprised of total Five (5) directors namely Mr. Bipin Maira, Chairman, Mr. Jitendra Tuli, Managing Director, Dr. Kavita A Sharma, Prof. Sudhir Kumar Jain and Mr. Vinay Sharma.

The Board of Directors of the Company consists of appropriate number of Executive Director(s), Independent Director(s) and Non-Executive Director(s) in conformity with the provisions of SEBI Listing Regulations. Mr. Bipin Maira is Chairman & Independent Director of the Company. Mr. Jitendra Tuli is Managing Director of the Company. Mr. Vinay Sharma is Executive Director (Engineering Business) of the Company. Dr. Kavita A Sharma is Independent Woman Director and Prof. Sudhir Kumar Jain is Independent Director of the Company.

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

| Name of Director | DIN | Category of Director* | Number of equity shares of the Company held | No. of Board meetings held during tenure of directors in FY 2020-21 | No. of Board meetings attended | Attendance at last AGM held on 25.09.2020 | No. of outside Directorships held# | No. of membership(s) / Chairmanship(s) in Board Committees ## | | Name of Listed entities in which the outside directorships held & category of Directorship |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Member | Chairman / Chairperson | |
| Dr. Vinay Bharat Ram*# | 00052826 | NED/PD | - | 6 | 0 | No | N.A. | N.A. | N.A | N.A. |
| Mr. Bipin Maira | 05127804 | I –NED | - | 8 | 8 | Yes | 2 | 3 | 1 | DCM Nouvelle Limited (I-NED) |
| Mr. Dinesh Dhiman** | 08021624 | ED | - | 3 | 3 | Yes | N.A. | N.A. | N.A. | N.A |
| Mr. Jitendra Tuli | 00272930 | MD | - | 8 | 8 | Yes | 1 | 1 | 1 | DCM Nouvelle Limited (NED) |
| Mr. Krishna Singh Nagnyal Nominee Director (LIC)#** | 06857451 | NI-NED | - | 1 | 0 | N.A. | N.A | N.A. | N.A. | N.A. |
| Dr. Kavita A Sharma | 07080946 | I-NED | - | 8 | 8 | Yes | 1 | - | 1 | Universal Cables Limited (I-NED) |
| Mr. Ravi Vira Gupta*** | 00017410 | I –NED | - | 2 | 1 | N.A. | N.A. | N.A. | N.A. | N.A. |
| Prof. Sudhir Kumar Jain | 06419514 | I –NED | - | 8 | 8 | Yes | - | 1 | 1 | - |
| Mr. Vinay Sharma#* | 08977564 | ED | - | 4 | 3 | N.A. | - | - | - | - |

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

*Category of Directors is as on March 31, 2021.

#Directorships held in all other companies (including Section 8 company & foreign companies) are considered except Directorship held in DCM limited.

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

*#Dr. Vinay Bharat Ram ceased to be Chairman and Non –Executive Director of the Company w.e.f February 17, 2021.

**Mr. Dinesh Dhiman ceased to be Executive Director (Engineering Operations) of the Company w.e.f. December 12, 2020.

#*Mr. Vinay Sharma was appointed as Executive Director (Engineering Business) of the Company w.e.f. December 15, 2020.

#**Mr. Krishna Singh Nagnyal ceased to be Non- Executive and Nominee Director-LIC, from the Board of Company w.e.f. August 17, 2020.

***Mr. Ravi Vira Gupta ceased to be Independent Director of the Company w.e.f August 27, 2020.

***Note: Directors attended the Annual General Meeting held on September 25, 2020, through video conference facility provided by the NSDL.***

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

During the year under review, the Board met Eight (8) times on June 26, 2020, August 26, 2020, November 11, 2020, December 15, 2020, December 30, 2020, February 12, 2021, February 18, 2021 and March 27, 2021. The maximum time gap between any two consecutive Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting and/or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the SEBI Listing Regulations.

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

**Skills/Expertise/Competence of the Board of Directors:**

The below matrix provide the detail of core skills / expertise's / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

| Skills/Expertise/Competencies of the Directors | | | | | |
|---|---|---|---|---|---|
| **Name of Director** | **Knowledge on Company's businesses, policies and major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.** | **Behavioral skills- attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.** | **Business Strategy, Corporate Governance, Administration, Decision Making.** | **Financial and Management skills.** | **Technical/ Professional skills and specialized knowledge in relation to Company's business.** |
| Mr. Bipin Maira | Yes | Yes | Yes | Yes | Yes |
| Mr. Jitendra Tuli | Yes | Yes | Yes | Yes | - |
| Mr. Vinay Sharma | Yes | Yes | Yes | Yes | Yes |
| Prof. Sudhir Kumar Jain | Yes | Yes | Yes | Yes | - |
| Dr. Kavita A Sharma | Yes | Yes | Yes | Yes | - |

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 read with rule made thereunder, as amended from time to time and Regulation 16 (1)(b) of SEBI Listing Regulations and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their liability to discharge their duties with an objective independent judgment and without any external influence.

Based upon the declaration and confirmation received from the Independent Directors of the Company under the provision of Section 149(6) of the Companies Act 2013 read with rule made their under, as amended from time to time and Regulation 16(1)(b) of SEBI Listing Regulations, Board is in the opinion that all the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations & Companies Act, 2013, as amended from time to time and are independent of the Management of the Company.

Due to his preoccupation with other professional activities Mr. Ravi Vira Gupta, Independent Director of the Company has resigned from the Board of Directors of the Company w.e.f. August 27, 2020 before the expiry of his term as an Independent Director of the Company. In terms of SEBI Listing Regulations, Mr. Ravi Vira Gupta has provided necessary confirmation that there is no other material reason for his resignation other than those provided.

**3. Compliance with the Code of Conduct**

The Company's Board has laid down a Code of Conduct for all the Board members and Senior Management personnel of the Company, which has been provided to all concerned executives. The updated Code also incorporates the duties of Independent Directors of the Company. The Code of Conduct is available on the website of the Company at weblink: https://dcm.in/wp-content/uploads/2020/12/Code-of-conduct-Directors-and-Senior-Management.pdf.

All Board members and designated Senior Management Personnel have affirmed compliance with the Code of conduct. A declaration in this respect duly signed by the Managing Director of the Company is enclosed as **Annexure –A** and forms part of this report.

**4. Audit Committee**

As on March 31, 2021, the Audit Committee of the Company consists of three Directors namely Dr. Kavita A Sharma, Chairperson, Mr. Bipin Maira and Prof. Sudhir Kumar Jain as members. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as amended from time to time, as applicable, besides other terms as referred by the Board of Directors.

All members of Audit Committee are independent directors.

The broad terms of reference of Audit committee as on March 31, 2021, include, inter-alia, systematic review of accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function and quarterly/half-yearly financial statements. It also recommends the appointment and fee of Statutory Auditors, Internal Auditors, Cost Auditors, and Secretarial Auditors. Dr. Kavita A Sharma and Mr. Bipin Maira have knowledge of finance and accounts and Prof. Sudhir Kumar Jain has expertise in managerial economics and has knowledge of finance.

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

During the year April 01, 2020 to March 31, 2021, Seven (7) Audit Committee meetings have taken place on June 26, 2020, August 26, 2020, November 11, 2020, December 15, 2020, December 30, 2020, February 12, 2021 and March 27, 2021. The attendances of each director at these meetings were as under:

| S. No. | Name | Designation | No. of meetings held during tenure of directors in FY 2020-21 | No. of meetings attended |
|---|---|---|---|---|
| 1. | Dr. Kavita A Sharma* | Chairperson | 5 | 5 |
| 2. | Mr. Bipin Maira# | Member | 7 | 7 |
| 3. | Prof. Sudhir Kumar Jain | Member | 7 | 7 |
| 4. | Mr. Ravi Vira Gupta** | Member | 2 | 1 |

*Dr. Kavita A Sharma was inducted as a member in the Audit committee of the Company w.e.f September 29, 2020. Thereafter she was designated as Chairperson of the Committee w.e.f. March 27, 2021. Accordingly four (4) meetings were attended by her as member of the Committee and one (1) meeting attended by her as Chairperson of the Committee.

#Mr. Bipin Maira, Chairman of the Committee was re-designated as member of the Committee w.e.f. March 27, 2021. Accordingly six (6) meetings were attended by him as Chairman of the Committee and 1 (one) meeting attended as member of the committee.

**Mr. Ravi Vira Gupta ceased to be member of Audit Committee of the Company w.e.f August 27, 2020.

The composition and terms of reference of the Audit Committee are in conformity with the relevant provisions of SEBI Listing Regulations and the Companies Act, 2013, as amended from time to time. The minutes of the meetings of the Audit Committee were placed before the Board for its information and noting.

**5. Nomination and Remuneration Committee**

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as amended from time to time, besides other terms as referred by the Board of Directors of the Company. As on March 31, 2021, the 'Nomination and Remuneration Committee' comprised of three directors namely Mr. Bipin Maira, Chairman, Dr. Kavita A Sharma and Prof. Sudhir Kumar Jain as members of the Committee.

Further, the Board of Directors through resolution passed by circulation which was adopted by majority of Directors on May 8, 2021 reconstituted the Nomination and Remuneration committee. After reconstitution the 'Nomination and Remuneration Committee' comprised of three directors namely Dr. Kavita A Sharma, Chairperson Mr. Bipin Maira and Prof. Sudhir Kumar Jain as members of the Committee.

**Terms of Reference**

The broad terms of reference of the Nomination and Remuneration Committee inter-alia include recommending a policy relating to remuneration of directors and senior management personnel, formulation of criteria and identify persons who may be appointed as directors or senior management of the Company, Board diversity and any other matters which the Board of Directors may direct from time to time.

During the year April 01, 2020 to March 31, 2021, Five (5) meetings of the 'Nomination and Remuneration Committee' have taken place on June 25, 2020, November 10, 2020, December 14, 2020, December 29, 2020 and February 17, 2021. The attendance of each director at these meetings was as under:

| S. No. | Name | Designation | No. of meetings held during tenure of directors in FY 2020-21 | No. of meetings attended |
|---|---|---|---|---|
| 1. | Mr. Ravi Vira Gupta* | Chairman | 1 | 0 |
| 2. | Mr. Bipin Maira** | Chairman | 5 | 5 |
| 3. | Prof. Sudhir Kumar Jain | Member | 5 | 3 |
| 4. | Dr. Kavita A Sharma# | Member | 4 | 4 |

*Mr. Ravi Vira Gupta ceased to be Chairman of Nomination & Remuneration Committee of the Company w.e.f. August 27, 2020.

**Mr. Bipin Maira was designated as Chairman of the Committee w.e.f. September 29, 2020.

#Dr. Kavita A Sharma was inducted as a member in the Nomination & Remuneration Committee of the Company w.e.f. September 29, 2020. Thereafter she was designated as Chairperson of the Committee w.e.f May 08, 2021.

**Performance Evaluation criteria for Independent Directors**

The performance evaluation criteria for Independent Directors was such as qualification, experience, knowledge, competency, availability, attendance, commitment, contribution of the individual directors to the Board and Committee meetings and fulfillment of independence criteria by them and their independence from the management. The performance evaluations of Independent Directors were done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

**6. Remuneration of Directors**

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

The details of sitting fee & remuneration paid/payable to directors of the Company during the year April 01, 2020 to March 31, 2021 are as under:

| S. No. | Name | Sitting Fees Paid# (Rs. / lakh) | Sitting Fees payable## (Rs. /lakh) | Salary & Allowances (Rs. / lakh) | Perquisites | Contri-bution to PF etc. | Commis-sion and perfor-mance linked Incentive | Total |
|---|---|---|---|---|---|---|---|---|
| 1. | Dr. Vinay Bharat Ram* | - | | - | - | - | - | - |
| 2. | Mr. Bipin Maira | 65,000 | 1,05,000 | - | - | - | - | 1,70,000 |
| 3. | Mr. Dinesh Dhiman^ | - | - | 23,58,601 | 24,300 | 95,613 | | 24,78,514 |
| 4. | Mr. Jitendra Tuli | 35,000 | 60,000 | - | - | - | - | 95,000 |
| 5. | Dr. Kavita A Sharma | 40,000 | 90,000 | - | - | - | - | 1,30,000 |

| S. No. | Name | Sitting Fees Paid# (Rs. / lakh) | Sitting Fees payable## (Rs. /lakh) | Salary & Allowances (Rs. / lakh) | Perquisites | Contri-bution to PF etc. | Commis-sion and perfor-mance linked Incentive | Total |
|---|---|---|---|---|---|---|---|---|
| 6. | Mr. Krishna Singh Nagnyal (Nominee – LIC)*# | - | | - | - | - | - | - |
| 7. | Mr. Ravi Vira Gupta*** | 15,000 | - | - | - | - | - | 15,000 |
| 8. | Prof. Sudhir Kumar Jain | 65,000 | 1,00,000 | - | - | - | - | 1,65,000 |
| 9. | Mr. Vinay Sharma#^ | - | - | - | - | - | - | - |
| | **TOTAL** | **2,20,000** | **3,55,000** | 23,58,601 | 24,300 | 95,613 | - | **30,53,514** |

#sitting fee paid to directors not to be considered as part of their respective remuneration in terms of relevant provisions of the Companies Act, 2013, as amended from time to time.

##The sitting fee payable has been paid by the Company during the month June 2021.

*No remuneration or sitting fee was paid to Dr. Vinay Bharat Ram in his capacity as Chairman and Non-Executive Director. Further he ceased to be Chairman and Non-Executive Director of the Company w.e.f February 17, 2021.

^Mr. Dinesh Dhiman ceased to be Executive Director (Engineering Operation) of the Company w.e.f. December 12, 2020, accordingly his remuneration was up to December 12, 2020.

*#Mr. Krishna Singh Nagnyal ceased to be Non- Executive and Nominee Director-LIC, from the Board of the Company w.e.f August 17, 2020.

***Mr. Ravi Vira Gupta ceased to be Independent Director of the Company w.e.f. August 27, 2020.

#^Mr. Vinay Sharma was appointed as Executive Director (Engineering Business) of the Company w.e.f. December 15, 2020. Further due to non-receipt of requisite approval of Lending Banks as per Section 197 read with schedule V of the Companies Act, 2013, as amended from time to time, no remuneration was paid to him in his capacity as Executive Director during the period under review.

**Service Contract and Severance Fees**

- The remuneration of Mr. Dinesh Dhiman^, Executive Director (Engineering Operations) of the Company, was fixed by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee. The remuneration of Mr. Dinesh Dhiman has already been approved by shareholders of the Company. Mr. Dinesh Dhiman can terminate his appointment by giving to the Company, three calendar months' notice in writing or company can terminate their appointments by giving to him, three calendar months' notice in writing. The appointment of Mr. Dinesh Dhiman was governed by the resolution of the Board of Directors and shareholders of the Company for his appointment/re-appointment which covers the terms & conditions of his appointment/re-appointment.
- Mr. Vinay Sharma was appointed as Executive Director (Engineering Business) of the Company w.e.f. December 15, 2020 for a period of three years. His remuneration was approved by the Board of Directors of the Company on the recommendation of Nomination and Remuneration committee which was subject to the necessary approval of Lending Banks and Shareholders of the Company as per the applicable provisions Companies Act, 2013.The appointment of Mr. Vinay Sharma will be governed by the resolution of the Board of Directors, which was subject to the necessary approval of Lending Banks and Shareholders of the Company.

  ^Mr. Dinesh Dhiman ceased to be Executive Director (Engineering Operations) of the Company w.e.f. December 12, 2020.

- Non- Executive Directors are only paid sitting fees for attending the meetings of Board of Directors and Committees thereof.

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

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

The powers, role and terms of reference of the Share Transfer, Finance Facilities and Stakeholders' Relationship Committee covers the areas as contemplated under Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as amended from time to time, besides other terms as referred by the Board of Directors of the Company. As on March 31, 2021, 'Share Transfer, Finance Facilities and Stakeholders' Relationship Committee comprised of three Directors namely Prof. Sudhir Kumar Jain, Chairman, Mr. Jitendra Tuli and Mr. Bipin Maira, members of committee.

During the year April 01, 2020 to March 31, 2021, Five (5) meetings of the 'Share Transfer, Finance Facilities and Stakeholders' Relationship Committee' have taken place on July 6, 2020, September 26, 2020, November 23, 2020, January 5, 2021 and February 17, 2021 .

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

| S. No. | Name | Designation | No. of meetings held during tenure of directors in FY 2020-21 | No. of Committee meetings attended |
|---|---|---|---|---|
| 1. | Prof. Sudhir Kumar Jain | Chairman | 5 | 5 |
| 2. | Mr. Jitendra Tuli | Member | 5 | 3 |
| 3. | Mr. Bipin Maira | Member | 5 | 4 |
| 4. | Mr. Ravi Vira Gupta* | Member | 1 | 0 |

*Mr. Ravi Vira Gupta ceased to be member of Share Transfer, Finance Facilities and Stakeholders Relationship Committee of the Company w.e.f August 27, 2020.

The status of complaints received, disposed off & pending during the year ended March 31, 2021 is as under:

| No. of Complaints Received | No. of Complaints not solved to the satisfaction of shareholders' / Investors' | No. of Complaints pending at the end of year |
|---|---|---|
| 11 | 0 | 1 |

The minutes of Share Transfer, Finance Facilities & Stakeholders' Relationship Committee is placed before the Board for its information.

During the period under review, Mr. Vimal Prasad Gupta, Company Secretary of the Company acts as Compliance Officer of the Company. After the resignation of Mr. Vimal Prasad Gupta, Mr. Sanjeev Kumar acts as Compliance Officer of the Company w.e.f. June 10, 2021.

## 8. GENERAL BODY MEETINGS

**Details of last three Annual General Meeting(s) (AGMs)**

| Year | Location | Date | Time | Details of Special Resolutions passed |
|---|---|---|---|---|
| 2020* | 130th AGM Unit Nos. 2050 to 2052, 2nd Floor, Plaza II, Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi-110006 | 25.09.2020 | 11:45 A.M. | Special Resolution pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for approval of continuation of appointment Mr. Jitendra Tuli (DIN 00272930), as a Director of the Company, whose office of Director is liable to retire by rotation. |
| 2019 | 129thAGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110054 | 30.09.2019 | 11:00 A.M. | 1. Special Resolution for approval of appointment of Mr. Jitendra Tuli, (DIN 00272930), as an Independent Director of the Company, not liable to retire by rotation.<br>2. Special Resolution for approval of re-appointment of Mr. Ravi Vira Gupta, (DIN 00017410), as an Independent Director of the Company, not liable to retire by rotation.<br>3. Special Resolution for approval of re-appointment of Mr. Bipin Maira, (DIN 05127804), as an Independent Director of the Company, not liable to retire by rotation.<br>4. Special Resolution for approval of re-appointment of Mr. Sudhir Kumar Jain, (DIN 06419514), as an Independent Director of the Company, not liable to retire by rotation.<br>5. Special Resolution for approval of re-appointment of Dr. Meenakshi Nayar, (DIN 06866256), as an Independent Woman Director of the Company, not liable to retire by rotation.<br>6. Special Resolution pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for approval of continuation of appointment Dr. Vinay Bharat Ram (DIN 00052826), as a Director of the Company, whose office of Director is liable to retire by rotation.<br>7. Special Resolution for approval of re-appointment of Mr. Sushil Kapoor (DIN 02481289) as Whole-Time Director designated as Executive Director (Engineering Business) of the Company, for a period of three (3) years w.e.f. January 15, 2019 upto January 14, 2022.<br>8. Special Resolution for approval to sell, transfer, hive-off and/or otherwise dispose of Business Undertaking namely DCM Engineering Products located at village Asron, Shaheed Baghat Singh Nagar, Punjab-140001 to DCM Tools & Dies Limited, wholly owned subsidiary of the Company, on a going concern basis by way of a slump sale.<br>9. Special resolution for approval to sell/transfer or otherwise dispose off in any manner of more than 50% of the Company's shareholding in DCM Tools & Dies Limited, wholly owned subsidiary of the Company (herein after referred to as 'DTDL') and /or to sell, transfer, dispose of Assets and /or, the whole or substantially the whole of the undertaking or one or more undertakings of DTDL. |
| 2018 | 128thAGM MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110054 | 24.09.2018 | 11.30 A. M | 1. Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Mr. Ravi Vira Gupta (DIN: 00017410), as a Non-Executive Independent Director of the Company w.e.f. 1stApril, 2019 upto August 3, 2019.<br>2. Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Mr. Bipin Maira, (DIN: 05127804), as a Non-Executive Independent Director of the Company 1stApril, 2019 upto August 3, 2019.<br>3. Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Mr. Jitendra Tuli, (DIN: 00272930), as Director of the Company, liable to retire by rotation, for his remaining term of office w.e.f. 1stApril, 2019 upto the period he retires by rotation or ceased to be director of the Company.<br>4. Pursuant to Reg. 17(1A) of SEBI Listing Regulations, approval for continuation of appointment of Dr. Vinay Bharat Ram(DIN: 00052826), as director of the Company, liable to retire by rotation, for his remaining term of office w.e.f. 1stApril, 2019 upto the period he retires by rotation or ceased to be director of the Company.<br>5. Approval of appointment of Dr. Vinay Bharat Ram as Managing Director of the Company, for a period of three years w.e.f. January 30, 2019.<br>6. Approval of appointment of Mr. Sushil Kapoor (DIN: 02481289) as Whole-Time Director designated as Executive Director (Engineering Business) of the Company, for a period of one year w.e.f. January 15, 2018. |

*Annual General Meeting was conducted through video conferencing facility provided by NSDL.

**POSTAL BALLOTS.**

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

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

## 9. Means of Communication

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

No presentation of financial results has been made to Financial Institutions/ analysts during the year ended March 31, 2021.

## 10. GENERAL SHAREHOLDER INFORMATION

**i. Annual General Meeting**

| | |
|---|---|
| Day & Date | : Tuesday, September 28, 2021 |
| Time | : 11:00 A.M |
| Deemed Place | : Unit Nos. 2050 to 2052, 2nd Floor, Plaza - II, Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi – 110006 |

ii. **Book Closure Date** : September 22, 2021 to September 28, 2021 (Both days inclusive)

iii. **Financial Year** : April 01 to March 31

iv. **Dividend Payment Date** : Not Applicable

v. **Listing** : Shares of Company are listed on following stock exchanges:

Name: BSE Limited

Address: Phiroje Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Name : National Stock Exchange of India Limited

Address : Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai -400051.

Listing fee up to financial year 2020-21 has been paid to both of above Stock Exchanges.

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

BSE Limited: 502820

National Stock Exchange of India Limited: DCM

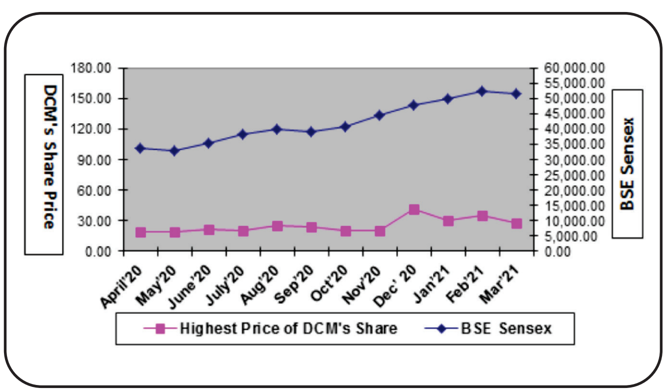
vii. **Stock Market Data and Share price performance in comparison to broad base indices**

a) **DCM LIMITED v/s BSE SENSEX**

| | DCM LIMITED | | BSE SENSEX | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April-20 | 18.61 | 13.01 | 33,887.25 | 27,500.79 |
| May-20 | 19.50 | 16.30 | 32,845.48 | 29,968.45 |
| June-20 | 21.70 | 17.25 | 35,706.55 | 32,348.10 |
| July-20 | 21.00 | 17.25 | 38,617.03 | 34,927.20 |
| August-20 | 24.85 | 18.35 | 40,010.17 | 36,911.23 |
| September-20 | 24.00 | 18.75 | 39,359.51 | 36,495.98 |
| October-20 | 20.45 | 17.00 | 41,048.05 | 38,410.20 |
| November-20 | 20.00 | 17.15 | 44,825.37 | 39,334.92 |
| December-20 | 41.70 | 18.80 | 47,896.97 | 44,118.10 |
| January-21 | 30.25 | 25.75 | 50,184.01 | 46,160.46 |
| February-21 | 35.25 | 25.10 | 52,516.76 | 46,433.65 |
| March-21 | 28.45 | 23.00 | 51,821.84 | 48,236.35 |

**Source: BSE website**

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

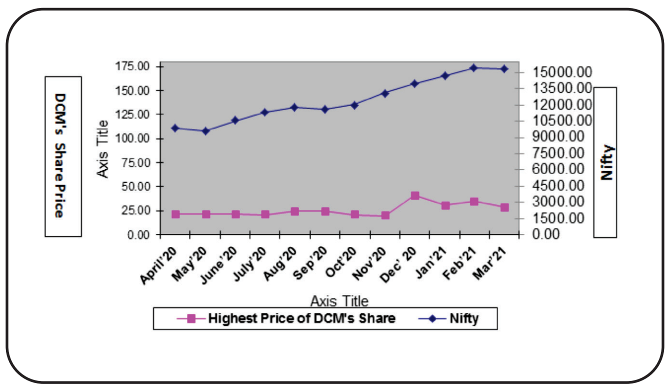



b) **DCM LIMITED vs. NIFTY**

| | DCM LIMITED | | NIFTY | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April-20 | 21.85 | 12.55 | 9889.05 | 8055.80 |
| May-20 | 21.50 | 16.35 | 9598.85 | 8806.75 |
| June-20 | 22.00 | 17.10 | 10553.15 | 9544.35 |
| July-20 | 21.05 | 17.00 | 11341.40 | 10299.60 |
| August-20 | 24.90 | 18.20 | 11794.25 | 10882.25 |
| September-20 | 24.50 | 18.50 | 11618.10 | 10790.20 |
| October-20 | 20.95 | 16.65 | 12025.45 | 11347.05 |
| November-20 | 20.00 | 17.10 | 13145.85 | 11557.40 |
| December-20 | 40.80 | 18.65 | 14024.85 | 12962.80 |
| January-21 | 30.50 | 25.45 | 14753.55 | 13596.75 |
| February-21 | 35.40 | 25.15 | 15431.75 | 13661.75 |
| March-21 | 28.40 | 23.00 | 15336.30 | 14264.40 |

**Source: NSE website**

**Chart of Comparison of DCM Limited's Share Price with Nifty.**




viii. **Registrar& Share Transfer Agent**

MCS Share Transfer Agent Limited, F–65, Okhla Industrial Area, Phase I, New Delhi- 110020. Telephone Nos: 011-41406149-52, Email: helpdeskdelhi@mcsregistrars.com.

ix. **Share Transfer System**

The Company's Shares are traded in the Stock Exchanges in compulsorily Demat mode as per Stock Exchanges Regulations. Power of share transfer has been delegated to Registrar & Share Transfer Agents for expediting share transfers.

Further, pursuant to the amendment in Regulation 40 of SEBI Listing Regulations w.e.f. 01.04.2019, request for effecting transfer of physical Shares, except in case of Transmission or Transposition of Shares, shall not be processed by the RTA unless the shares are held in the dematerialized form with the depositary.

**x. Distribution of shareholding as on March 31, 2021**

| Category | No. of Equity Shares | % of Shareholding |
|---|---|---|
| Promoters and Promoters group | 90,66,584 | 48.54 |
| Mutual fund, FIs, Banks, Insurance Companies, Central Govt. and State Govt.(s) | 12,02,144 | 6.44 |
| Bodies Corporate | 8,21,106 | 4.40 |
| NRIs, Trusts and NBFC's | 6,75,108 | 3.61 |
| Individuals | 66,24,470 | 35.47 |
| Investor Education and Protection Fund (IEPF) | 2,88,337 | 1.54 |
| **TOTAL** | **1,86,77,749** | **100.00** |

| Shareholdings | No. of folios | No. of Equity Shares | % of Shareholding |
|---|---|---|---|
| Up to 5,000 | 28,610 | 33,20,490 | 17.78 |
| 5,001-10,000 | 83 | 5,83,408 | 3.12 |
| 10,001 – 50,000 | 81 | 17,52,712 | 9.39 |
| 50,001-1,00,000 | 20 | 13,99,680 | 7.49 |
| Above 1,00,000 | 8 | 1,16,21,459 | 62.22 |
| Total | **28,802** | **1,86,77,749** | **100.00** |

**xi. Dematerialization of Shares and liquidity**

The Equity Shares of the Company are compulsorily tradable in Dematerialized form by all categories of investors and placed under rolling settlement by SEBI. The Company has signed agreement with National Securities Depositary Limited (NSDL) & Central Depositary Services Limited (CDSL) for dematerialization of shares. ISIN of the Company for dematerialization of equity shares is INE 498A01018. As on March 31, 2021, 97.21% of paid-up share capital of the Company has been dematerialized.

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

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

The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2020-21.

**xiii. Location of Works:**

Engineering Division: Shaheed Bhagat Singh Nagar (Punjab)

**xiv.** Company has not obtained any credit rating in respect of its debts instruments, fixed deposit program, or any scheme or proposal involving mobilization of funds whether in India or abroad.

**xv. Address for Correspondence**

The shareholders may address their communication to the Registrar and Share Transfer Agents at their address mentioned above or to the Company Secretary, DCM Limited, Unit Nos. 2050 to 2052, 2nd Floor, Plaza - II, Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi – 110006 or at exclusively designated e-mail ID for any grievance at *investors@dcm.in*

**11. Disclosures**

i. All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013, as amended from time to time and the SEBI Listing Regulations. During the year, there are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Related party transactions have been dealt with in note no. 44 to the Standalone Financial Statements annexed. These transactions are not in conflict with the interest of the Company.

The Board of Directors of the Company has formulated 'Related Party Transaction Policy', which is available on website of the Company at weblink: https://dcm.in/wp-content/uploads/2020/12/Policy-on-Related-Party-Transactions.pdf.

ii. There was no penalty/fine has been imposed upon the Company by SEBI or any other statutory authority on any matter relating to Capital Markets during the last three years. However during the previous financial year, there has been a procedure delay of 8 days in the appointment of Independent Woman Director of the Company as per the provisions of SEBI Listing Obligation. Therefore a penalty/ fine of Rs. 47,200 (including GST) was imposed on the Company by each of the Stock Exchanges (BSE Limited & National Stock Exchange of India Limited).

iii. The Company has a separate Legal Department, which deals with the legal issues. The Secretarial Department is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws.

iv. The Company has in place Vigil Mechanism/Whistle Blower policy which is also available on Company's website www.dcm.in. No personnel have been denied access to the audit committee.

v. All mandatory requirements as specified under SEBI Listing Regulations have been appropriately complied with. However, the Company has not adopted the non-mandatory requirements as specified in Part-E of Schedule II of SEBI Listing Regulations.

vi. Management Discussion and Analysis report forming part of the Annual Report is enclosed.

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

Pursuant to the Regulation 36 of SEBI Listing Regulations, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is given along with the Notice of AGM and enclosed with this annual report.

**viii. Risk Management**

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

**ix. Subsidiary Company**

All the six (6) subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

During the year under review, DCM Infotech Limited was material subsidiary of the Company. Accordingly the following requirements of SEBI Listing Regulations are duly complied:

- Composition of Board of Directors of unlisted material subsidiary as specified under Regulation 24(1); and
- requirement of obtaining Annual Secretarial Audit report for material subsidiary as specified under Regulation 24A read with SEBI Circular no. CIF/CFD/CMD1/27/2019 dated February 08, 2019.

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

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

The annual audited accounts of all the subsidiary companies and the related detailed information is available at the website of the Company at www.dcm.in The annual accounts of the subsidiary companies are also kept for inspection by any shareholder in the head/registered office of the Company and of the subsidiary companies concerned. Also the Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on request.

**x. CEO/CFO Certification**

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

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

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

1. **Risk management policy of the Company with respect to commodities including through hedging**

   In the Engineering Division, availability of consistent quality iron scrap gets affected during monsoon season. However, it does not have much impact as the Division manage the exposure by close monitoring of commodity price movements and ensuring the availability of iron scrap during this period to meet its production requirement by increasing its vendor base and/or stocking etc.

   However during the Financial Year 2020-21, there was no production in the Engineering Division, due to lockout declared by Company w.e.f. October 22, 2019.

   The details of foreign currency exposure are disclosed in Note No. 48 to the standalone financial statement.

2. Details of exposure of the Company to material commodities and risks faced by it throughout the year as mandated by Regulation 34(3) read with clause 9(n) of Part C of Schedule V of the SEBI Listing Regulations and SEBI Circular SEBI/HO/ CFD/ CMD1 /CIR / P/2018/ 0000000141 dated 15th November, 2018, is as follows:

   a. Total exposure of the Company to commodities in INR: Nil

   b. Exposure of the Company to various commodities:

| Commodity Name | Exposure in INR towards the particular commodity (In Rs.) | Exposure in Quantity terms towards the particular commodity (In MT) | % of such exposure hedged through commodity derivatives | | | | |
|---|---|---|---|---|---|---|---|
| | | | Domestic market | | International market | | Total |
| | | | OTC | Exchange | OTC | Exchange | |
| Iron Scrap | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

   c. Commodity risks faced by the listed entity during the year and how they have been managed:

   The commodity risks on above commodity are mitigated through close monitoring of the commodity prices movements and in respect of iron scrap, by ensuring the availability of iron scrap to meet its production requirement by increasing its vendor base and/or stocking etc. However during the Financial Year 2020-21, there was no production in the Engineering Division, due to lockout declared by Company w.e.f October 22, 2019.

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

**xiv.** The Company during the year under review has not utilized any funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

**xv.** A certificate has been received from Ms. Pragnya Parimita Pradhan, Practicing Company Secretaries (ACS 32778 and CP No. 12030), that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**xvi.** There was no occasion of non-acceptance of any recommendation of any committee by the Board of Directors.

**xvii.** The Company and its subsidiaries has paid a fee of Rs. 15.00 lakh (including out of pocket expenses), on a consolidated basis, to M/s S S Kothari Mehta & Company, Chartered Accountants, Statutory Auditors of the Company during the year under review.

**xviii.** Status of complaints received, disposed off & pending during the year ended March 31, 2021 under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

(a) number of complaints filed during the financial year – Nil

(b) number of complaints disposed of during the financial year – Nil

(c) number of complaints pending as on end of the financial year – Nil

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

**Sd/-**
**Place:** New Delhi **Bipin Maira**
**Date:** June 29, 2021 **Chairman**

**ANNEXURE – A**

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

**MANAGING DIRECTOR DECLARATION**

I, Jitendra Tuli, Managing Director of DCM Limited, certify based on annual disclosures received, that all Board members and senior management personnel have abided by the code of Conduct for Directors & Senior Management laid down by the Company.

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

**Sd/-**
**Place:** New Delhi **Jitendra Tuli**
**Date:** June 29, 2021 **Managing Director**

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To The Members of**
**DCM Limited**
**New Delhi**

1. We have examined the compliance of conditions of Corporate Governance by **DCM Limited** ("the Company") for the year ended March 31, 2021, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India

**Auditors' Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.

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

**Restriction on use**

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

**For S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
FRN - 000756N

Sd/-
**Sunil Wahal**
Partner
Membership No. 087294
UDIN : 21087294AAAAIE7979

**Place:** New Delhi
**Date:** June 29, 2021

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## ENGINEERING DIVISION

### Industry Structure and Developments

The Indian automotive industry is the pillar of the manufacturing sector and provides employment to a large pool of people. Being the fourth largest automotive market globally, the sector plays a vital role in India's aspiration to become a USD 5 Trillion economy. Increasing urbanization, large working-age population, rising incomes and strong impetus on infrastructure and construction sectors have been driving the industry's growth over the years.

The foundry industry, also known as the casting industry, plays the role of a 'mother' industry in India. It is a core industry producing cast metal components which serve as a basic raw material for many sectors. The total Manpower in Foundry Sector is approx. 500,000 Directly & 150,00,00 indirectly. The foundry sector is highly labour intensive & currently generates employment for 2 Million directly & indirectly mainly from socially & economically weaker sections of society. *(Source: Foundry Informatics Centre)*

There are approximately 4500 units out of which 80% can be classified as classified as Small Scale units & 10% each as Medium & Large Scale units. Approximately 500 units are having International Quality Accreditation. Several large Indian foundries are modern and globally competitive with efficient induction furnaces and a growing awareness about environment and energy conservation. *(Source: Foundry Informatics Centre)*

The auto-casting industry in India, can be categorized into ferrous and non-ferrous segments. The industry comprises major engine components such as cylinder heads, cylinder blocks, gear housing, and braking components such as braked rums and housings, clutch and fly wheel housing.

### Opportunities and Outlook

Although the near-term outlook is negative due to the lockdown to curb the second wave of COVID-19, the medium to long term outlook is very encouraging. The Indian automotive industry, the fourth largest industrial sector in the country, is on the upswing and all global producers are relocating their manufacturing units to this region to be near the upcoming biggest consumer markets. At present, India is the third-largest casting producer in the world. This will further create more opportunities for castings and forging industries both for domestic production and for exports.

The industry is currently under high duress on account of the COVID-19 pandemic. The demand slowdown among the majority of end-users has significantly affected the industry. The fiscal stimulus packages are yet to make a positive impact on the market. The growth rate, which was hovering around 5% to 6%, has now declined significantly post COVID-19.

ICRA rating agency project 20-23 per cent revenue growth in the current fiscal aided by strong exports and recovery in the domestic market. The growth would however be on the low base of the last two fiscals and will look optically strong because of the exceptionally weak first half of the financial year 2020-21.

However, headwinds such as sharp increase in commodity prices, supply chain disruptions and premium freight expenses are expected to weigh in industry margins in FY 2022, partially offsetting benefits arising from improved operating leverage.

Due to high development prospects in all segments of the vehicle industry, the auto component sector is expected to rise by double digits in FY 2022.

As per Automobile Component Manufacturers Association (ACMA), automobile component export from India is expected to reach US$ 80 billion by 2026. Indian automobile industry (Includes automobiles and auto components) received Foreign Direct Investment (FDI) worth US$ 25.39 billion between April 2000 and December 2020.

In November 2020, the Union Cabinet approved PLI scheme in automobile and auto components with an approved financial outlay over a five-year period of Rs. 57,042 crores (US$ 8.1 billion).

Automobile export is expected to grow at a CAGR of 3.05% during 2016-2026. The Government of India expects automobile sector to attract US$ 8-10 billion in local and foreign investment by 2023.

### Financial and Operational performance

The performance of the Engineering Division for the year ended March 31, 2021 is as follows:

| S. No. | Particulars | Financial Year ended March 31,2021 | Financial Year ended March 31,2020 |
|---|---|---|---|
| 1. | Gross Sales in Quantity (MT) | - | **15,270.00** |
| 2. | Gross Production (MT) | - | **14,625.00** |
| 3. | Sales & other Income (Rs. in lakh) | **415.74** | **12,985.00** |
| 4. | Total Expenditure (Rs. in lakh) | **(571.28)** | **(15,424.00)** |
| 5. | Profit before finance cost, Depreciation, Amortization & Tax (Rs. in lakh) | **(155.55)** | **(2,439.00)** |
| 6. | Finance Cost (Rs. in lakh) | **(851.01)** | **(1,055.00)** |
| 7. | Depreciation (Rs. in lakh) | **(817.45)** | **(1,139.00)** |
| 8. | Profit before Tax (Rs. in lakh) | **(1,824.00)** | **(4,633.00)** |

Due to continued situation of industrial unrest at the Engineering Division, the Company was forced to declare a lockout of its Engineering operation w.e.f October 22, 2019 and consequently the liquidity position of the Company was severely curtailed. This has resulted delay/defaults in payment of dues of Banks as well as operational creditors/ other liabilities.

During the year under review a bank has served a demand notice under the provisions of section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). However, the Hon'ble High Court of Punjab & Haryana has passed an order on 22.12.2020 to maintain the '**Status Quo'** of notice issued by the said bank. Some of the operational creditors of 'Engineering Division' of the Company have also given legal notice(s) and/or filed petition(s) under the Insolvency and Bankruptcy Code, 2016 (IBC Act, 2016) for recovery of their outstanding dues towards supply of materials by them to the Engineering Division. However no such petition has been admitted by the Court/ National Company Law Tribunal (NCLT).

During the year under review, no production activities were carried out due to said lockout. However during the previous year, the Division achieved total dispatch of 15,271 MT.

**Risk & Concerns**

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

**Internal Controls**

The Division has maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. Further, the internal control systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, if any.

**Manpower Development**

The company has continued its efforts and focus on capability and skill upgradation through structured training and development in the Division. The division has established a fully functional training centre called "Gurukul". However due to continued situation of industrial unrest at the Engineering Division and subsequent declaration of a lockout of its Engineering operation w.e.f October 22, 2019, during the year under review no development held under this aspect. The total number of people on the rolls of Engineering Division are 719.

**Industrial relations**

In February 2016 after the wage settlement, certain disgruntled workmen started their nefarious activities. The workmen indulged in repeated instances of go slow, tool down, stoppage of work/ strikes besides violence and threatening/ beating the staff/supervisors. Due to continued situation of industrial unrest at the Engineering Division, the Company was forced to declare a lockout of its Engineering operation w.e.f October 22, 2019.

**DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN FOLLOWING KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE:**

| Sr. No. | Particulars | On Standalone Basis | | | | On Consolidated Basis | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | For Year 2020-21 | For Year 2019-20 | % Change | Explanation | For Year 2020-21 | For Year 2019-20 | % Change | Explanation |
| 1 | Debtors Turnover Ratio | - | 3.02 | - | Please refer note no. i | 4.48 | 3.40 | 31.67 | Please refer note no. ii |
| 2 | Inventory Turnover Ratio | - | 1.43 | - | Please refer note no. i | 3.70 | 1.80 | 105.07 | Please refer note no. ii |
| 3 | Current Ratio | 0.32 | 0.21 | 52.38 | Please refer note no. i | 0.51 | 0.34 | 50 | Please refer note no. ii |
| 4 | Debt Equity Ratio | (6.08) | 2.01 | (402.49) | Please refer note no. i | 15.95 | (14.81) | 7.70 | Please refer note no. ii |
| 5 | Interest Coverage Ratio | | | | | | | | |
| i. | Continuing Business | (0.33) | (0.96) | 0.63 | Please refer note no. i | 0.06 | (0.35) | 0.41 | Please refer note no. ii |
| ii. | Discontinued Business | - | 9.99 | (9.99) | Please refer note no. i | - | - | - | Please refer note no. ii |
| iii. | Company /Group as Whole | (0.30) | (0.75) | 0.42 | Please refer note no. i | 0.06 | (0.35) | 0.41 | Please refer note no. ii |
| 6 | Operating Profit Margin | | | | | | | | |
| i. | Continuing Business | - | (7.95) | - | Please refer note no. i | 1.19 | (2.06) | 0.03 | Please refer note no. ii |
| ii. | Discontinued Business | - | 9.20 | - | Please refer note no. i | - | 0 | - | Please refer note no. ii |
| iii. | Company /Group as Whole | - | (5.45) | - | Please refer note no. i | 1.19 | (2.06) | 0.03 | Please refer note no. ii |
| 7 | Net Profit Margin | | | | | | | | |
| i. | Continuing Business | - | (25.24) | - | Please refer note no. i | (36.11) | (15.75) | 129 | Please refer note no. ii |
| ii. | Discontinued Business | - | 6.55 | - | Please refer note no. i | - | 0.00 | - | Please refer note no. ii |
| iii. | Company /Group as Whole | - | (20.61) | - | Please refer note no. i | (36.11) | (15.75) | 129 | Please refer note no. ii |

**DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:**

| Sr. No. | Particulars | On Standalone Basis | | | | On Consolidated Basis# | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | For Year 2020-21 | For Year 2019-20 | % Change | Explanation | For Year 2020-21 | For Year 2019-20 | % Change | Explanation |
| 1 | Return on net worth | 377.21 | (218.91) | (272.31) | Please refer note no. i | 89.77 | (1503.14) | (94.03) | Please refer note no. ii |

# In case of Negative net worth and losses in current year, the ratio is calculated as positive but shown as negative. Further increasing trend in the ratio towards negative is to be read as deterioration in ratio and decreasing trend in the negative ratios to be read as improvement.

**Note:-**

**i. Note – Standalone**

Due to continued situation of industrial unrest at Engineering Business undertaking, continuing business, and subsequently declaration of its lockout w.e.f. October 22, 2019 on account of aforesaid situation, which continued during the current year the ratios of said continuing engineering business operation of the Company have significantly been further deteriorate for the current year.

**ii. Note – Consolidated**

Due to continued situation of industrial unrest at Engineering Business undertaking, continuing business, and subsequently declaration of its lockout w.e.f. October 22, 2019 on account of aforesaid situation, which continued during the current year the ratios of said continuing engineering business operation of the company have significantly been further deteriorate for the current year. However, the business operation of IT business continues to remain stable.

**iii.** In the case of negative ratios remain negative and decreased, change in ratio is shown as improvement and when negative ratio remains negative but increased, it is shown as deterioration.

**Cautionary Note**

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

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

**Sd/-**

**Place**: New Delhi
**Date:** June 29 2021

**Bipin Maira**
**Chairman**

## INDEPENDENT AUDITORS' REPORT

**To the members of DCM Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying standalone financial statements of **DCM Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act and the Rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 standalone financial statements under the provisions of the Act 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 audit opinion on the standalone financial statements.

### Material uncertainty relating to Going Concern

We draw attention to Note: 50 of the standalone financial statements highlighting that due to industrial unrest the Company is facing liquidity issues towards clearing of its statutory dues, vendor payments and borrowings pertaining to its Engineering Division. This has significantly eroded the Company's net worth and the current liabilities exceed the current assets by Rs. 7,397.85 lakhs as at March 31, 2021. The Company has initiated restructuring of its Engineering Division as explained in the Note 4. The management of Company believes that with the restructuring of its Engineering Business Undertaking along with the debt pertaining to said undertaking and infusing liquidity by focusing /managing of its remaining business undertaking/real estate operation, the Company will be able to continue its operation on a going concern basis. Accordingly, the statement of the Company has been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

i. Note 52 of the standalone financial statements, during the previous year in view of continued situation of industrial unrest Company has declared lockout at its engineering business undertaking. On the basis of legal advice Management of the Company is of the view that the present lockout is legal and justified. Therefore, the Company has not made any provision for wages pertaining to the lockout period October 22, 2019 to March 31, 2021 aggregating to Rs. 2721.22 lakhs.

ii. Note 54 to the standalone financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Further, our attendance at the physical verification of inventory done by the management was impracticable under the current pandemic situation and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end.

iii. Note 56 to the standalone financial statements, the Company has received certain recovery notices / petitions from creditors and a bank. Pursuant to the restructuring scheme approved by the Board of the Company the settlement of all such creditors and bank has already been provided for in this Scheme. In addition the Company is taking other interim measures as explained in the said Note 56 to improve liquidity including proposed Right Issue of equity shares, management action is also explained in the said note.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying these standalone financial statements

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| As at March 31, 2021, the Company's balance sheet includes property, plant and equipment amounting to Rs. 4990.54 lakhs.<br><br>The Engineering Division has continuous losses and accordingly, the management has assessed it for impairment.<br><br>The assessment of the recoverable value of the assets of the Engineering Division aggregating Rs. 4232.05 lakhs, incorporates significant judgement in respect of factors such as valuation of land, future production levels, sales prices, operating/capital costs and economic assumptions such as discount rates, inflation rates etc.<br><br>We identified assessing impairment of property, plant and equipment of Engineering Division as a key audit matter, considering it to be significant to the Company's total assets, involving significant judgement and estimation in determining the recoverable amount. | Our procedures in relation to management's impairment assessment included, but not limited to, the following procedures:<br>• testing the design and implementation of controls in place;<br>• obtaining and reviewing management assessment whether there were any indicators of impairment of property, plant and equipment as at March 31, 2021;<br>• obtaining valuation report in respect of land and plant & equipment carried out by external valuer;<br>• assessing appropriateness of impairment assessment and methodologies used;<br>• evaluating reasonableness of key assumptions used in the valuation;<br>• assessing the adequacy of disclosures in the standalone financial statements, in respect of the property, plant and equipment. |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India.

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

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flows statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant Rules issued thereunder;

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   g) In our opinion, and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

   h) 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 has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statement refer Note 42;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There had been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the Company.

**For S.S. Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

**SUNIL WAHAL**
Partner
Membership No. 087294
UDIN: 21087294AAAAIC4481

Place: New Delhi
Date: June 29, 2021

**Annexure A to the Independent Auditor's Report to the members of DCM Limited on its standalone financial statements dated June 29, 2021.**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.**

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

   (b) According to information and explanations given to us, the Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified, in a phased manner, over a period of three years. The frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification. In accordance with this programme, certain assets have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the registration of an immovable property having a gross block of Rs. 345.83 lakh and net block of Rs. 329.89 lakh remained pending as at the balance sheet date.

ii. The Management of the Company has conducted physical verification of inventory at reasonable intervals during the year. Further due to Covid-19 related lock down restrictions, management was able to perform the verification of inventory subsequent to the year end. In our opinion, the frequency of such verification is reasonable having regard to size of the Company and nature of business. No material discrepancies were noticed on such physical verification.

    In our opinion, the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. Further, we have performed alternative procedures, for physical verification done subsequent to the year-end due to Covid-19, to audit the existence of Inventory as per the guidance provided in SA-501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence and the discrepancies noticed on such physical verification of inventory as compared to book records were not material.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, provisions of paragraph 3 (iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances covered under the provisions of section 185 and 186 of the Act. Therefore, provisions of paragraph 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records with a view to determine whether they are accurate or complete.

vii. a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Employees’ Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income Tax, Goods & Service Tax, Custom Duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no dues in respect of Income-tax, Sales-tax, Service-tax, Customs Duty, Excise Duty and Value added tax which have not been deposited on account of any dispute except as mentioned below:

| Name of statute | Nature of dues | Amount of dispute* (Rs. in lakhs) | Amount paid under protest | Financial year to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Central Excise Act, 1944 | Excise duty | 0.50 | - | 2002-2003, 2003-2004 | Supreme Court |
| Punjab VAT Act, 2005 | Sales Tax | 218.17 | 15.50 | 2012-2013 | Punjab VAT Appellate Tribunal |
| | | 146.96 | 36.75 | 2010-2011 | |
| | | 130.25 | 35.09 | 2009-2010 | |
| | | 122.65 | | 2012-2013 | Deputy commissioner (Appeals) |
| Income Tax Act, 1961 | Income Tax | 442.18 | | 1982 -1983 to 1989-1990 | ITAT refer back to AO |
| Income Tax Act, 1961 | Income Tax | 66.08 | | 2011-2012 | High Court |
| Income Tax Act, 1961 | Income Tax | 51.37 | | 2012-2013 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 48.33 | | 2013-2014 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 36.11 | | 2015-2016 | Income Tax Appellate Tribunal |

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

viii. On the basis of the audit procedures performed by us, the information & explanations furnished, and representations made by the management, the Company has made defaults in repayment of dues including interest to banks. Term loan availed from State Bank of India, ICICI Bank Limited and HDFC Bank Limited aggregating to Rs 404.28 lakhs and Interest of Rs. 83.99 lakhs remaining in default as on March 31, 2021 pertaining to the period from October 2019 to March 31, 2021. Further cash credit facility from the banks are overdrawn by Rs 772.39 lakhs since September 2019. There is no outstanding debenture at year end and the Company has not taken any loan from the financial institution and government (please refer the footnote of note 19, 22 and note 51 of the standalone financial statements for Further details).

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer. Further, the Company has not taken any term loan during the year. Hence, reporting as per provisions of clause 3(ix) of the Order is not applicable to the Company.

x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 of the Act.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the books of account, the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under audit. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred in section 192 of the Act.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.S. Kothari Mehta & Company**
Chartered Accountants
Firm’s Registration No. 000756N

**SUNIL WAHAL**
Partner
Membership No. 087294
UDIN: 21087294AAAAIC4481

Place: New Delhi
Date: June 29, 2021

**Annexure B to the Independent Auditor's Report to the Members of DCM Limited on its standalone financial statements dated June 29, 2021.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.**

We have audited the internal financial controls over financial reporting of the **DCM Limited** ('the Company') as of March 31, 2021 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India". 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 on Audit of Internal Financial Controls Over Financial Reporting (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 Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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

c) 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 March 31, 2021, 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 issued by the Institute of Chartered Accountants of India.

**For S.S. Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

**SUNIL WAHAL**
Partner
Membership No. 087294
UDIN: 21087294AAAAIC4481

Place: New Delhi
Date: June 29, 2021

## Standalone Balance Sheet as at March 31, 2021

| Particulars | Note | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **4,990.54** | 5,866.58 |
| Capital work-in progress | 3 | **7.25** | 7.25 |
| Right to use assets | 4 | - | 19.99 |
| Intangible assets | 4 | **17.61** | 33.55 |
| Financial assets | | | |
| (i) Investments | 5 | **3,246.18** | 3,341.10 |
| (ii) Loans | 6 | **180.31** | 185.26 |
| (iii) Other financial assets | 7 | - | 58.66 |
| Non-current tax assets (net) | 8 | **364.71** | 583.72 |
| Other non-current assets | 9 | **881.16** | 881.16 |
| **Total non-current assets** | | **9,687.76** | 10,977.27 |
| **Current assets** | | | |
| Inventories | 10 | **1,314.46** | 1,350.59 |
| Financial assets | | | |
| (i) Trade receivables | 11 | **17.19** | 70.34 |
| (ii) Cash and cash equivalents | 12 | **27.75** | 37.89 |
| (iii) Bank balances other than (ii) above | 13 | **166.96** | 127.15 |
| (iv) Loans | 14 | **22.38** | 25.58 |
| (v) Other financial assets | 15 | **43.42** | 121.84 |
| Current tax assets (net) | | - | 0.93 |
| Other current assets | 16 | **1,624.63** | 162.66 |
| Assets held for sale | 47 | **205.05** | 207.55 |
| **Total current assets** | | **3,421.84** | 2,104.53 |
| **Total assets** | | **13,109.60** | 13,081.80 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | **1,867.77** | 1,867.77 |
| Other equity | 18 | **(2,380.14)** | (447.43) |
| **Total equity** | | **(512.37)** | 1,420.34 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 19 | **9.89** | 84.75 |
| (ii) Other financial liabilities | 20 | **2,005.52** | 549.89 |
| Provisions | 21 | **786.87** | 860.30 |
| **Total non- current liabilities** | | **2,802.28** | 1,494.94 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 22 | **2,516.27** | 2,239.00 |
| (ii) Trade payables | 23 | | |
| Dues to micro and small enterprises | | **2,425.36** | 2,045.55 |
| Dues to others | | **3,496.98** | 3,515.25 |
| (iii) Other financial liabilities | 24 | **1,859.20** | 1,804.48 |
| Other current liabilities | 25 | **312.12** | 318.45 |
| Provisions | 26 | **115.71** | 149.74 |
| Current tax liabilities (net) | 27 | **94.05** | 94.05 |
| **Total current liabilities** | | **10,819.69** | 10,166.52 |
| **Total equity and liabilities** | | **13,109.60** | 13,081.80 |

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Place :** New Delhi
**Date :** June 29, 2021

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

## Standalone Statement of Profit and Loss for the year ended March 31, 2021

| Particulars | Note | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **Continuing Operations** | | | |
| **Income** | | | |
| Revenue from operations | 28 | **50.48** | 12,890.01 |
| Other income | 29 | **480.61** | 2,611.78 |
| **Total income** | | **531.09** | 15,501.79 |
| **Expenses** | | | |
| Cost of materials consumed | 30 | **(27.99)** | 4,044.72 |
| Changes in inventories of finished goods and work in progress | 31 | **24.77** | 2,520.89 |
| Employee benefits expense | 32 | **401.99** | 3,428.18 |
| Finance costs | 33 | **856.71** | 1,071.90 |
| Depreciation and amortisation expense | 34 | **856.71** | 1,177.13 |
| Other expenses | 35 | **415.60** | 6,533.10 |
| **Total expenses** | | **2,527.79** | 18,775.92 |
| **Loss before tax** | | **(1,996.70)** | (3,274.13) |
| **Tax expense** | 36 | | |
| Current tax expense | | - | - |
| Tax adjustment relating to prior years | | - | (56.29) |
| Deferred tax charge/(credit) | | - | - |
| | | - | (56.29) |
| **Loss for the year - continued operations** | | **(1,996.70)** | (3,217.84) |
| **Profit before tax - discontinued operations** | | - | 144.07 |
| **Tax expense** | | - | - |
| **Profit after tax - discontinued operations** | | - | 144.07 |
| **Loss for the year** | | **(1,996.70)** | (3,073.77) |
| **Continuing operations** | | | |
| ***Items that will not be reclassified to profit or loss*** | | | |
| Re-measurement gain/ (losses) of defined benefit obligations | | **63.98** | (35.54) |
| Income tax relating to remeasurement of defined benefit obligations | | - | - |
| | | **63.98** | (35.54) |
| ***Items that will be reclassified to profit or loss*** | | | |
| Exchange difference in translating financial statements of foreign operations | | - | - |
| Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | - | - |
| **Other comprehensive income/(expense) for the year (net of tax)** | | **63.98** | (35.54) |
| **Total comprehensive income for the year** | | **(1,932.72)** | (3,109.31) |
| **Earnings per equity share of Rs. 10 each** | | | |
| Basic and diluted - from continuing operations | 38 | **(10.69)** | (17.23) |
| Basic and diluted - from discontinued operations | | - | 0.77 |
| Basic and diluted - from continuing and discontinued operations | | **(10.69)** | (16.46) |

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Place :** New Delhi
**Date :** June 29, 2021

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

**Statement of Standalone changes in equity for the year ended March 31, 2021**

**A. Equity share capital** **(Rupees in lakh)**

| Particulars | Note | Amount |
|---|---|---|
| **Balance as at April 1, 2019** | 17 | 1,867.46 |
| Changes in equity share capital during the year ended March 31, 2020 | 17 | 0.31 |
| **Balance as at March 31, 2020** | | **1,867.77** |
| Changes in equity share capital during the year ended March 31, 2021 | 17 | - |
| **Balance as at March 31, 2021** | | **1,867.77** |

**B. Other equity** **(Rupees in lakh)**

| Particulars | Reserve and surplus | | | | Items of OCI | Total |
|---|---|---|---|---|---|---|
| | Securities premium | Capital redemption reserve | Capital reserves | Surplus in Statement of Profit or loss | Exchange difference on translation of foreign operation | |
| **Balance as at April 1, 2019** | **7,367.00** | **130.10** | **25.40** | **10,049.78** | 19.91 | **17,592.19** |
| Transferred to DCM Nouvelle Limited on demerger (refer note 40) | **(6,305.81)** | - | - | (8,619.19) | - | **(14,925.00)** |
| Adjustment on cancellation of investment in DCM Nouvelle Limited (refer note 40) and calls in arrears | - | - | - | (5.31) | - | **(5.31)** |
| Loss for the year | - | - | - | (3,073.77) | - | **(3,073.77)** |
| Other comprehensive income / (expense) for the year | - | - | - | (35.54) | - | **(35.54)** |
| Exchange difference reserve recognised in profit or loss statement on sale of foreign operations | - | - | - | 19.91 | (19.91) | - |
| **Total comprehensive expense for the year** | - | - | - | **(3,089.40)** | (19.91) | **(3,109.31)** |
| **Balance as at March 31, 2020** | **1,061.19** | **130.10** | **25.40** | **(1,664.12)** | **0.00** | **(447.43)** |
| Loss for the year | - | - | - | (1,996.70) | - | **(1,996.70)** |
| Other comprehensive income / (expense) for the year | - | - | - | 63.98 | - | **63.98** |
| Total comprehensive income for the year | - | - | - | (1,932.72) | - | **(1,932.72)** |
| **Balance as at March 31, 2021** | **1,061.19** | **130.10** | **25.40** | **(3,596.84)** | **0.00** | **(2,380.14)** |

Refer Note 18 for nature and purpose of reserves

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Place :** New Delhi
**Date :** June 29, 2021

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

## Standalone Cash flow statement for the year ended March 31, 2021

| Particulars | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|
| **Cash flow from operating activities** | | |
| Loss before taxation - Continued operations | **(1,996.70)** | (3,274.13) |
| Profit before taxation - Discontinued operations | - | 144.07 |
| Adjustments for : | | |
| Depreciation and amortisation expense | **856.71** | 1,215.19 |
| (Profit) / Loss on assets sold or discarded (Net) | **(13.90)** | (2,435.37) |
| Liabilities no longer required written back | **(340.47)** | - |
| Dividend Income | **(46.28)** | - |
| Interest income | **(50.50)** | (70.82) |
| Provision for Impairment in value of Investments | **20.00** | - |
| Unwinding of discount on security deposits | - | 6.30 |
| Finance costs | **856.71** | 1,092.17 |
| Finance lease income | **(6.64)** | (11.67) |
| Allowance/ (reversal) of expected credit loss | **16.51** | (49.47) |
| Bad debts and irrecoverable balances written off | **45.29** | - |
| Remeasurement of revenue to finance income and lease receivable | **142.01** | 88.58 |
| Gain on extinguishment of rights to use asset | **(3.05)** | - |
| **Operating cash flow before working capital changes** | **(520.31)** | (3,295.15) |
| **Changes in assets and liabilities** | | |
| (Increase)/decrease in inventories | **36.13** | 2,858.89 |
| (Increase)/decrease in trade receivables | **7.86** | 2,453.95 |
| (Increase)/decrease in loans and advances | **8.15** | 490.41 |
| (Increase)/ decrease in other financial assets | - | (141.86) |
| (Increase)/decrease in other assets | **9.26** | 34.87 |
| Increase/ (decrease) in trade payables | **(18.77)** | (1,249.46) |
| Increase/(decrease) in provisions | **(43.48)** | (431.67) |
| Increase/(decrease) in financial liabilities | **167.41** | 257.51 |
| Increase/(decrease) in other liabilities | **(31.34)** | (625.44) |
| **Cash (used in) / generated from operations** | **(385.09)** | 352.05 |
| Income tax paid (net of refund) | **256.07** | 72.45 |
| ***Net cash (used in) / from operating activities (A)*** | **(129.02)** | 424.50 |
| **Cash flow from investing activities** | | |
| Payments towards Property, plant and equipment (including Capital Advances) | **(0.52)** | (53.39) |
| Net proceeds from sale of rights in flats | - | 2,290.30 |
| Payments towards Intangible assets | - | (13.19) |
| Payment towards purchase of rights in flats | **(11.15)** | - |
| Proceeds from sale of business | - | 800.82 |
| Proceeds from disposal of Property, plant and equipment (including advance received) | **52.58** | 1,792.42 |
| Proceeds from disposal of Asset held for sale | **25.97** | - |
| Proceeds from redemption of preference shares measured as FVTPL | **80.00** | 20.00 |
| Proceeds from redemption of preference shares measured at amortised cost | **0.48** | - |
| Interest received on financial assets measured at amortised cost | **10.87** | 61.62 |
| Dividend received from subsidiaries | **45.90** | - |
| Maturity of / (Investment in) bank deposits (net) not considered as cash and cash equivalents | **(58.40)** | 88.46 |
| ***Net cash (used in) / from investing activities (B)*** | **145.73** | 4,987.04 |
| **Cash flow from financing activities** | | |
| Repayment of borrowings | **(17.41)** | (3,134.82) |
| Changes in working capital borrowings | - | (1,248.92) |
| Payment towards lease liability | **(0.59)** | (46.82) |
| Interest paid | **(8.85)** | (1,019.42) |
| ***Net cash (used in) / from financing activities (C)*** | **(26.85)** | (5,449.98) |
| **Net cash flows [increase / (decrease)] during the year (A+B+C)** | **(10.14)** | (38.44) |
| Cash and cash equivalents at the beginning of the year | **37.89** | 1,392.06 |
| Cash and cash equivalents transferred on demerger (Refer note 40) | - | (1,012.38) |
| Cash and cash equivalents transferred on sale of IT business (refer note 40) | - | (303.35) |
| Cash and cash equivalents at the end of the year | **27.75** | **37.89** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | **1.68** | 4.54 |
| Balances with scheduled banks: | | |
| - Current accounts | **26.07** | 33.35 |
| - Deposit accounts | - | - |
| **Cash and cash equivalents at the end of the year** | **27.75** | **37.89** |

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

ii) Refer note 19 and 22 for a reconciliation of changes in liablities arising from financing activities.

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Place :** New Delhi
**Date :** June 29, 2021

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

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

**1.1. Company overview**

DCM Limited (the 'Company') is a public limited company incorporated in India in the name and style of Delhi Cloth & General Mills Co. Limited with registered office at Unit Nos. 2050 to 2052, 2nd Floor, Plaza - II, Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi – 110006, India (CIN number L74899DL1889PLC000004). The Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange. The Company is engaged in the business of Textiles, Grey iron casting, IT Infrastructure Services and Real Estate.

**1.2. Basis of preparation and presentation**

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on June 26, 2020. Details of the Company's accounting policies are included in Note 2.

a. **Functional and presentation currency**

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

b. **Basis of measurement**

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

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

**Use of estimates and judgements**

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

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

**Judgements**

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

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

Note 2 (m) - lease classification

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

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

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

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

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

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

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

2. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**Changes in significant accounting policies**

The Company has initially applied Ind AS 116 from 1 April 2019.

Effective April 01, 2019, the Company has adopted IND AS 116 "Leases" using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on April 01, 2019. The adoption of the Standard did not have any material impact on the financial statements of the Company.

a. **Current and non-current classification**

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

**Assets**

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

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

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

**Liabilities**

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a

liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

**Operating cycle**

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

b. **Measurement of fair values**

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

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

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

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

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

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

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

**c. Property, Plant and equipment**

*Recognition and measurement*

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

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

(i) The Company follows straight-line method of depreciation in respect of buildings, plant and machinery, all assets of IT Division, all assets of Engineering Division and written down value method in respect of other assets.

(ii) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.

(iii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.

(iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.

(v) Leasehold improvements are amortised over the balance of the primary lease period or the useful lives of assets, whichever is shorter.

(vi) Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**d. Intangible assets**

*Recognition and measurement*

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

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

*Amortisation*

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

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

**e. Inventories**

(i) Stores, spares and components are valued at cost or under.

(ii) Raw materials, process stocks, finished goods and stock in trade are valued at lower of cost and net realisable value.

(iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.

Cost of inventories, other than land (for development), is ascertained on the weighted average basis in textiles division and moving weighted average basis in engineering division. Further, in respect of the manufactured inventories, i.e., process stocks and finished goods, appropriate share of manufacturing expenses are included on absorption costing basis. Work in process relating to software contracts includes salary and other directly identifiable expenses incurred on fixed price contracts, till the completion of specified deliverables, and are valued at cost or net realisable value, whichever is lower.

**f. Financial instruments**

*Recognition and initial measurement*

**(i) Financial assets**

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). The election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Impairment**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

**(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**(iv) Investment in Subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

*Derecognition*

**(i) Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**(ii) Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

**g. Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**h. Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the financial statement.

**i. Dis-continued operations**

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations; is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to sell.

Discontinued operations are carried at the lower of carrying amount or fair value less cost of disposal. Any gain or loss from disposal, together with the results of these operations until the date of disposal, is reported separately as discontinued operations. The financial information of discontinued operations is excluded from the respective captions in the financial statements and related notes for all periods presented.

Adjustments in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period are classified separately in Discontinued operations.

j. Employee **benefits**

***Short-term employee benefits:***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, casual leave allowance and bonus, etc. that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

***Defined contribution plans***

Provident Fund: A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Company makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

The Company makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company has following defined benefit plans:

Gratuity: The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

***Other long-term employee benefits***

Benefits under the Company's compensated absences are other long term employee benefits. The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

**k. Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

**l. <u>Revenue Recognition</u>**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

**i. <u>Sale of goods</u>**

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

**ii. Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

**iii. Other income**

a. Dividend income is recognised in statement of profit or loss on the date on which the Company`s right to receive payment is established.

b. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**m. Leases**

**Policy applicable before April 1, 2019**

***i. Determining whether an arrangement contains a lease***

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

***ii. Assets held under leases***

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

***iii. Lease payments***

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

***iv. Assets given on lease***

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

**Policy applicable after April 1, 2019**

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of lnd AS 116 for year ended March 31 2020.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. The Company's leases mainly comprise land and buildings.

***i. Determining whether an arrangement contains a lease***

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the assets.

***ii. Assets held under leases***

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The **right-of-use asset** is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

***iii. Lease liabilities***

The **lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments; The lease liability is measured at amortised cost using the effective interest method.

***iv. Short term leases and low value leases***

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

***v. Assets given on lease***

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

**n. Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

***i. Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

***ii. Deferred tax***

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

**o. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

In addition to the significant accounting policies applicable to the segments as set out in note 2 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

**i) Segment assets and liabilities**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work in progress, inventories, trade receivables, other financial and non-financials assets and loans. Segment assets do not include unallocated corporate assets, investments, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

**ii) Segment revenue and expenses**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expenses in respect of non-segmental activities.

**iii) Inter segment sales**

Inter-segment sales are accounted for at cost and are eliminated in consolidation.

**p. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**q. Earnings per share**

Basic earnings per equity share is computed by dividing:

- the net profit attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.
- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**r. Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**s. Finance expense**

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**t. Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income**.**

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**u. Research and development expenses**

Expenditure on research is expensed off under the respective heads of account in the period in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and right to use the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit or loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Property, plant and equipment used for research and development are depreciated in accordance with the Company's policy as stated above.

Materials identified for use in research and development process are carried as inventories and charged to the statement of profit or loss on consumption of such materials for research and development activities.

**v. Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

**w. Foreign operations**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Company has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 1, 2016, in respect of all foreign operations to be nil at the date of transition. From April 1, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

**3. Property, plant and equipment and capital work-in-progress:** **(Rupees in lakh)**

| Particulars | Freehold land | Buildings | Lease improvements | Plant and equipment | Furniture and fittings | Office equipment | Vehicles | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | |
| **Balance as at April 01, 2019** | 1,917.98 | 4,554.18 | 18.45 | 20,589.98 | 61.61 | 133.04 | 470.09 | 27,745.33 | 86.34 |
| Add: Additions made during the year | - | 281.16 | - | 58.17 | 12.89 | 20.34 | 9.22 | 381.78 | 8.65 |
| Less: Assets transferred in demerger/slump sale | 687.10 | 3,139.26 | 18.45 | 10,958.90 | 27.52 | 44.40 | 188.19 | 15,063.82 | 20.05 |
| Less: Disposals / adjustments during the year | 724.73 | 318.73 | - | 0.31 | 12.13 | 0.04 | 5.82 | 1,061.76 | 67.69 |
| **Balance as at March 31, 2020** | 506.15 | 1,377.35 | - | 9,688.94 | 34.85 | 108.94 | 285.30 | 12,001.53 | 7.25 |
| Add: Additions made during the year | - | - | - | 0.52 | - | - | - | 0.52 | - |
| Less: Disposals / adjustments during the year | - | 21.43 | - | 4.71 | 0.14 | 2.91 | 52.37 | 81.57 | - |
| **Balance as at March 31, 2021** | **506.15** | **1,355.92** | **-** | **9,684.75** | **34.71** | **106.03** | **232.93** | **11,920.48** | **7.25** |
| **Accumulated depreciation/amortisation** | | | | | | | | | |
| **Balance as at April 01, 2019** | - | 483.14 | 12.36 | 9,737.74 | 28.39 | 69.46 | 197.09 | 10,528.18 | - |
| Add: Depreciation expense for the year - continued operation | - | 46.32 | - | 1,046.21 | 5.31 | 13.86 | 37.39 | 1,149.09 | - |
| Add: Depreciation expense for the year - discontinued operation | - | 1.37 | 0.97 | 3.93 | 0.13 | 1.15 | 2.79 | 10.34 | - |
| Less: Accumulated depreciation on assets transferred in demerger and business purchase agreement (refer foot note iii) | - | 347.24 | 13.33 | 5,053.90 | 11.73 | 21.17 | 75.37 | 5,522.74 | - |
| Less: On disposals / adjustments during the year | - | 20.55 | - | 0.17 | 7.11 | 0.03 | 2.06 | 29.92 | - |
| **Balance as at March 31, 2020** | - | 163.04 | - | 5,733.81 | 14.99 | 63.27 | 159.84 | 6,134.95 | - |
| Add: Depreciation expense for the year - continued operation | - | 45.47 | - | 738.11 | 4.38 | 12.04 | 38.79 | 838.79 | - |
| Less: On disposals / adjustments during the year | - | 2.11 | - | 4.03 | 0.01 | 1.54 | 36.10 | 43.79 | - |
| **Balance as at March 31, 2021** | **-** | **206.40** | **-** | **6,467.89** | **19.36** | **73.77** | **162.53** | **6,929.94** | **-** |
| **Net carrying value** | | | | | | | | | |
| **As at March 31, 2021** | **506.15** | **1,149.52** | **-** | **3,216.86** | **15.35** | **32.26** | **70.40** | **4,990.54** | **7.25** |
| **As at March 31, 2020** | 506.15 | 1,214.31 | - | 3,955.13 | 19.86 | 45.67 | 125.46 | 5,866.58 | 7.25 |

(i) For details of assets pledged/ hypothecated as securities, **refer note 19 and 22.**

(ii) Registration of Building (Gross Block) amounting to Rs.345.83 lakh is pending in the name of the Company.

(iii) **Refer note 42 (a)** for disclosure of capital commitments for the acquisition of property, plant and equipment.

(iv) **Refer note 40** for assets transferred under Scheme of Arrangement and slump sale under Business Purchase agreement.

**4. Intangible assets and Right to use assets** **(Rupees in lakh)**

| Particulars | Software | Right of use assets | Total |
|---|---|---|---|
| **Gross carrying value** | | | |
| **Balance as at April 01, 2019** | 123.06 | - | 123.06 |
| Add: Reclassified on account of adoption of Ind AS 116 * | - | 326.66 | 326.66 |
| Add: Additions during the year | 13.19 | - | 13.19 |
| Less: Assets transferred in demerger/slump sale | 6.81 | 296.68 | 303.49 |
| Less: Disposals / adjustments during the year | - | - | - |
| **Balance as at March 31, 2020** | 129.44 | 29.98 | 159.42 |
| Add: Additions during the year | - | - | - |
| Less: Disposals / adjustments during the year | - | 29.98 | 29.98 |
| **Balance as at March 31, 2021** | **129.44** | **-** | **129.44** |
| **Accumulated amortisation** | | | |
| **Balance as at April 01, 2019** | 83.67 | - | 83.67 |
| Add: Amortisation expense for the year from continued operation | 18.05 | 9.99 | 28.04 |
| Add: Amortisation expense for the year from discontinued operation | 0.23 | 27.49 | 27.72 |
| Less: Accumulated depreciation related to assets transferred in demerger/slump sale | 6.06 | 27.49 | 33.55 |
| Less: On disposals/adjustments during the year | - | - | - |
| **Balance as at March 31, 2020** | 95.89 | 9.99 | 105.88 |
| Add: Amortisation expense for the year from continued operation | 15.94 | 1.98 | 17.92 |
| Less: On disposals/adjustments during the year | - | 11.97 | 11.97 |
| **Balance as at March 31, 2021** | **111.83** | **-** | **111.83** |
| **Net book value** | | | |
| **As at March 31, 2021** | **17.61** | **-** | **17.61** |
| As at March 31, 2020 | 33.55 | 19.99 | 53.54 |

(i) Refer note 41 for assets transferred under Scheme of Arrangement and slump sale under Business Purchase agreement.

*** Ind AS 116 Disclosure**

Effective April 01, 2019, the Company has adopted IND AS 116 "Leases" using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on April 01, 2019. The adoption of the Standard did not have any material impact on the financial results of the Company.

**Set out below are the carrying amounts of lease liabilities and the movements during the year:**

**(Rupees in lakh)**

| | **As at March 31, 2021** | As at March 31, 2020 |
|---|---|---|
| **Opening balance** | **21.72** | - |
| Addition due to reclassification on account of adoption of Ind AS 116 | - | 326.66 |
| Acquisition | - | - |
| Accretion of interest - Continued operation | **0.59** | 3.15 |
| Accretion of interest - Discontinued operation | - | 15.89 |
| Transfer in slump sale / demerger | - | (277.18) |
| Deletions | **(21.06)** | - |
| Payments | **(1.25)** | (46.81) |
| **Closing Balance** | - | 21.72 |
| **Current** | - | - |
| **Non-current** | - | 21.72 |

The effective interest rate for lease liabilities is 12.00%, with maturity between 2020-2022

**The following are the amounts recognised in profit or loss:**

| **Leases under Ind AS 116** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation expense of right of use assets | | |
| - Continued operation | **1.98** | 9.99 |
| - Discontinued operation | - | 27.49 |
| Interest expense on lease liabilities | | |
| - Continued operation | **0.59** | 3.15 |
| - Discontinued operation | - | 15.89 |
| Expense relating to leases of short-term / low value assets (included in other expenses) | - | 13.58 |
| **Total amount recognised in profit or loss** | **2.57** | 70.10 |

**Amounts recognised in statement of cash flows:**

**Right to use assets separate disclosure**

| | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| **Financing activities** | | |
| Repayment of principal | **21.72** | 27.77 |
| Repayment of interest | **0.59** | 19.04 |
| **Operating activities** | | |
| Short term / low value assets lease payment | - | 13.58 |
| Total cash outflow for leases | **22.31** | 60.39 |

| 5. | Investments - Non Current | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| (a) | **Investment in equity instruments of subsidiaries at cost (Unquoted)** | | |
| | DCM Textiles Limited | **5.00** | 5.00 |
| | 50,000 (March 31, 2020: 50,000 ) equity shares of face value of Rs. 10 each, fully paid up | | |
| | DCM Data Systems Limited | **5.00** | 5.00 |
| | 50,000 (March 31, 2020: 50,000) equity shares of face value of Rs. 10 each, fully paid up | | |
| | DCM Finance & Leasing Limited @ | **5.00** | 5.00 |
| | 49,996 (March 31, 2020: 49,996) equity shares of face value of Rs. 10 each, fully paid up | | |
| | DCM Infotech Limited (Formerly DCM Realty and Investment Consulting Limited) | **255.00** | 255.00 |
| | 2,550,020 (March 31, 2020: 2,550,020) equity shares of face value of Rs. 10 each, fully paid up | | |
| | DCM Engineering Limited (Formerly DCM Tools & Dies Limited) | **5.00** | 5.00 |
| | 50,000 (March 31, 2020: 50,000) equity shares of face value of Rs. 10 each, fully paid up | | |
| | DCM Realty and Infrastructure Limited | **5.00** | 5.00 |
| | 50,000 (March 31, 2020: 50,000) equity shares of face value of Rs. 10 each, fully paid up | | |
| | Less: Provision for Impairment in value of Investments | **(20.00)** | - |
| | **Sub total** | **260.00** | 280.00 |
| (b) | **Investments in equity shares of Joint venture at cost (unquoted)** | | |
| | **Equity accounted investee** | | |
| | Purearth Infrastructure Limited # | **2,986.18** | 2,986.18 |
| | 1,78,53,605 (March 31, 2020: 1,78,53,605) equity shares of face value of Rs. 10 each, fully paid up | | |
| | **Sub total** | **2,986.18** | 2,986.18 |
| (c) | **Investments in preference shares of subsidiary (unquoted)** | | |
| | **Preference shares at amortised cost** | | |
| | DCM Finance & Leasing Limited | | |
| | Nil (March 31, 2020: 100) 13.5% Redeemable cumulative preference shares of Rs. 100 each fully paid up | **-** | 0.10 |
| | **Sub total** | **-** | 0.10 |
| (d) | **In preference shares (unquoted)** | | |
| | **Preference shares at FVTPL** | | |
| | Combine Overseas Limited | | |
| | Nil (March 31, 2020: 80,000) 0% Non cumulative redeemable preference shares of Rs. 100 each fully paid up | **-** | 74.82 |
| | **Sub total** | **-** | 74.82 |
| | **Total non current investment** | **3,246.18** | 3,341.10 |
| | **Aggregate amount of unquoted investments in equity shares** | **3,246.18** | 3,266.18 |
| | **Aggregate amount of unquoted investments in preference shares** | **-** | 0.10 |
| | **Aggregate amount of unquoted investments in preference shares at FVTPL** | **-** | 74.82 |
| | **Aggregate amount of impairment in value of Investments** | **20.00** | - |

@ The Company is in process for strike off the name of its subsidiary DCM Finance and Leasing Limited

\# In terms of SORA (refer note 39(a)), the Company will not dispose off its shareholding in Purearth Infrastructure Limited until the completion of the land development project at Bara Hindu Rao/ Kishan Ganj, Delhi.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 6. | **Loans (Non-current)** | | |
| | *Unsecured considered good* | | |
| | Security deposits | **180.31** | 185.26 |
| | **Total** | **180.31** | 185.26 |

The Company's exposure to credit and currency risks, and loss allowance related to non current financial assets are disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 7. | **Other financial assets-Non-current** | | |
| | *(Unsecured, considered good)* | | |
| | Finance lease receivable **(refer note 37)** | - | 58.66 |
| | **Total** | - | 58.66 |

The Company's exposure to credit and currency risks, and loss allowance related to non current financial assets are disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 8. | **Non-current tax assets (net)** | | |
| | Advance income tax (net of provision) | **364.71** | 583.72 |
| | **Total** | **364.71** | 583.72 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 9. | **Other non-current assets** | | |
| | *(Unsecured, considered good)* | | |
| | Capital advances | | |
| | To related party **(Refer note 44)** | **149.68** | 149.68 |
| | Others **(Refer note 41)** | **424.63** | 424.63 |
| | Balances with government authorities | **122.77** | 122.77 |
| | Other advances | **184.08** | 184.08 |
| | *Considered doubtful* | | |
| | Other advances | **502.18** | 502.18 |
| | | **1,383.34** | 1,383.34 |
| | Less: Loss allowance for doubtful advances | **502.18** | 502.18 |
| | **Total** | **881.16** | 881.16 |

| | | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **10.** | **Inventories** | | |
| | *(Valued at lower of cost and net realisable value)* | | |
| | Raw materials | **153.95** | 154.82 |
| | Work-in-progress | **67.13** | 91.90 |
| | Stores and spares | **1,093.38** | 1,103.87 |
| | **Total** | **1,314.46** | 1,350.59 |

(i) For details of inventory pledged/ hypothecated as securities, (**refer note 19 and 22)**

| | | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **11.** | **Trade receivables** | | |
| | *(Unsecured)* | | |
| | Considered good | **17.19** | 70.34 |
| | Credit impaired | **47.64** | - |
| | | **64.83** | 72.69 |
| | Less : Allowance for doubtful receivables | **47.64** | - |
| | Less : Expected credit loss allowance | - | 2.35 |
| | | **47.64** | 2.35 |
| | **Total** | **17.19** | 70.34 |

The Company's exposure to liquidity risks are disclosed in Note 48.

| | | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **12.** | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - In current accounts | **26.07** | 33.35 |
| | Cash on hand | **1.68** | 4.54 |
| | **Total** | **27.75** | 37.89 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **13.** | **Bank balances other than cash and cash equivalents above** | | |
| | Earmarked balances with bank - unclaimed dividend | **37.58** | 56.17 |
| | Deposits with maturity of more than three months but upto twelve months | | |
| | - Margin money deposits with bank | **2.99** | 2.50 |
| | - Earmarked deposits for specific use | **17.29** | 17.29 |
| | **- In deposit accounts** | **109.10** | 51.19 |
| | **Total** | **166.96** | 127.15 |

The Company's exposure to credit risk, liquidity risks and currency risk are disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **14.** | **Loans-Current** | | |
| | *(Unsecured, considered good)* | | |
| | Loans to employees | **22.38** | 25.58 |
| | **Total** | **22.38** | 25.58 |

No loans are due by directors or other officers of the group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or director or a member.

The Company's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **15.** | **Other current financial assets** | | |
| | *(Unsecured, considered good)* | | |
| | Interest accrued on fixed deposits | **1.76** | 3.53 |
| | Interest accrued on security deposit | **28.68** | 28.62 |
| | Finance lease receivable **(refer note 37)** | **5.23** | 81.94 |
| | Other receivable from related party **(refer note 44)** | **7.75** | 7.75 |
| | **Total** | **43.42** | 121.84 |

The Company's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **16.** | **Other current assets** | | |
| | *(Unsecured, considered good)* | | |
| | Advance to related party **(Refer note 44)** | **1,487.74** | - |
| | Advances to suppliers | **11.03** | 35.05 |
| | Prepaid expenses | **18.95** | 24.90 |
| | Balance with statutory/government authorities | **106.29** | 102.09 |
| | Others receivables | **0.62** | 0.62 |
| | **Total** | **1,624.63** | 162.66 |

| | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| **17. Equity share capital** | | |
| **a) Authorised** | | |
| 6,39,99,000 (March 31, 2020: 6,39,99,000) equity shares of Rs. 10 each# | **6,399.90** | 6,399.90 |
| 100 (March 31, 2020: 100) 13.5% redeemable cumulative preference shares of Rs. 100 each | **0.10** | 0.10 |
| 3,20,000 (March 31, 2020: 3,20,000) 6th cumulative redeemable cumulative preference shares of Rs. 25 each | **80.00** | 80.00 |
| 36,80,000 (March 31, 2020: 36,80,000) preference shares of Rs. 25 each | **920.00** | 920.00 |
| 10,00,000 (March 31, 2020: 10,00,000) cumulative preference shares of Rs. 100 each | **1,000.00** | 1,000.00 |
| | **8,400.00** | 8,400.00 |
| **b) Issued, subscribed and fully paid-up** | | |
| 1,86,77,749 (March 31, 2020: 1,86,77,749) equity shares of Rs. 10 each fully paid-up | **1,867.77** | 1,867.46 |
| Less: Calls in arrears by others * | **-** | (0.31) |
| **Total issued, subscribed and fully paid-up share capital** | **1,867.77** | 1,867.77 |

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

| | **As at March 31, 2021** | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount Rs./Lakh** | Number of shares | Amount Rs./Lakh |
| **Equity shares** | | | | |
| At the commencement of the year | **18,677,749** | **1,867.77** | 18,677,749 | 1,867.77 |
| Add: Shares allotted during the year | - | - | - | - |
| Less: Shares cancelled during the year | - | - | - | - |
| **At the end of the year** | **18,677,749** | **1,867.77** | 18,677,749 | 1,867.77 |

**d) Terms, rights, preferences and restrictions attached to equity shares:**

The Company has issued one class of equity shares having at par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation of the Company, holder of equity shares will be entitle to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

| | **As at March 31, 2021** | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Number of shares** | **% of holding** | Number of shares | % of holding |
| Sumant Bharat Ram | **9,056,932** | **48.49%** | 9,056,932 | 48.49% |
| Life Insurance Corporation of India | **1,132,850** | **6.07%** | 1,132,850 | 6.07% |

**(f) Details of shares issued for consideration other than cash :**

Issued, subscribed and fully paid up shares includes 12,98,712 equity shares issued during the financial year ended 2016-17 pursuant to the scheme of amalgamation of DCM Engineering Limited with the Company to the shareholders of DCM Engineering Limited without any consideration being received in cash.

* Calls in arrears of Rs. 0.31 lakh written off during the year 2019-20 implementation of Scheme of Arrangement of demerger of DCM Nouvelle Limited as part of Scheme.

\# After considering the transfer of authorised capital of Rs.2,000.00 Lakh to DCM Nouvelle Limited as per the scheme of arrangement of demerger of textile business approved by National Company law tribunal vide order dated May 01, 2019. However the effect of the above transfer remains pending in the records of Registrar of Companies.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 18. | **Other equity** | | |
| | **Securities premium** | | |
| | Balance as at the beginning of the year | **1,061.19** | 7,367.00 |
| | Less: Transfer to demerged entity DCM Nouvelle Limited **(Refer note 40)** | - | 6,305.81 |
| | Balance as at the end of the year | **1,061.19** | 1,061.19 |
| | **Capital reserve** | | |
| | Balance as at the beginning and end of the year | **25.40** | 25.40 |
| | **Capital redemption reserve** | | |
| | Balance as at the beginning and end of the year | **130.10** | 130.10 |
| | **Surplus in Statement of Profit and Loss** | | |
| | Balance as at the beginning of the year | **(1,664.12)** | 10,069.69 |
| | Less: Transfer to demerged entity DCM Nouvelle Limited **(Refer note 40)** | - | (8,624.50) |
| | Add: Loss for the year | **(1,996.70)** | (3,073.77) |
| | Items of other comprehensive income/ (expense) recognised directly in retained earnings | | |
| | Remeasurement gain/(loss) of post employment benefit obligation (net of tax) | **63.98** | (35.54) |
| | **Balance as at the end of the year** | **(3,596.84)** | (1,664.12) |
| | **Total** | **(2,380.14)** | (447.43) |

**Nature and purpose of reserve:**

a) **Capital redemption reserve**

Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 1956.

b) **Securities Premium**

Securities premium account is used to record the premium on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.

c) **Capital reserve**

Capital reserve pertains to government grants received in earlier years for Plant and equipment for the Textile Division of the Company. The assets against the said grant have been fully depreciated.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 19. | **Borrowings-Non current** | | |
| | **Secured** | | |
| | **Term loans** | | |
| | From banks | **601.06** | 618.47 |
| | **Total non-current borrowings** | **601.06** | 618.47 |
| | Less: Current maturities on non-current borrowings | **591.17** | 533.72 |
| | **Total non-current borrowings** | **9.89** | 84.75 |

Change in liability arising from financing activities **(Rupees in lakh)**

| **Particulars** | **Opening** | **Cash flows during the year** | **Non-cash changes** | | | **Closing** |
|---|---|---|---|---|---|---|
| | | | **Acquisition** | **Foreign exchange movement** | **Fair value changes** | |
| Non-current borrowing | | | | | | |
| **2020-21** | **618.47** | **(17.41)** | **-** | **-** | **-** | **601.06** |
| 2019-20 | 9,703.14 | (3,142.49) | (5,953.13) | - | 10.95 | 618.47 |

**Repayment terms and security disclosure along with default for the outstanding borrowings (refer note 40):**

**Secured :-**

**From banks:**

(a) Rs. 184.28 lakh (March 31, 2020: Rs. 184.28 lakh) secured by way of first pari passu charge on the fixed assets of the Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the division, both present and future. The said term loan is availed from State bank of India and carries a floating interest rate ranging between 11.75%- 13.00% per annum. The repayment of instalment aggregating to Rs. 184.28 lakh (March 31, 2020: Rs. 184.28 lakh) and interest of Rs 31.52 lakh (March 31, 2020: Rs. 9.17 lakh) remained in default as on 31.3.2021 pertaining to the period from October 1, 2019 to March 31, 2021.

(b) Rs. 200.00 lakh (March 31, 2020: Rs. 200.00 lakh) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The said term loan is availed from ICICI bank and carries a floating interest rate 11.75% -12.35% per annum. The repayment of instalment aggregating to Rs. 200.00 lakh (March 31, 2020: Rs. 200.00 lakh) and interest of Rs 46.27 lakh (March 31, 2020: Rs. 6.84 lakh) remained in default as on 31.3.2021 pertaining to the period from January 19, 2020 to March 31, 2021.

(c) Rs. 177.43 lakh (March 31, 2020: Rs. 177.43 lakh) secured by way of first pari passu charge on the fixed assets (including immovable assets) of the Engineering Division and second pari passu charge on the entire stock of raw material, work-in-progress, semi-finished and finished goods, consumable stores & spares and such other movables including book debts, bills, whether documentary or clean, both present & future. The term loan is availed from HDFC bank and carries a floating interest rate @ 11.80% per annum and is repayable in 33 monthly instalments. The repayment of instalment aggregating to Rs. 20.00 lakh (March 31, 2020: Nil) and interest of Rs 6.20 lakh (March 31, 2020: Nil) remained in default as on 31.3.2021 pertaining to the period from February 01, 2021 to March 31, 2021.

(d) Rs. 39.35 lakh (March 31, 2020: Rs. 56.76 lakh) relate to assets purchased under hire purchase/financing arrangements with banks and are secured by way of hypothecation of the specified assets. Repayable in equal monthly instalments. The loans are availed from banking and financial institutions and carry an interest rate ranging between 8.50%-10.50% per annum. There is no continuing default as on the balance sheet date in repayment of loans and interest thereon in respect of these loans.

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 48.

| | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| **20. Other financial liabilities - Non-current** | | |
| Other deposits | **0.73** | 0.73 |
| Lease liability | **-** | 21.72 |
| Other Liabilities | | |
| - Payable to Related Party (including interest) (Refer note 44) * | **1,477.35** | - |
| - Payable to others | **527.44** | 527.44 |
| **Total** | **2,005.52** | 549.89 |

* During the year ended 31st March, 2021 the Company has entered into an agreement for allotment of residential units/additional area in the project "Amaryllis" to be developed by Purearth Infrastructure Limited (Joint Controlled Entity). Payment for the said purchase of rights in residential units is to be made on deferred payment basis within the period of three years from the date of the allotment of these residential units. The arrangement carries interest ranging between 9.50% - 10.50% per annum and is to be secured by creating charge/lien in part or full over its 112 acres industrial land situated at near Mela Ground, Hissar - 125001, Haryana.

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **21.** | **Provisions - Non-current** | | |
| | **Provision for employee benefits** | | |
| | - Gratuity **(Refer note 43)** | **698.18** | 793.94 |
| | - Compensated absences | **88.69** | 66.36 |
| | **Total** | **786.87** | 860.30 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **22.** | **Current borrowings** | | |
| | Secured | | |
| | Loans repayable on demand from banks | **2,516.27** | 2,239.00 |
| | **Total** | **2,516.27** | 2,239.00 |

Change in liability arising from financing activities **(Rupees in lakh)**

| **Particulars** | **Opening** | **Cash flows during the year** | **Non-cash changes** | | | **Closing** |
|---|---|---|---|---|---|---|
| | | | **Acquisition / (Transfer)** | **Interest expenses** | **Fair value changes** | |
| Current borrowing | | | | | | |
| **2020-21** | **2,239.00** | **-** | **-** | **277.27** | **-** | **2,516.27** |
| 2019-20 | 15,236.95 | (1,248.92) | (11,749.03) | - | - | 2,239.00 |

**Security against loans repayable on demand**

i) Cash credit and working capital demand loans facilities aggregating to Rs. 1457.67 lakh (March 31, 2020: Rs. 1348.20 lakh) relating to the Company's Engineering division from banks are secured by way of:

a) hypothecation of entire stocks of raw material, work in process, semi-finished goods and finished goods, consumable stores and spares and such other movables including book debts, bills, whether documentary or clean, both present and future

b) charge on all fixed assets, both present and future, including mortgage of factory's land and building located at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, measuring 71 Acre- 07K-18M together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto.

c) The above cash credit facilities, availed from State bank of India and ICICI bank were overdrawn by Rs. 713.79 lakh (March 31, 2020 : Rs. 537.88 lakh) (including interest) as on balance sheet date. The above accounts are overdrawn since September 2019.

ii) Overdraft facility of Rs. 1058.60 lakh (March 31, 2020: Rs. 890.80 lakh), availed from HDFC bank, relating to the Company's Engineering division from a bank are secured by way of:

a) land and building located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres (March 31 2020: 39.02 acre) and land and building located in Rail Mazra Village, Tehsil Balachaur, District Shaheed Bhagat Singh Nagar, Punjab measuring 3.67 acres. (March 31 2020: 3.79 acre) **(refer note 47)**

**b) The above overdraft facility was overdrawn by Rs.58.60 Lakh (March 31, 2020 : Nil) (including interest) as on balance sheet date. The above accounts are overdrawn since December 2020.**

**iii) The above facilities carries interest rate ranging between 11.75% - 12.20%**

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **23.** | **Trade payables** | | |
| | Dues to micro and small enterprises ** | **2,425.36** | 2,045.55 |
| | Dues to others* | **3,496.98** | 3,515.25 |
| | **Total** | **5,922.34** | 5,560.80 |

The Company's exposure to currency and liquidity risks related to financial liabilties is disclosed in Note 48.

* Include balance due to related party Rs 49.50 lakh (March 31, 2020 Rs 42.12 lakh) (refer note 44)

** The following details relating to Micro, Small and Medium Enterprises shall be disclosed:

| **Particulars** | | |
|---|---|---|
| (a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Principal | **1,758.98** | 1759.47 |
| (b) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Interest | **666.39** | 286.08 |
| (c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, during each accounting year | **-** | - |
| (d) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year. | **-** | - |
| (e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006. | **-** | - |
| (f) The amount of interest accrued and remaining unpaid at the end of each accounting year. | **666.39** | 286.08 |
| (g) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006. | **666.39** | 286.08 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **24.** | **Other financial liabilities - Current** | | |
| | **Current maturities of non-current borrowings (refer note 19)** | | |
| | Secured | | |
| | From banks | **591.17** | 533.72 |
| | Unclaimed dividends* | **37.58** | 56.17 |
| | Unclaimed matured deposits and interest accrued thereon * | **-** | 1.05 |
| | Unclaimed matured debentures and interest accrued thereon * | **2.65** | 5.52 |
| | Security deposits received | **-** | 8.16 |
| | Interest accrued and due on borrowings | **215.56** | 55.33 |
| | Interest accrued but not due on borrowings | **0.23** | - |
| | Employee related payable | **1,012.01** | 1,144.53 |
| | **Total** | **1,859.20** | 1,804.48 |

* No amount is due for transfer under Investor Education and Protection Fund in view of SORA, pursuant to which certain past dues have been rescheduled for payment.

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 48.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **25.** | **Other current liabilities** | | |
| | Advance from customers | **21.74** | 21.74 |
| | Statutory dues payables | **4.29** | 17.90 |
| | Other payables | **286.09** | 278.81 |
| | **Total** | **312.12** | 318.45 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **26.** | **Current provisions** | | |
| | **Provision for employee benefits** | | |
| | - Gratuity **(Refer note 43)** | **108.25** | 145.05 |
| | - Compensated absences | **7.46** | 4.69 |
| | **Total** | **115.71** | 149.74 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **27.** | **Current tax liabilities (net)** | | |
| | Provision for income tax (net of advance tax) | **94.05** | 94.05 |
| | **Total** | **94.05** | 94.05 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **28.** | **Revenue from operations** | | |
| | **Revenue from Contract with Customers** | | |
| | **Sale of products** | | |
| | Manufactured goods | | |
| | Iron castings | **(105.69)** | 12,643.70 |
| | Patterns, jigs and fixtures | - | 72.27 |
| | | **(105.69)** | 12,715.97 |
| | **Other operating revenue** | | |
| | Scrap sales | **156.17** | 174.04 |
| | **Total** | **50.48** | 12,890.01 |

| Contract Balances | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| **Contract assets** | | |
| Trade receivable | **17.19** | 70.34 |
| **Contract liability** | | |
| Advance from Customers | **21.74** | 21.74 |

**Reconciliation of revenue recognised with the contracted price is as follows:**

| | **For the year ended March 31, 2021 Rs./Lakh** | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|
| Contracted price | **50.48** | 12,941.30 |
| Reductions towards variable consideration components | **-** | (51.29) |
| Revenue recognised | **50.48** | 12,890.01 |
| **Discontinued operations** | | |
| Contracted price | **-** | 2,199.31 |
| Revenue recognised | **-** | 2,199.31 |

| | | **For the year ended March 31, 2021 Rs./Lakh** | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **29.** | **Other income** | | |
| | **Interest income on financial assets at amortised cost** | | |
| | - Deposits with others | **-** | 1.41 |
| | - Other interest income # | **50.50** | 70.82 |
| | Dividend income from subsidiary companies | **46.28** | - |
| | Net gain on foreign currency transactions | **-** | 1.29 |
| | Profit on sale of property, plant and equipment (net) | **13.90** | 2,435.37 |
| | Gain on extinguishment of rights to use asset | **3.05** | - |
| | Liabilities/provisions no longer required written back | **340.47** | 9.23 |
| | Provision for doubtful trade receivables written back | **-** | 6.76 |
| | Finance lease income | **6.64** | 11.67 |
| | Miscellaneous income * | **19.77** | 75.23 |
| | **Total** | **480.61** | 2,611.78 |

* include transactions with related party
\# includes interest received on income tax refund Rs.36.15 lakh (March 31, 2020 : 20.55 lakh)

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **30.** | **Cost of material consumed** | | |
| | Opening stock | **154.82** | 321.25 |
| | Add: Purchases | **-** | 3,878.29 |
| | Add: other adjustment | **(28.86)** | - |
| | | **125.96** | 4,199.54 |
| | Less: Closing stock | **153.95** | 154.82 |
| | | **(27.99)** | 4,044.72 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **31.** | **Changes in inventories of finished goods and work-in-progress** | | |
| | Inventories at the end of the year: | | |
| | Finished goods | **-** | - |
| | Work-in-progress | **67.13** | 91.90 |
| | **Total** | **67.13** | 91.90 |
| | Inventories at the beginning of the year: | | |
| | Finished goods | **-** | 905.39 |
| | Work-in-progress | **91.90** | 1,707.40 |
| | **Total** | **91.90** | 2,612.79 |
| | **Net (increase)/decrease** | **24.77** | 2,520.89 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **32.** | **Employee benefits expense** | | |
| | Salaries, bonus and other allowances | **280.31** | 2,996.34 |
| | Contribution to provident and other funds | **12.71** | 174.51 |
| | Gratuity expense **(refer note 43 )** | **105.74** | 146.75 |
| | Staff welfare expenses | **3.23** | 110.58 |
| | **Total** | **401.99** | 3,428.18 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **33.** | **Finance costs** | | |
| | Interest expense on : | | |
| | Borrowings | **856.06** | 1,004.08 |
| | Lease Liabilities **(refer note 4)** | **0.59** | 3.15 |
| | Others | **-** | 3.40 |
| | Other borrowing costs | **0.06** | 61.27 |
| | **Total** | **856.71** | 1,071.90 |

| | | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|---|
| **34.** | **Depreciation and amortisation expense** | | | |
| | Depreciation on property, plant and equipment | | **838.79** | 1,149.09 |
| | Amortisation of intangible assets | | **15.94** | 18.05 |
| | Amortisation of right to use asset **(refer note 4)** | | **1.98** | 9.99 |
| | **Total** | | **856.71** | 1,177.13 |

| | | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|---|
| **35.** | **Other expenses** | | | |
| | Consumption of stores and spare parts | | **-** | 2,250.19 |
| | Power, fuel, etc. | | **22.64** | 2,309.42 |
| | Rent **(refer note 37)** | | **-** | 13.58 |
| | Repair and maintenance | | | |
| | - Buildings | | **5.97** | 9.75 |
| | - Machinery | | **3.46** | 316.70 |
| | - others | | **42.71** | 67.19 |
| | Subcontracting charges ^ | | **-** | 295.94 |
| | Freight and forwarding | | **-** | 271.46 |
| | Insurance | | **27.90** | 46.79 |
| | Security Charges | | **44.89** | 80.92 |
| | Rates and taxes | | **5.81** | 403.63 |
| | Directors' fees | | **2.20** | 16.90 |
| | Legal and professional fees **(refer note (i) below)** | | **67.71** | 210.46 |
| | Travelling and conveyance | | **15.46** | 124.18 |
| | Allowance for bad trade and other receivables, loans and advances | | **16.51** | - |
| | Bad trade and other receivables, loans and advances written off | **47.64** | | |
| | Less: Provision written off | (2.35) | **45.29** | 13.05 |
| | Finance lease asset written off | | **53.43** | 5.75 |
| | Impairment in value of Investment | | **20.00** | - |
| | Miscellaneous expenses | | **41.62** | 97.19 |
| | **Total** | | **415.60** | 6,533.10 |
| | **(i) Includes auditors remuneration (excluding taxes)** | | | |
| | For audit fee and limited review | | **10.00** | 18.50 |
| | For reimbursement of expenses | | **-** | 3.62 |
| | **Total** | | **10.00** | 22.12 |

^ Includes freight, transportation expense Rs NIL (March 31, 2020 Rs 63.23 lakh) incurred on materials sent to and received back from sub-contractors.

## 36. Tax expense

(Rupees in lakh)

### (a) Amounts recognised in profit and loss

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Tax on continued business** | | |
| **Current tax (a)** | | |
| Current tax for the year | - | - |
| Adjustment for current tax of prior years | - | (56.29) |
| | - | (56.29) |
| **Deferred tax expense/ (credit) (b)** | - | - |
| **Tax expense for the year** | - | (56.29) |
| **Tax on discontinued business** | | |
| **Current tax for the year** | - | - |
| | - | - |

### (b) Amounts recognised in other comprehensive income/(expense)

| | For the year ended March 31, 2021 | | |
|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of defined benefit obligations | **63.98** | - | **63.98** |
| **Exchange difference in translating financial statements of foreign operations** | - | - | - |
| | **63.98** | - | **63.98** |

| | For the year ended March 31, 2020 | | |
|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of defined benefit obligations | (35.54) | - | (35.54) |
| Exchange difference in translating financial statements of foreign operations | - | - | - |
| | (35.54) | - | (35.54) |

### (c) Unrecognised tax asset

As at March 31, 2021, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have been recognised only to the extent of deferred tax liability. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

| | Deferred tax (assets) | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Property, plant and equipment | - | 10.45 |
| Provision for gratuity and compensated absences | **315.40** | 294.13 |
| Unabsorbed depreciation | **1,084.52** | 2,860.81 |
| Business loss | **3,765.98** | 955.53 |
| Provision for trade receivables and other advances | **15.83** | 0.68 |
| Other items | - | 79.53 |
| **Deferred tax (assets)** | **5,181.73** | 4,201.13 |

(Rupees in lakh)

| | Deferred tax liabilities | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Property, plant and equipment | **16.99** | - |
| **Deferred tax liabilities** | **16.99** | - |

**(d) MAT credit for which no MAT credit entitlement recognised expire as follows:** **(Rupees in lakh)**

**MAT**

| As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|
| **Amount** | **Expiry year** | Amount | Expiry year |
| **120.79** | **2025-26** | 120.79 | 2025-26 |
| **419.47** | **2026-27** | 419.47 | 2026-27 |
| **8.22** | **2027-28** | 8.22 | 2027-28 |
| **18.77** | **2029-30** | 18.77 | 2029-30 |
| **31.56** | **2034-35** | 31.56 | 2034-35 |

* available for set off against any other income and can be crried forward for indefinite period as per Income Tax Act, 1961

| (e) Effective Tax reconciliation | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Loss for the year from continued operation | **(1,996.70)** | (3274.13) |
| Profit for the year from discontinued operation | - | 144.07 |
| Applicable tax rate (in %) | **29.12%** | 29.12% |
| Tax expenses should be | **(581.44)** | (911.47) |
| Unrecognised tax asset | **581.44** | 911.47 |
| Earlier year tax provision | - | (56.29) |
| Tax expense | - | (56.29) |
| **Tax as per books** | | |
| Current tax | - | - |
| Tax adjustment relating to prior years | - | (56.29) |
| Deferred Tax | - | - |
| | - | (56.29) |

## 37. Leases

__Finance leases__

### A. Leases as a lessor

The Company has classified the arrangement with the customers wherein the patterns/tooling/moulds are lease out in the nature of lease based on the principles enunciated in relevant standard and accounted for as finance lease in accordance with those principles.

The agreement with the customers is for a period of 3 to 15 years.

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Minimum lease payments** | **Present value of minimum lease payments** | Minimum lease payments | Present value of minimum lease payments |
| Not later than one year | **5.53** | **5.23** | 88.58 | 81.94 |
| Later than one year and not later than five years | - | - | 60.57 | 58.66 |
| Later than five years | - | - | - | - |
| Total minimum lease payments | **5.53** | **5.23** | 149.15 | 140.60 |
| Less: amounts representing unearned finance income | **0.30** | - | 8.55 | - |
| Present value of minimum lease payments | **5.23** | **5.23** | 140.60 | 140.60 |

**38. Earnings per share**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Net loss from continuing operations attributable to equity shareholders (Rs. In lakh) | **(1,996.70)** | (3,217.84) |
| Net profit from discontinued operations attributable to equity shareholders (Rs. In lakh) | - | 144.07 |
| Weighted average number of equity shares in calculating Basic EPS | **18,677,749** | 18,677,749 |
| Weighted average number of equity shares in calculating Diluted EPS | **18,677,749** | 18,677,749 |
| Basic and Diluted earning per share from continuing operations in rupees (face value per equity share Rs. 10 each) (Rs.) | **(10.69)** | (17.23) |
| Basic and Diluted earning per share from discontinued operations in rupees (face value per equity share Rs. 10 each) (Rs.) | - | 0.77 |
| Basic and Diluted earning per share in rupees (face value per equity share Rs. 10 each) (Rs.) | **(10.69)** | (16.46) |

**39. Restructuring**

(a) In terms of the Scheme of Restructuring and Arrangement approved by Delhi High court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 and subsequent modification thereto vide Delhi High Court order dated April 28, 2011 (hereinafter referred to as SORA), the Company has sold the development rights in its freehold and leasehold land at Bara Hindu Rao/Kishanganj, Delhi to Purearth Infrastructure Ltd (PIL). The Company has recognized the revenue in respect of said sale of development rights to PIL both of Freehold and Leasehold land during the past year(s).

(b) After considering the effect of Scheme of Restructuring and Arrangement approved by the Delhi High Court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 (Act) and subsequent modification thereto vide Delhi High Court order dated April 28, 2011 (hereinafter referred to as SORA), the Company had complied with the debt repayment obligations including in respect of debentures, deposits, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien /Designated Account' with scheduled banks. Aggregate of amount so deposited as at the year-end is Rs. 2.65 lakh (March 31, 2020: Rs. 6.57 lakh).

**40. Amalgamation and demerger**

a) The Board of Directors of the Company in its meeting held on October 15, 2016 approved a Scheme of Arrangement ('the Scheme') between DCM Limited (transferor company) and DCM Nouvelle Limited (resulting company), a wholly owned subsidiary of DCM Limited, for the demerger of the Textile business of DCM Limited as per the scheme and vesting of the same with DCM Nouvelle Limited, on a going concern basis. The aforesaid Scheme was subject to approval from the concerned regulatory authorities which were not perfunctory and considered to be substantive.

During the financial year 2019 -20, the Company had received the order from the National Company Law Tribunal (NCLT) on May 1, 2019 sanctioning the Scheme with the appointed date of April 1, 2019. Accordingly, the impact of the Scheme had been considered in the standalone financial statements for the year ended 31.03.2020. The scheme had become effective on May 13, 2019 on Company filing the NCLT order with Registrar of Companies. As per Scheme, Company had transferred during the financial year ended March 31, 2020 net assets of 14925.00 lakh to the DCM Nouvelle Limited and which had resulted in reduction in securities premium account by Rs. 6205.81 lakh and surplus in statement of profit and loss adjusted by Rs. 8,619.19 lakh. Surplus in statement of profit and loss was further adjusted by cancellation of investment in DCM Nouvelle Limited by Rs. 5.00 lakh and Calls in arrears by Rs. 0.31 lakh. The Sale consideration was discharged by Resulting Company namely DCM Nouvelle Limited by issuing 1 share of DCM Nouvelle Limited against the 1 share of DCM Limited to the shareholder of DCM Limited.

Consequently, the audited financial statements of the Company exclude the Textile Division and is disclosed as discontinued operations. Break up of discontinued operations is as under:

**i. Details of assets and liabilities of discontinued operations** **(Rupees in lakh)**

| Particulars | As at April 01, 2019 |
|---|---|
| **Net Asset Transferred** | |
| Non-current assets | 9,947.46 |
| Current Asset | 25,810.89 |
| **Total assets transferred (A)** | **35,758.35** |
| Non-current Liabilities | 5,368.10 |
| Current Liabilities | 15,465.25 |
| **Total Liabilities transferred (B)** | **20,833.35** |
| Net Asset Transferred ( A - B ) | 14,925.00 |
| **Sales consideration** | |
| Issuance of equity share to shareholders of DCM limited by resulting company of face | 14,925.00 |

b) Pursuant to the Board of Directors decision on September 16, 2019, the Company had entered into a Business Purchase Agreement ("BPA") on September 15, 2019 and addendums thereto to sell by way of slump sale its DCM Data System ("the Business") as a going concern to DCM Infotech Limited (resulting company), a wholly owned subsidiary of the DCM Limited.

In accordance with the BPA the following major categories of assets and liabilities were transferred at book value during the financial year ended March 31, 2020 to DCM Infotech Limited with effect from the close of business on September 15, 2019, being the date of transfer of control and net consideration was cash settled by resulting company to DCM Limited.

**i. Details of assets and liabilities of discontinued operations**

| **Particulars** | **As at September 15, 2019** |
|---|---|
| Non-current assets | 386.33 |
| Current Asset | 1,170.09 |
| **Total Asset (A)** | 1,556.42 |
| Non-current liabilities | 416.22 |
| Current liabilities | 339.39 |
| **Total Liabilities (B)** | 755.61 |
| **Payable to DCM Limited** | 800.81 |

**ii. Details of income and expense of discontinued operations** **(Rupees in lakh)**

| **Particulars** | **For the year ended on September 15, 2019** |
|---|---|
| Total Income | 2,228.97 |
| Total Expenses | 2,100.81 |
| Profit before tax | 128.15 |
| Profit after tax | 144.07 |
| Other comprehensive income | 0.00 |
| Total comprehensive income | 144.07 |
| Earning per share (Face value Rs. 10 per share) | 0.77 |

**iii. Cash flow of discontinued operations are as under:**

| Particulars | **For the year ended on September 15, 2019** |
|---|---|
| Cash flow from operating activities | 37.48 |
| Cash flow from investing activities | (8.21) |
| Cash flow from financing activities | (140.74) |
| Net cash flows [increase/(decrease)] during the year | (111.47) |

c) Board of Directors of the Company in its meeting held on November 28, 2019 have approved a composite scheme of arrangement for transfer of its "Engineering Business undertaking" to its wholly owned subsidiary namely DCM Engineering Limited (formerly known as DCM Tools and Dies Limited), on a going concern basis with effect from the appointed date of October 01, 2019 and restructuring of outstanding loans, debts and liabilities of the Engineering Business Undertaking. The above Scheme was filed with the Stock Exchanges viz. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for seeking their no-objection. The Company has received observation letter from BSE Limited and National Stock Exchange Limited (Stock Exchanges) both dated June 24, 2020 enabling the Company to file the Scheme with Hon'ble National Company Law Tribunal (NCLT) for seeking their approval. The filing of Scheme remains pending awaiting in principle approval of secured lenders (Banks). The said approval of the Stock Exchanges was valid till December 23, 2020. Pursuant to above, the Company has filed the application(s) to the Stock Exchanges on December 22, 2020 and June 28, 2021 for seeking their approval for extension of time for enabling the Company to file the scheme before NCLT for seeking their approval under Section 230 – 232 of the Companies Act, 2013 with due compliance. The Company has been in discussion with the secured lenders at all level in this regard.

Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these standalone financial results.

**41.** Capital advances includes Rs. 420.00 lakh (March 31, 2020: Rs. 420.00 lakh) to acquire certain property under construction at New Delhi. The construction was a matter of litigation between the builder and the local authorities. The High Court of Delhi has allowed the builder to construct the property subject to certain conditions. During the finacial year 2019-20, Company has received back advance of Rs.450.00 lakh as decided in the arbitration proceedings and the management is fully confident that the remaining balance of Rs.420 lakh out of the total amount of Rs.870 lakh paid to acquire the property is good and fully recoverable.

## 42. Contingent liabilities, contingent assets and commitments

### a) Commitments

(Rupees in lakh)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital commitments | **25.08** | 25.08 |

### b) Contingent liabilities not provided for:

(Rupees in lakh)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Claims not acknowledged as debts: * | | |
| - Excise claims | **0.50** | 0.50 |
| - Sales tax matters/ VAT | **618.03** | 495.38 |
| - Income-tax matters | **644.37** | 663.91 |
| - Employees' claims (to the extent ascertained) | **64.70** | 64.70 |
| - Property tax # | **-** | 283.67 |
| - Others | **63.95** | 75.95 |

* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Company.

@ Delhi High Court set aside the impugned order and remand back case to relevant jurisdiction for reassessment of the property tax liability. However no further order has been received by the Company till the finalisation of the financial statement.

(i) The Company has been regular in transferring amounts to the Investor Education and Protection Fund after considering SORA, pursuant to which certain past dues have been rescheduled for repayment.

(ii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company will evaluate its position and act, as clarity emerges.

## 43. Employee benefits

### A Defined contribution plans

Contributions to defined contribution plans charged off for the year are as under:

(Rupees in lakh)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Company's contribution to provident fund | **9.47** | 145.64 |
| Company's contribution to superannuation fund | **3.10** | 7.49 |
| Company's contribution to employees' state insurance | **0.14** | 21.38 |
| **Sub-total** | **12.71** | 174.51 |
| Company's contribution (discontinued operations) (refer note 41 (a) and (b)) | **-** | 84.38 |
| **Total** | **12.71** | 258.89 |

**B Defined benefit plans**

The Company operates the following post-employment defined benefit plans:-

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

**The following table set out the status of the defined benefit obligation** **(Rupees in lakh)**

| Particulars | As at March 31, 2021 | As at April 1, 2020 |
|---|---|---|
| Defined benefit liability- Gratuity | 806.43 | 938.99 |
| **Total employee benefit liabilities** | | |
| Non current | 698.18 | 793.94 |
| Current | 108.25 | 145.05 |
| **Total** | 806.43 | 938.99 |

For details about the related employee benefit expenses, **refer note 32**.

***i) Reconciliation of the defined benefit liability***

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

**(Rupees in lakh)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 938.99 | 1,838.01 |
| Current service cost | 41.99 | 49.21 |
| Interest cost | 63.77 | 97.54 |
| Actuarial (gains)/ losses recognised in other comprehensive income/(expense) | (63.98) | 35.54 |
| Benefits paid | (174.32) | (395.92) |
| Transfer of liabilities under scheme/ slump sale | - | (685.39) |
| **Balance at the end of the year** | 806.43 | 938.99 |
| Non-current | 698.18 | 793.94 |
| Current | 108.25 | 145.05 |

***ii) Expense recognized in profit and loss*** **(Rupees in lakh)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Current service cost | 41.99 | 49.21 |
| Interest cost | 63.77 | 97.54 |
| **Net cost** | 105.75 | 146.75 |

***iii) Remeasurements recognized in other comprehensive income/(expense)*** **(Rupees in lakh)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Actuarial gain/( loss) on defined benefit obligation | 63.98 | (35.54) |
| | 63.98 | (35.54) |

*iv) Actuarial assumptions*

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial assumptions** | | |
| Discount rate | **6.79%** | 6.79% |
| Future salary growth | **6.00%** | 6.00% |
| Retirement age | **58 years** | 58 years |
| Mortality table | **IALM (2012-14)** | IALM (2012-14) |
| Withdrawal rate | | |
| Upto 30 years | **3.00%** | 3.00% |
| From 31 to 44 years | **2.00%** | 2.00% |
| Above 44 years | **1.00%** | 1.00% |

As at March 31, 2021, the weighted average duration of the defined benefit obligation was 12.60 - 14.85 year (March 31, 2020 : 11.95-12.60 year)

Expected contributions to post-employment benefit plans for the next annual reporting period are Rs. 99.52 lakh (March 31, 2020: 115.58 lakh)

*v) Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**(Rupees in lakh)**

| Particulars | As as March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.50%) | **(29.96)** | **32.18** | (32.76) | 35.19 |
| Future salary growth (0.50%) | **32.27** | **(30.31)** | 35.29 | (33.15) |

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

*vi) Maturity profile*

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

**(Rupees in lakh)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Year 1 | **108.25** | 145.05 |
| Year 2 | **97.52** | 103.22 |
| Year 3 | **77.40** | 98.50 |
| Year 4 | **37.28** | 78.05 |
| Year 5 | **32.64** | 45.52 |
| Next 6 | **32.92** | 32.42 |
| Next to 6 years | **420.42** | 436.23 |

*vii) Description of Risk Exposures:*

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow-

a. **Interest risk:** The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b. **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

c. **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**44. 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**

**Subsidiaries**

1. DCM Textiles Limited
2. DCM Infotech limited (Formerly known as DCM Realty Investment & Consulting Limited)
3. DCM Engineering Limited (Formerly known as DCM Tools & Dies Limited)
4. DCM Finance & Leasing Limited
5. DCM Data Systems Limited
6. DCM Realty and Infrastructure Limited

**Joint controlled entity**

7. Purearth Infrastructure Limited

**Subsidiaries of Joint controlled entity**

8. Kalptru Realty Private Limited
9. Kamayani Facility Management Private Limited
10. Viganharta Estates Private Limited

**Key management personnel and/or individuals having direct or indirect control or significant influence, and their relatives:**

11. Dr. Vinay Bharat Ram – Chairman (Managing Director upto September 30, 2019)
12. Mr. Hemant Bharat Ram – President (Textiles ) (upto April 30, 2019)
13. Mr. Sumant Bharat Ram – Chief Executive and Financial Officer ( Upto March 31, 2019)
14. Mr. Sushil Kapoor Executive Director (Engineering Business) - (upto September 30, 2019)
15. Mr. Varun Sarin - Chief of Operation and Finance (IT Division)- ( Upto September 15, 2019)
16. Mr. Yadvinder Goyal - Company Secretary (upto September 06, 2019)
17. Mr. Jitendra Tuli –Managing Director (w.e.f. October 01, 2019)
18. Mr. Ashwani Singhal – Chief Financial Officer (w.e.f. April 01, 2019)
19. Mr. Vimal Prasad Gupta - Company Secretary (w.e.f. October 21, 2019 )
20. Mr. Dinesh Dhiman - Whole Time Director (upto December 12, 2020)
21. Mr. Vinay Sharma - Whole Time Director (w.e.f. December 15, 2020)
22. Dr. Kavita A. Sharma - Independent Director (w.e.f. November 14, 2019)
23. Mr. Sudhir Kumar Jain - Independent Director

**Other Entities**

24. DCM Engineering Products Educational Society
25. DCM Limited Superannuation Trust
26. DCM Employees Welfare Trust

**Other Entities in which Individuals described in Sr. 11, 12 & 13 above have direct or indirect control**

27. Juhi Developers Private Limited
28. Teak Farms Private Limited
29. Unison International IT Services Limited
30. Aggresar Leasing and Finance Private Limited
31. Atlantic Commercial Company Limited
32. DCM Nouvelle Limited
33. Calipro Real Estates Private Limited
34. Shreshtha Real Estates Private Limited

**B. Transactions with related parties:** **(Rupees in lakh)**

| Name of Related Party and Nature of Relationship | Nature of Transaction | For year ended March 31, 2021 | For year ended March 31, 2020 |
|---|---|---|---|
| **Subsidiary** | | | |
| DCM Data Systems Limited | Expenses Reimbursed (Net) | **0.35** | - |
| | Support Service Income | **3.50** | - |
| DCM Textiles Limited | Expenses Reimbursed (Net) | **0.43** | - |
| | Support Service Income | **4.25** | |
| DCM Finance and Leasing Limited | Expenses Reimbursed (Net) | **0.88** | - |
| | Support Service Income | **8.75** | - |
| | Redemption of investment in preference shares | **0.48** | - |
| DCM Realty and Infrastructure Limited | Expenses Reimbursed (Net) | **0.25** | - |
| | Support Service Income | **2.50** | - |
| DCM Infotech Limited | Dividend received | **45.90** | |
| | Sales consideration received under Business Purchase Agreement | **-** | 800.83 |
| | Purchase of other assets | **-** | 1,013.71 |
| **Joint Controlled Entity** | | | |
| Purearth Infrastructure Limited | Building Maintenance, Electricity and other expenses (net) | **8.19** | 20.74 |
| | Purchase of rights in Residential Flats | **1,487.74** | - |
| | Payable for purchase of rights in flats (including Interest) | **1,477.35** | - |
| **Other Entity** | | | |
| DCM Engineering Products Educational Society | Expenses reimbursed (net) | **-** | 22.35 |
| DCM Nouvelle Limited | Expenses reimbursed (net) | **-** | 414.92 |
| | Support Service Income | **-** | 72.90 |
| | Sale of fixed assets | **-** | 2,201.50 |
| | Net assets transferred as per scheme of Arrangement | **-** | 14,925.00 |
| **Key Management Personnel *** | | | |
| Dr. Vinay Bharat Ram | Short term employee benefits | **-** | 75.55 |
| Mr. Hemant Bharat Ram | Short term employee benefits | **-** | 19.99 |
| Mr. Sushil Kapoor | Short term employee benefits | **-** | 54.90 |
| Mr. Varun Sarin | Short term employee benefits | **-** | 31.05 |
| Mr. Yadvinder Goel | Short term employee benefits | **-** | 14.35 |
| Mr. Dinesh Dhiman | Short term employee benefits | **16.74** | 40.08 |
| | Post Employment benefits - Gratuity | **6.58** | 0.77 |
| | Other long term benefits - Compensated absences | **1.47** | 1.03 |
| Mr. Vimal Prasad Gupta | Short term employee benefits | **9.21** | 9.01 |
| | Post Employment benefits - Gratuity | **-** | 0.19 |
| | Other long term benefits - Compensated absences | **-** | 0.25 |
| Mr. Ashwani Singhal | Short term employee benefits | **26.48** | 61.02 |
| Mr. Vinay Sharma | Short term employee benefits | **0.48** | - |
| Mr. Jitender Tuli | Sitting Fees | **0.35** | 1.20 |

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall company basis are not included in the remuneration of existing key management personnel.

The Company maintains superannuation trust for the purpose of administering the superannuation payment to its employees.

**C Balance Outstanding in Balance Sheet** **(Rupees in lakh)**

| Name of Related Party and Nature of Relationship | Nature of Transaction | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Joint Controlled Entity** | | | |
| Purearth Infrastructure Limited | Advance for purchase of rights in Residential Flats | **1,535.60** | 47.21 |
| | Payable for purchase of rights in flats (including Interest) | **1,477.35** | - |
| | Balance receivable | **7.75** | 7.64 |
| **Subsidiary** | | | |
| DCM Infotech Limited | Balance payable | **42.12** | 42.12 |
| **Other Entities** | | | |
| DCM Engineering Products Educational Society | Balance payable | **7.38** | 7.38 |
| DCM Employees Welfare Trust | Balance receivable (Net of provision) | **179.89** | 179.89 |
| | Provision for doubtful debts | **100.00** | 100.00 |
| **Key Management Personnel** | | | |
| Mr. Dinesh Dhiman | Balance payable | **5.03** | 5.03 |
| Mr. Sushil Kapoor | Balance payable | **-** | 6.04 |
| Mr. Ashwani Singhal | Balance payable | **-** | 3.01 |
| Mr. Vinay Sharma | Balance payable | **0.48** | - |

## 45. Operating segments

### A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Company has identified three reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Chief operating decision maker (CODM) reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

| Reportable segments: | Operations: |
|---|---|
| IT services | IT Infrastructure services |
| Real estate | Development at the Company's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi. |
| Grey iron casting | Grey iron casting manufacturing |

### B. Information about operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Board of Directors of the company. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(Rupees in lakh)

| Particulars | Reportable Segment | | | | | | Continuing operations | | Discontinued operations (refer note 40) | | DCM Limited | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Real Estate | | Grey iron casting | | Unallocated | | Total | | IT Services | | Total | |
| | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 |
| **Segment revenue** | | | | | | | | | | | | |
| - External revenues | - | - | **(105.69)** | 12,715.97 | - | - | **(105.69)** | 12,715.97 | - | 2,199.31 | **(105.69)** | 14,915.28 |
| - Other operating revenue | - | - | **156.17** | 174.04 | - | - | **156.17** | 174.04 | - | - | **156.17** | 174.04 |
| **Total segment revenue** | - | - | **50.48** | 12,890.01 | - | - | **50.48** | 12,890.01 | - | 2,199.31 | **50.48** | 15,089.32 |
| **Segment profit/(loss) before tax** | - | - | **(1,338.25)** | (3,672.88) | - | - | **(1,338.25)** | (3,672.88) | - | 144.07 | **(1,338.25)** | (3,528.81) |
| Unallocated corporate expenses/ income (net of unallocated income/ expenses) | - | - | - | - | **147.77** | 1,398.42 | **147.77** | 1,398.42 | - | - | **147.77** | 1,398.42 |
| Interest income | - | - | - | - | **50.50** | 72.23 | **50.50** | 72.23 | - | - | **50.50** | 72.23 |
| Profit before finance costs and tax | - | - | - | - | | | **(1,139.99)** | (2,202.23) | - | - | **(1,139.99)** | (2,058.16) |
| Finance costs | - | - | - | - | **856.71** | 1,071.90 | **856.71** | 1,071.90 | - | - | **856.71** | 1,071.90 |
| Profit/(loss) before tax | - | - | - | - | - | - | **(1,996.70)** | (3,274.13) | - | - | **(1,996.70)** | (3,130.06) |
| Provision for taxation | - | - | - | - | - | (56.29) | - | (56.29) | - | - | - | (56.29) |
| Profit/(loss) after taxation | - | - | - | - | - | - | **(1,996.70)** | (3,217.84) | - | - | **(1,996.70)** | (3,073.77) |
| Depreciation and amortization | - | - | **817.45** | 1,138.98 | **39.25** | 38.15 | **856.70** | 1,177.13 | - | - | **856.70** | 1,177.13 |
| Capital expenditure during the year | - | - | - | 23.54 | - | 30.97 | - | 54.51 | - | 12.07 | - | 66.58 |
| Non cash expense other than depreciation | - | - | **115.22** | 0.06 | - | 18.74 | **115.22** | 18.80 | - | - | **115.22** | 18.80 |

(Rupees in lakh)

| Particulars | Reportable Segment | | | | | | Continuing operations | | Discontinued operations (refer note 40) | | DCM Limited | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Real Estate | | Grey iron casting | | Unallocated | | Total | | IT Services | | Total | |
| | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 |
| Segment assets | **1,500.00** | 12.00 | **6,011.30** | 7,143.69 | - | - | **7,511.30** | 7,155.69 | - | - | **7,511.30** | 7,155.69 |
| Assets held for sale | - | - | **205.05** | 207.55 | - | - | **205.05** | 207.55 | - | - | **205.05** | 207.55 |
| Unallocated assets | - | - | - | - | **5,393.25** | 5,718.56 | **5,393.25** | 5,718.56 | - | - | **5,393.25** | 5,718.56 |
| **Total assets** | **1,500.00** | 12.00 | **6,216.35** | 7,351.24 | **5,393.25** | 5,718.56 | **13,109.60** | 13,081.80 | - | - | **13,109.60** | 13,081.80 |
| Segment liabilities | **1,500.00** | 23.32 | **8,101.15** | 7,837.97 | **903.49** | 935.54 | **10,504.64** | 8,796.83 | - | - | **10,504.64** | 8,796.83 |
| Share capital and reserves | - | - | - | - | **(512.37)** | **1,420.34** | **(512.37)** | 1,420.34 | - | - | **(512.37)** | 1,420.34 |
| Loan funds | - | - | **3,077.98** | 2,809.39 | **39.35** | 55.24 | **3,117.33** | 2,864.63 | - | - | **3,117.33** | 2,864.63 |
| **Total liabilities** | **1,500.00** | 23.32 | **11,179.13** | 10,647.36 | **430.47** | 2,411.12 | **13,109.60** | 13,081.80 | - | - | **13,109.60** | 13,081.80 |

**C. Geographical information**

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

***i. Revenues*** **(Rupees in lakh)**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| India (a) | **50.48** | 13,951.40 |
| - Countinuing operation | **50.48** | 12,890.01 |
| - Discountinued operation | - | 1,061.39 |
| Outside India (b) | - | 1,137.92 |
| - Countinuing operation | - | - |
| - Discountinued operation | | |
| China | - | - |
| Other countries | - | 1,137.92 |
| **Total (a+b)** | **50.48** | 15,089.32 |

***ii. Non current assets**** **(Rupees in lakh)**

| | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|
| India | **5,896.56** | 6,880.02 |
| Outside India | - | - |
| **Total** | **5,896.56** | 6,880.02 |

* Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

**D. Major customers**

There is no single customer who contributed 10% or more of the Company's revenue during the year ended March 31, 2020 and March 31, 2019.

**46. Research and development expenditure**

Details of Research and development expenditure are as follows:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Capital expenditure** | | |
| Computers | - | 10.50 |
| **Revenue expenditure** | | |
| Salaries, wages and compensated absences | - | 54.98 |
| Contribution to provident and other funds | - | 2.01 |
| Travelling and conveyance | - | 2.55 |
| Others | - | 0.29 |
| **Development expenditure** | - | 72.12 |
| **Total** | - | 142.45 |

**47. Assets held for sale**

"The Board of Directors of the Company, in its meeting held on February 8, 2018, approved the sale of land and building held by Engineering Division located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acre (March 31, 2020 - 39.02 acres) and land and building located in Rail Mazra Village, Tehsil Balachaur, Distt Shaheed Bhagat Singh Nagar, Punjab measuring 3.67 acres (March 31, 2020 - 3.79 acres) for such consideration and on such terms and conditions as may be deemed fit in the best interest of the Company. During the year land of 0.12 acres compulsory acquired by Govt for construction of road and gain of Rs 23.48 lakh is recognised in statement of profit & loss account under head "other income". All the assets held for sale are pledged against the short term borrowing of the company (Refer note 22 (ii))".

## 48. Fair value measurement and financial instruments

### a. Financial instruments – by category and fair values hierarchy

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

**i. As on March 31, 2021** **(Rupees in lakh)**

| Particulars | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **Non-current** | | | | | | | |
| Loans * | - | - | 180.31 | **180.31** | - | - | 180.31 |
| **Current** | | | | | | | |
| Trade receivables * | - | - | 17.19 | **17.19** | - | - | 17.19 |
| Cash and cash equivalents * | - | - | 27.75 | **27.75** | - | 27.75 | - |
| Balances other than above * | - | - | 166.96 | **166.96** | - | 166.96 | - |
| Loans * | - | - | 22.38 | **22.38** | - | - | 22.38 |
| Other financial assets * | - | - | 43.42 | **43.42** | - | - | 43.42 |
| **Total** | **-** | **-** | **458.01** | **458.01** | **-** | **194.71** | **263.30** |
| **Financial liabilities** | | | | | | | |
| **Non-current** | | | | | | | |
| Borrowings # | - | - | 601.06 | **601.06** | - | 601.06 | - |
| Other financial liabilities * | - | - | 2,005.52 | **2,005.52** | - | - | 2,005.52 |
| **Current** | | | | | | | |
| Borrowings # | - | - | 2,516.27 | **2,516.27** | - | 2,516.27 | - |
| Trade payables * | - | - | 5,922.34 | **5,922.34** | - | - | 5,922.34 |
| Other current financial liabilities * | - | - | 1,268.03 | **1,268.03** | - | - | 1,268.03 |
| **Total** | **-** | **-** | **12,313.22** | **12,313.22** | **-** | **3,117.33** | **9,195.89** |

**ii. As on March 31, 2020** **(Rupees in lakh)**

| Particulars | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **Non-current** | | | | | | | |
| Investments | | | | | | | |
| Preference shares | 74.82 | - | 0.10 | **74.92** | - | - | 74.92 |
| Loans * | - | - | 185.26 | **185.26** | - | - | 185.26 |
| Other financial assets * | - | - | 58.66 | **58.66** | - | - | 58.66 |
| **Current** | | | | | | | |
| Trade receivables * | - | - | 70.34 | **70.34** | - | - | 70.34 |
| Cash and cash equivalents * | - | - | 37.89 | **37.89** | - | 37.89 | - |
| Balances other than above * | - | - | 127.15 | **127.15** | - | 127.15 | - |
| Loans * | - | - | 25.58 | **25.58** | - | - | 25.58 |
| Other financial assets * | - | - | 121.84 | **121.84** | - | - | 121.84 |
| **Total** | **74.82** | **-** | **626.82** | **701.64** | **-** | **165.04** | **536.60** |
| **Financial liabilities** | | | | | | | |
| **Non-current** | | | | | | | |
| Borrowings # | - | - | 618.47 | **618.47** | - | 618.47 | - |
| Other financial liabilities * | - | - | 528.17 | **528.17** | - | - | 528.17 |
| **Current** | | | | | | | |
| Borrowings # | - | - | 2,239.00 | **2,239.00** | - | 2,239.00 | - |
| Trade payables * | - | - | 5,560.80 | **5,560.80** | - | - | 5,560.80 |
| Other current financial liabilities * | - | - | 1,270.76 | **1,270.76** | - | - | 1,270.76 |
| **Total** | **-** | **-** | **10,217.20** | **10,217.20** | **-** | **2,857.47** | **7,359.73** |

# The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The loans, investments and other non-current financial assets and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

**a. Financial instruments – by category and fair values hierarchy (continued)**

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2021 and March 31, 2020.

**Reconciliation of Level 3 fair value measurement:** **(Rupees in lakh)**

| Particulars | For the year ended | |
|---|---|---|
| | **31-Mar-21** | 31-Mar-20 |
| Opening balance | **74.82** | 84.82 |
| Less : Realised during the year | **74.82** | 20.00 |
| | - | 64.82 |
| Gain recognised in other comprehensive income | - | 10.00 |
| **Closing balance** | - | 74.82 |

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

**b. Financial risk management**

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorized senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and are derived from revenue earned from customers primarily located in India. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The average credit period on sales of goods and services (other than moulds) within India is 30 to 60 days, sale of moulds is 180 days and sales of goods and services outside India is 30 to 90 days.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows: **(Rupees in lakh)**

| Particulars | Gross carrying amount | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Not due | - | - |
| 1-90 days past due | - | - |
| 91 to 180 days past due | - | - |
| More than 180 days past due # | **64.83** | 72.69 |
| Other receivables having negligible credit risk | - | - |
| **Total** | **64.83** | 72.69 |

# The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

**b. Financial risk management (continued)**

**Movement in the allowance for impairment in respect of trade receivables:** **(Rupees in lakh)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning | **2.35** | 178.54 |
| Net Impairment loss recognised / (reversed) (Refer Note 35) | **45.29** | (6.76) |
| Impairment loss (transfer) on Demerger/ Slump Sale | **-** | (126.72) |
| Less: Amount written off | **-** | (42.71) |
| Balance at the end | **47.64** | 2.35 |

**(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, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it would be able to approach and materialise new financing arrangements, unlocking of value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary. Also refer Note 50.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

**(Rupees in lakh)**

| As at March 31, 2021 | Carrying amount | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | | Less than one year | Between one year and five years | More than 5 years | Total |
| **Non-current liabilities** | | | | | |
| Borrowings | **601.06** | **591.17** | **9.89** | **-** | **601.06** |
| Other financial liabilities | **2,005.52** | **-** | **2,005.52** | **-** | **2,005.52** |
| **Current liabilities** | | | | | |
| Borrowings | **2,516.27** | **2,516.27** | **-** | **-** | **2,516.27** |
| Trade payables | **5,922.34** | **5,922.34** | **-** | **-** | **5,922.34** |
| Other financial liabilities | **1,268.03** | **1,268.03** | **-** | **-** | **1,268.03** |
| **Total** | **12,313.22** | **10,297.81** | **2,015.41** | **-** | **12,313.22** |

**(Rupees in lakh)**

| As at March 31, 2020 | Carrying amount | Contractual cash flows# | | | |
|---|---|---|---|---|---|
| | | Less than one year | Between one year and five years | More than 5 years | Total |
| **Non-current liabilities** | | | | | |
| Borrowings | 618.47 | 533.72 | 84.75 | - | 618.47 |
| Other financial liabilities | 528.17 | - | 528.17 | - | 528.17 |
| **Current liabilities** | | | | | |
| Borrowings | 2,239.00 | 2,239.00 | - | - | 2,239.00 |
| Trade payables | 5,560.80 | 5,560.80 | - | - | 5,560.80 |
| Other financial liabilities | 1,270.76 | 1,270.76 | - | - | 1,270.76 |
| **Total** | **10,217.20** | **9,604.28** | **612.92** | **-** | **10,217.20** |

\# Contractual cash flow includes the interest to be incurred and paid in subsequent periods

**b. Financial risk management (continued)**

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2021 and March 31, 2020 are as below:

**(Rupees in lakh)**

| Particulars | **As at March 31, 2021** | As at March 31, 2020 |
|---|---|---|
| | **USD** | USD |
| **Financial liabilities** | | |
| Other current financial liabilities | **29.35** | 24.41 |
| | **29.35** | 24.41 |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2021 (previous year ended as on March 31, 2020) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**(Rupees in lakh)**

| Particulars | Profit or loss before tax | | Changes in equity (net of tax) | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| 1% depreciation / appreciation in Indian Rupees against following foreign currencies: | | | | |
| **For the year ended March 31, 2021** | | | | |
| USD | **(0.29)** | **0.29** | **(0.29)** | **0.29** |
| | **(0.29)** | **0.29** | **(0.29)** | **0.29** |
| **For the year ended March 31, 2020** | | | | |
| USD | (0.24) | 0.24 | (0.24) | 0.24 |
| | (0.24) | 0.24 | (0.24) | 0.24 |

USD: United States Dollar

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

**(Rupees in lakh)**

| Variable-rate instruments | **As at March 31, 2021** | As at March 31, 2020 |
|---|---|---|
| Term loans from banks (Non current) | **9.89** | 84.75 |
| Term loans from banks (Current) | **2,516.27** | 2,239.00 |
| Current maturities of borrowings | **591.17** | 533.72 |
| **Total** | **3,117.33** | 2,857.47 |

**b. Financial risk management (continued)**

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

For loading rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

**(Rupees in lakh)**

| Particulars | Profit or loss before tax | | Changes in equity (net of tax) | |
|---|---|---|---|---|
| | increase | decrease | increase | decrease |
| **Interest on term loans from banks** | | | | |
| For the year ended March 31, 2021 | **(36.69)** | **36.69** | **(36.69)** | **36.69** |
| For the year ended March 31, 2020 | (61.97) | 61.97 | (61.97) | 61.97 |

**49. Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts adjusted with available cash and bank balances divided by total capital (equity attributable to owners of the parent).

**(Rupees in lakh)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Borrowings | **3,117.33** | 2,857.47 |
| Less : Cash and bank balances | **194.71** | 165.04 |
| **Adjusted net debt (A)** | **2,922.62** | 2,692.43 |
| **Total equity (B)** | **(512.37)** | 1,420.34 |
| **Adjusted net debt to total equity ratio (A/B)** | **-** | 1.90 |

**50.** Due to continued situation of industrial unrest the Company is currently facing liquidity issues towards clearing of statutory dues, vendor payments and repayment of borrowings pertaining to its Engineering Division. This has significantly reduced the Company's net worth and the current liabilities exceed the current assets by Rs. 7,397.85 lakh as at March 31, 2021. The Company is taking requisite steps to improve the liquidity and manage the existing situation.

The Scheme of Arrangement mentioned in note 41 (c) above has been made with a view to restore profitability and revive the said Engineering Business Undertaking (Undertaking) by facilitating strategic investment and further sale of surplus piece of land and restructuring of outstanding loans, debts and liabilities pertaining to the Engineering Business to revive the said undertaking and infuse sufficient liquidity.

The management believes that with the above restructuring of Engineering Business Undertaking along with the debt pertaining to said Undertaking and infusing liquidity by focusing /managing of its remaining business undertaking/real estate operation as well as other interim measures to improve liquidity including proposed Right Issue approved by the Board in its meeting held on February 12, 2021, the Company will be able to continue its operation on a going concern basis.

Accordingly, the financial results of the Company have been prepared on a going concern basis.

**51.** As stated in note 50 above, the Company has proposed to restructure the outstanding loans payable to banks pertaining to its Engineering Business Undertaking, however, as per the original terms of said loans with the lenders, the Company has defaulted in repayment of dues aggregating to Rs 1260.66 lakh to these banks as on the date of approval of these financial statements.

**52.** In view of continued situation of industrial unrest at Engineering Business Division of the Company, situated at Village Asron, District Shaheed Bhagat Singh Nagar (Punjab), the management of the Division has recommended to declare a lockout. The Board of Directors of the Company in their meeting held on October 21, 2019 has accordingly approved the declaration of lockout at its said Engineering Business Undertaking w.e.f. October 22, 2019.

The said lockout was opposed by the workmen of said Engineering Division before the Labour Authorities. Based on the legal advice received by the Company, the management is of the view that the present lockout is legal and justified. Therefore, the Company has not made any provision for wages pertaining to the lockout period October 22, 2019 to March 31, 2021 aggregating to Rs. 2,721.22 lakh.

**53.** The Company is listed on stock exchange in India, the Company has prepared consolidated financial statements as required under Ind As 110, Section 129 of Companies Act 2013 and listing requirements. The consolidated financial statement is available on Company's website for public use.

**54.** The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The Government has started to lift the lockdown in phases from the beginning of May 2020.

The Management has been closely reviewing the impact of COVID-19 on the Company. Due to continuation of lockout of Engineering Business Unit (Engineering Business Undertaking), declared on October 22, 2019, the operation of the said Business Unit remained suspended during the lock down period on account of COVID-19. Based on current indicators of future economic conditions, the Company has concluded that although due to Covid 19 the Company's initiatives of restructuring of Engineering Business Undertaking and infusing liquidity by focusing /managing of its real estate operation are taking time, however, the impact of COVID 19 is not material on long term basis on the future potential of its said Engineering Business Unit and Real Estate operation. Due to the nature of the pandemic, the Company will continue to monitor any material changes on the future economic conditions and relating to its Businesses in future periods.

**55.** Due to losses in the last three years, the provisions relating to Corporate Social Responsibility (CSR) are not applicable.

**56.** The Company has received certain recovery notices/petitions from the creditors. A Bank has filed a suit for recovery and served demand notice u/s 13(2) under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 which has been stayed by the Hon'ble High court of Punjab & Haryana. Pursuant to the restructuring scheme approved by the Board of the Company, the settlement of all such creditors and bank has already been provided for in the said Scheme (refer note 5 above). In addition to the said Restructuring Scheme, the Company is also taking other interim measures to improve liquidity including proposed Right Issue of equity shares approved by the Board in its meeting held on February 12, 2021, to augment capital and expedite to complete the de-leveraging of the Company.

**57.** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Place :** New Delhi
**Date :** June 29, 2021

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

| | | |
|---|---|---|
| **Bipin Maira**<br>*Chairman*<br>DIN: 05127804 | **Jitendra Tuli**<br>*Managing Director*<br>DIN: 00272930 | **Dr. Kavita A Sharma**<br>*Director*<br>DIN: 07080946 |
| **Ashwani Singhal**<br>*Chief Financial Officer* | **Sanjeev Kumar**<br>*Company Secretary* | |

**Place :** New Delhi
**Date :** June 29, 2021

## INDEPENDENT AUDITORS' REPORT

**To the Members of DCM Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of **DCM Limited** ("the Company" or "Holding Company") and its subsidiaries (the Company and its subsidiaries referred to as "the Group") and its joint venture (including its subsidiary companies together referred to as "jointly controlled entities"), which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and its jointly controlled entities and information provided by the management referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at March 31, 2021, its consolidated loss including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 51 to the accompanying consolidated financial statements, highlighting that due to industrial unrest the Company is facing liquidity issues towards clearing of its statutory dues, vendor payments and borrowings pertaining to its Engineering Division. This has significantly eroded the Company's net worth and the current liabilities exceed the current assets by Rs. 6050.26 lakh as at March 31, 2021. The Covid 19 pandemic has further added uncertainties as referred to in Note 40 (b). The Company has initiated restructuring of its Engineering Division as explained in the said note. The management of Holding Company believes that with the restructuring of its Engineering Business Undertaking along with the debt pertaining to said undertaking and infusing liquidity by focusing /managing of its remaining business undertaking/real estate operation, the Group and its Jointly controlled entities will be able to continue its operation on a going concern basis. Accordingly, the financial statements of the Company have been prepared on a going concern basis. Our Opinion is not modified in respect of this matter.

### Emphasis of Matter

Without modifying our opinion, we draw attention to the following:

i. Note 54 to the accompanying consolidated financial statements, during the current quarter in view of continued situation of industrial unrest, Holding Company has declared lockout at its engineering business undertaking. On the basis of legal advice, Management of the Holding Company is of the view that the present lockout is legal and justified and therefore, the Holding Company has not made any provision for wages pertaining to the lockout period from October 22, 2019 to March 31, 2021 aggregating to Rs. 2721.22 lakhs.

ii. Note 55 to the Consolidated Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Further, our attendance at the physical verification of inventory done by the management was impracticable under the current pandemic situation and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end.

iii. Note 56 to the Consolidated Financial statements, the Company has received certain recovery notices / petitions from creditors and a bank. Pursuant to the restructuring scheme approved by the Board of the Company the settlement of all such creditors and bank has already been provided for in this Scheme. In addition, the Company is taking other interim measures as explained in the said Note 56 to improve liquidity including proposed Right Issue of equity shares, management action is also explained in the said note.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and in the judgment of the component auditors, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| As at March 31, 2021, the Holding Company's balance sheet includes property, plant and equipment (PPE) amounting to Rs. 4990.54 lakhs.<br><br>The Engineering Division has PPE Rs. 4232.05 lakhs which form a significant part of the PPE of the Company. In view of the continuous losses of the Engineering Division, the management has assessed that it needs to be tested for impairment.<br><br>The assessment of the recoverable value of the PPE of the Engineering Division as mentioned above, incorporates significant judgement in respect of factors such as valuation of land, future production levels, sales prices, operating/capital costs and economic assumptions such as discount rates, inflation rates etc.<br><br>We identified assessing impairment of PPE of the Engineering Division as a key audit matter, considering it to be significant to the Company's total assets, involving significant judgement and estimation in determining the recoverable amount. | Our procedures in relation to management's impairment assessment of the PPE, included but not limited to, the following procedures:<br><br>• testing the design and implementation of controls in place;<br><br>• obtaining and reviewing management assessment whether there were any indicators of impairment of PPE as at March 31, 2021;<br><br>• obtaining valuation report in respect of land carried out by external valuer;<br><br>• assessing appropriateness of impairment assessment and methodologies used;<br><br>• evaluating reasonableness of key assumptions used in the valuation;<br><br>• assessing the adequacy of disclosures in the consolidated financial statements, in respect of the PPE. |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibility of the Management and those charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for assessing the ability of the Group and of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its jointly controlled entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are also responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone/ consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

i. We did not audit the financial statements/financial information of five (5) subsidiaries whose financial statements/financial information reflect total assets of Rs. 9 lakhs as at March 31, 2021; as well as the total revenue of Rs. Nil, total profit/(loss) after tax of Rs. (24) lakhs, total comprehensive income/(loss) of Rs. (24) lakhs and net cash inflow/(outflow) amounting to Rs. (25) lakhs for the year ended March 31, 2021, as considered in these consolidated financial statements. These financial statements and other financial information of these subsidiaries have been audited by other auditors whose audit reports for the year ended March 31, 2021 have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

ii. The consolidated financial statements also include the Group's share of profit including other comprehensive income/(loss) of Rs. (91) lakhs for the year ended March 31, 2021 in respect of four jointly controlled entities. The financial statements of these jointly controlled entities have been audited by other auditors whose audit reports for the year ended March 31, 2021 have been furnished to us by the management. Our opinion on these consolidated financial statements, to the extent it concerns these jointly controlled entities, for the year ended March 31, 2021 is based solely on the report of the other auditors.

iii. The Consolidated financial statements includes the unaudited financial statements of one subsidiary, whose financial statements reflects total assets of Rs 12 lakhs as on March 31, 2021, total revenue of Rs 1 lakh and total net loss after tax of Rs (5) lakhs, total comprehensive loss of Rs (5) lakhs and net cash inflow/(outflow) amounting to Rs. (1) lakh for the year ended March 31, 2021. Our report to the extent it concerns this subsidiary is based solely on the management certified financial statement/information. This subsidiary is not material to the Group.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above maters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries and its jointly controlled entities and management certified account of one of the subsidiary as referred to in the Other Matters paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies and its jointly controlled entities incorporated in India, none of the directors of the Group and its jointly controlled entities are disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Group and its jointly controlled entities incorporated in India;

g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us;

   i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group and its jointly controlled entities -Refer Note 42 to the consolidated financial statements;

   ii. The Group and its jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group and its jointly controlled entities incorporated in India during the year ended March 31, 2021.

**For S.S. Kothari Mehta & Company**
Chartered Accountants
Firm 's Registration No. 000756N

**Sunil Wahal**
Partner
Membership No. 087294
UDIN : 21087294AAAAID3498

Place: New Delhi
Date: June 29, 2021

**Annexure A to the Independent Auditors' Report to the members of DCM Limited dated June 29, 2021 on its Consolidated Financial Statements**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.**

In conjunction with our audit of the consolidated financial statements of **DCM Limited** as of and for the year ended March 31, 2021, we have audited the Internal Financial Controls over Financial Reporting of **DCM Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (including its subsidiary companies together referred to as "jointly controlled entities") incorporated in India, for the year ended on that date.

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

The respective Board of Directors of the Holding Company, its subsidiaries and its jointly controlled entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries and its jointly controlled entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the respective companies 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 Group and its jointly controlled entities internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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, and, both issued by the Institute of 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in term of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated financial statements.

**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 consolidated 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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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 Group and its jointly controlled entities incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group and its jointly controlled entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

a. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to five subsidiaries and four jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

b. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting does not cover in so far as it relates to one subsidiary company, which is incorporated in India, as the financial statements of this subsidiary Company is management certified. This subsidiary company is not considered material to the Group.

Our audit report on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not modified in respect of above matters.

**For S.S. Kothari Mehta & Company**
Chartered Accountants
Firm 's Registration No. 000756N

**Sunil Wahal**
Partner
Membership No. 087294
UDIN : 21087294AAAAID3498

Place: New Delhi
Date: June 29, 2021

## Consolidated Balance Sheet as at March 31, 2021

| Particulars | Note | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **5,077.10** | 5,962.40 |
| Capital work-in progress | 3 | **7.25** | 7.25 |
| Right to use assets | 4 | **91.55** | 161.67 |
| Intangible assets | 4 | **17.61** | 33.68 |
| Financial assets | | | |
| (i) Investments | 5 | **581.73** | 747.50 |
| (ii) Loans | 6 | **195.94** | 199.56 |
| (iii) Other financial assets | 7 | **3.62** | 67.52 |
| Deferred tax assets (net) | 36 | **58.45** | 8.73 |
| Non-current tax assets (net) | 8 | **364.71** | 583.73 |
| Other non-current assets | 9 | **780.43** | 781.43 |
| **Total non-current assets** | | **7,178.39** | 8,553.47 |
| **Current assets** | | | |
| Inventories | 10 | **1,314.46** | 1,350.59 |
| Financial assets | | | |
| (i) Trade receivables | 11 | **1,031.67** | 1,015.04 |
| (ii) Cash and cash equivalents | 12 | **426.78** | 486.02 |
| (iii) Bank balances other than (ii) above | 13 | **531.44** | 136.43 |
| (iv) Loans | 14 | **24.29** | 27.28 |
| (v) Other financial assets | 15 | **163.43** | 209.07 |
| Current tax assets (net) | | **-** | 0.93 |
| Other current assets | 16 | **1,695.18** | 235.00 |
| Assets held for sale | 47 | **205.05** | 207.55 |
| **Total current assets** | | **5,392.30** | 3,667.91 |
| **Total assets** | | **12,570.69** | 12,221.38 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | **1,867.77** | 1,867.77 |
| Other equity | 18 | **(3,774.46)** | (2,062.76) |
| **Total equity** | | **(1,906.69)** | (194.99) |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 19 | **9.89** | 94.30 |
| (ii) Other financial liabilities | 20 | **2,077.40** | 655.45 |
| Provisions | 21 | **947.53** | 1,004.85 |
| **Total non- current liabilities** | | **3,034.82** | 1,754.60 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 22 | **2,516.27** | 2,239.00 |
| (ii) Trade payables | 23 | | |
| Dues to Micro and small enterprises | | **2,426.74** | 2,045.93 |
| Dues to others | | **3,702.97** | 3,627.13 |
| (iii) Other financial liabilities | 24 | **2,234.21** | 2,090.01 |
| Other current liabilities | 25 | **341.73** | 350.42 |
| Provisions | 26 | **122.30** | 184.61 |
| Current tax liabilities (net) | 27 | **98.34** | 124.67 |
| **Total current liabilities** | | **11,442.56** | 10,661.77 |
| **Total equity and liabilities** | | **12,570.69** | 12,221.38 |
| The accompanying notes are an integral part of these consolidated financial statements | | | |

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Place :** New Delhi
**Date :** June 29, 2021

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

## Consolidated Statement of Profit and Loss for the year ended March 31, 2021

| **Particulars** | **Note** | **For the year ended March 31, 2021 Rs./Lakh** | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 28 | **4,740.00** | 18,609.23 |
| Other income | 29 | **437.56** | 2,656.47 |
| **Total income** | | **5,177.56** | 21,265.70 |
| **Expenses** | | | |
| Cost of materials consumed | 30. | **(27.99)** | 4,044.72 |
| Cost of rights in flats | | **-** | 255.36 |
| Changes in inventories of finished goods and work in progress | 31. | **24.77** | 2,520.89 |
| Employee benefits expense | 32 | **3,470.83** | 6,677.44 |
| Finance costs | 33 | **872.78** | 1,099.38 |
| Depreciation and amortisation expense | 34 | **924.30** | 1,262.85 |
| Other expenses | 35 | **1,562.88** | 7,704.54 |
| **Total expenses** | | **6,827.57** | 23,565.18 |
| **Loss before tax and share of loss of equity accounted investee** | | **(1,650.01)** | (2,299.48) |
| **Share of loss of equity accounted investee** | 58 | **(90.87)** | (446.79) |
| **Loss before tax** | | **(1,740.88)** | (2,746.27) |
| **Tax expense** | | | |
| Current tax expense | 36 | **108.88** | 248.54 |
| Tax adjustment relating to prior years | 36 | **(13.07)** | (56.29) |
| Deferred tax charge/(benefit) | 36 | **(52.58)** | (7.03) |
| | | **43.23** | 185.22 |
| **Loss for the year** | | **(1,784.11)** | (2,931.49) |
| **Other comprehensive income/(expense)** | | | |
| ***Items that will not be reclassified to profit or loss*** | | | |
| Re-measurement gain/ (losses) of defined benefit obligations | | **75.36** | (41.78) |
| Income tax relating to remeasurement of defined benefit obligations | | **(2.86)** | 1.70 |
| ***Share in other comprehensive income/(expense) of joint venture (net of tax)*** | | **(0.08)** | (0.51) |
| | | **72.42** | (40.59) |
| ***Items that will be reclassified to profit or loss*** | | | |
| Exchange difference in translating financial statements of foreign operations | | **-** | 49.58 |
| Income tax relating to items that will be reclassified to profit or loss | | **-** | (8.47) |
| | | **-** | 41.11 |
| **Other comprehensive income for the year (net of tax)** | | **72.42** | 0.52 |
| **Total comprehensive income for the year** | | **(1,711.69)** | **(2,930.97)** |
| **Earnings per equity share of Rs. 10 each** | 38 | | |
| Basic and diluted | | **(9.55)** | (15.69) |
| The accompanying notes are an integral part of these consolidated financial statements | | | |

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Place :** New Delhi
**Date :** June 29, 2021

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

**Statement of Standalone changes in equity for the year ended March 31, 2021**

**A. Equity share capital** **(Rupees in lakh)**

| Particulars | Note | Amount |
|---|---|---|
| **Balance as at April 1, 2019** | 17 | 1,867.46 |
| Changes in equity share capital during the year ended March 31, 2020 | 17 | 0.31 |
| **Balance as at March 31, 2020** | | **1,867.77** |
| Changes in equity share capital during the year ended March 31, 2021 | 17 | - |
| **Balance as at March 31, 2021** | | **1,867.77** |

**B. Other equity** **(Rupees in lakh)**

| Particulars | Reserve and surplus | | | | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|---|
| | Securities premium account | Reserve Fund | Capital redemption reserve | Special reserve | Capital reserves | Surplus in Statement of Profit or loss | Exchange difference on translation of foreign operation | |
| **Balance as at April 1, 2019** | **7,367.00** | **0.27** | **130.10** | **29.96** | **265.28** | **7,984.35** | 19.91 | **15,796.87** |
| **Transferred to DCM Nouvelle Limited on demerger (refer note 40)** | **(6,305.81)** | **-** | **-** | **-** | **-** | **(8,617.54)** | - | **(14,923.35)** |
| Adjustment on cancellation of Investment in DCM Nouvelle Limited (refer note 40) and calls in arrears | | | | | - | (5.31) | - | **(5.31)** |
| Loss for the year | - | - | - | - | - | (2,931.49) | - | **(2,931.49)** |
| Other comprehensive income / (expense) for the year | - | - | - | - | - | (40.59) | 41.11 | **0.52** |
| **Total comprehensive income for the year** | - | - | - | - | - | (2,972.08) | 41.11 | **(2,930.97)** |
| **Balance as at March 31, 2020** | 1,061.19 | 0.27 | 130.10 | 29.96 | 265.28 | **(3,610.58)** | 61.02 | **(2,062.76)** |
| **Loss for the year** | - | - | - | - | - | **(1,784.11)** | - | **(1,784.11)** |
| Other comprehensive income / (expense) for the year | - | - | - | - | - | 72.42 | - | **72.42** |
| Total comprehensive expense for the year | - | - | - | - | - | (1,711.69) | - | **(1,711.69)** |
| **Balance as at March 31, 2021** | **1,061.19** | **0.27** | **130.10** | **29.96** | **265.28** | (5,322.27) | 61.02 | **(3,774.45)** |

Refer Note 18 for nature and purpose of reserves

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Place :** New Delhi
**Date :** June 29, 2021

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

## Consolidated Cash flow statement for the year ended March 31, 2021

| Particulars | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|
| **Cash flow from operating activities** | | |
| Loss before taxation | **(1,740.88)** | (2,746.27) |
| Adjustments for : | | |
| Depreciation and amortisation expense | 924.30 | 1,262.85 |
| (Profit) / Loss on assets sold or discarded (Net) | **(13.64)** | (2,431.81) |
| Liabilities no longer required written back | **(342.83)** | - |
| Interest income | **(66.58)** | (75.29) |
| Unrealised foreign exchange difference | - | 49.58 |
| Unwinding of discount on security deposits | **0.02** | 5.65 |
| Finance costs | **872.78** | 1,099.38 |
| Finance lease income | **(6.64)** | (11.67) |
| Allowance/ (reversal) of expected credit loss | **44.81** | (41.76) |
| Bad debts and irrecoverable balances written off | **16.51** | - |
| Remeasurement of revenue to finance income and lease receivable | **142.01** | 88.58 |
| Gain on extinguishment of rights to use assets | **(3.05)** | - |
| Share of loss in jointly controlled entity | **90.87** | 446.79 |
| **Operating cash flow before working capital changes** | **(82.32)** | **(2,353.97)** |
| **Changes in assets and liabilities** | | |
| (Increase)/decrease in inventories | **36.13** | 2,858.89 |
| (Increase)/decrease in trade receivables | **(61.92)** | 2,219.54 |
| (Increase)/decrease in loans and advances | **8.03** | 488.68 |
| (Increase)/ decrease in other financial assets | **(24.43)** | (33.58) |
| (Increase)/decrease in other assets | **11.16** | 341.21 |
| Increase/ (decrease) in trade payables | **75.95** | (1,265.09) |
| Increase/(decrease) in provisions | **(44.27)** | (393.19) |
| Increase/(decrease) in financial liabilities | **277.80** | 271.63 |
| Increase/(decrease) in other liabilities | **(33.29)** | (615.29) |
| Cash generated from operations | **162.84** | 1,518.83 |
| Income-taxes refund | **133.92** | (138.89) |
| ***Net cash generated from operating activities (A)*** | **296.76** | 1,379.94 |
| **Cash flow from investing activities** | | |
| Payments towards Property, plant and equipment (including Capital Advances) | **(10.56)** | (51.42) |
| Net proceeds from sale of rights in flats | - | 2,392.78 |
| Payment towards purchase of rights in flats | **(11.15)** | - |
| Payments towards Intangible assets | - | (13.19) |
| Proceeds from disposal of Property, plant and equipment (including advance received) | **52.69** | 1,792.71 |
| Proceeds from disposal of Asset held for sale | **25.97** | - |
| Proceeds from redemption of preference shares measured as FVTPL | **80.00** | 20.00 |
| Interest received on financial assets measured at amortised cost | **23.85** | 36.87 |
| Maturity of / (Investment in) bank deposits (net) not considered as cash and cash equivalents | **(413.62)** | 78.59 |
| ***Net cash (used) in / generated from investing activities (B)*** | **(252.82)** | 4,256.34 |
| **Cash flow from financing activities** | | |
| Repayment of borrowings | **(31.80)** | (3,142.65) |
| Changes in working capital borrowings | - | (1,321.08) |
| Payment towards lease liability | **(46.35)** | (88.29) |
| Interest paid | **(25.03)** | (1,020.75) |
| ***Net cash (used) in financing activities (C)*** | **(103.18)** | (5,572.77) |
| **Net cash flows [increase/(decrease)] during the year (A+B+C)** | **(59.24)** | 63.51 |
| Cash and cash equivalents at the beginning of the year | **486.02** | 1,438.33 |
| Cash and cash equivalents transferred on demerger (Refer note 40) | - | (1,015.82) |
| Cash and cash equivalents at the end of the year | **426.78** | 486.02 |
| **Components of cash and cash equivalents** | | |
| Cash on hand | **2.67** | 5.96 |
| Balances with scheduled banks: | | |
| - Current accounts | **304.11** | 325.07 |
| - Deposit accounts | **120.00** | 154.99 |
| **Cash and cash equivalents at the end of the year** | **426.78** | 486.02 |

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

ii) Refer note 19 and 22 for a reconciliation of changes in liabilities arising from financing activities.

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

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

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

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Place :** New Delhi
**Date :** June 29, 2021

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

**Notes to the consolidated financial statements for the year ended March 31, 2021**

**1. Corporate information and basis of preparation and presentation**

1.1. **Corporate information**

DCM Limited (the 'Holding Company') is a public limited company incorporated in India in the name and style of Delhi Cloth & General Mills Co. Limited with registered office at Unit Nos. 2050 to 2052, 2nd Floor,Plaza II,Central Square,20, Manohar Lal Khurana Marg,Bara Hindu Rao, Delhi - 110006, India (CIN number L74899DL1889PLC000004). The Holding Company is listed on two stock exchanges in India namely National Stock Exchange of India Ltd and BSE Ltd. These consolidated financial statements comprise the Holding Company and its subsidiaries and special purpose entity (referred to collectively as the 'Group') and the Group's interest in joint ventures. The Group is primarily engaged in the business of Textiles, Grey iron casting, IT Infrastructure Service and Real Estate.

**1.2. Basis of preparation and presentation**

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

The consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on June 26, 2020. Details of the Group's accounting policies are included in Note 2.

a. **Functional and presentation currency**

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

b. **Basis of measurement**

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

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

**Use of estimates and judgements**

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

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

**Judgements**

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

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

Note 2 (m) - lease classification

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

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

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

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

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

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

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

2. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**Changes in significant accounting policies**

The Group has initially applied Ind AS 116 from 1 April 2019.

Effective April 01, 2019, the Group has adopted IND AS 116 "Leases" using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on April 01, 2019. The adoption of the Standard did not have any material impact on the financial statements of the Group.

a. **Current and non-current classification**

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

**Assets**

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

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

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

**Liabilities**

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

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

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

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

**Operating cycle**

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

b. **Measurement of fair values**

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

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

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

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

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

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

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

c. **Basis of Consolidation**

*Subsidiaries*

The consolidated financial statements incorporate the financial statements of the Holding Company and entities (including structured entities) controlled by the Holding Company and its subsidiaries. Control is achieved when the Holding Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Holding Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Holding Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Holding Company considers all relevant facts and circumstances in assessing whether or not the Holding Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Holding Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Holding Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

*Equity Accounted investees*

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group;s share of the profit or loss and OCI of equity-accounted investees until the date on which joint control ceases.

*Transactions eliminated on consolidation*

Intragroup balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The details of the companies included in the consolidation and the Parent Company's holding therein is as under:

| S. No. | Name of the subsidiary company | Nature of relation | Ownership in % either directly or through subsidiary* | | Country of incorporation |
|---|---|---|---|---|---|
| | | | **2020-21** | 2019-20 | |
| 1. | DCM Finance & Leasing Limited | Subsidiary | **100%** | 100% | India |
| 2. | DCM Textiles Limited | Subsidiary | **100%** | 100% | India |
| 3. | DCM Realty and Infrastructure Limited | Subsidiary | **100%** | 100% | India |
| 4. | DCM Engineering Limited (Formerly DCM Tools & Dies Limited) | Subsidiary | **100%** | 100% | India |
| 5. | DCM Infotech Limited (Formerly DCM Realty Investment & Consulting Limited ) | Subsidiary | **100%** | 100% | India |
| 6. | DCM Data Systems Limited | Subsidiary | **100%** | 100% | India |
| 7. | DCM Engineering Products Educational Society | Society | **100%** | 100% | India |
| 8. | Purearth Infrastructure Limited | Joint venture | **16.56%** | 16.56% | India |

* Includes shares held by nominee shareholders

d. **Property, Plant and equipment**

*Recognition and measurement*

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

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

(i) The Group follows straight-line method of depreciation in respect of buildings, plant and machinery, all assets of IT Division, all assets of Engineering Division and written down value method in respect of other assets.

(ii) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.

(iii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.

(iv) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.

(v) Leasehold improvements are amortised over the balance of the primary lease period or the useful lives of assets, whichever is shorter.

(vi) Freehold land is not depreciated

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

e. **Intangible assets**

*Recognition and measurement*

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

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

*Amortisation*

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

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

f. **Inventories**

(i) Stores, spares and components are valued at cost or under.

(ii) Raw materials, process stocks, finished goods and stock in trade are valued at lower of cost and net realisable value.

(iii) Land (for development) on conversion into inventory from fixed assets is valued at the lower of its historical cost and net realisable value, and includes appropriate share of land development expenses and finance cost of borrowed funds relatable thereto.

Cost of inventories, other than land (for development), is ascertained on the weighted average basis in textiles division and moving weighted average basis in engineering division. Further, in respect of the manufactured inventories, i.e., process stocks and finished goods, appropriate share of manufacturing expenses are included on absorption costing basis. Work in process relating to software contracts includes salary and other directly identifiable expenses incurred on fixed price contracts, till the completion of specified deliverables, and are valued at cost or net realisable value, whichever is lower.

g. **Financial instruments**

*Recognition and initial measurement*

**(i) Financial assets**

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the **Group** becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

**Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). The election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Impairment**

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

**(ii) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**(iv) Investment in Subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

*Derecognition*

**(i) Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**(ii) Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

h. **Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

i. **Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the financial statement.

j. **Dis-continued operations**

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations; is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to sell.

Discontinued operations are carried at the lower of carrying amount or fair value less cost of disposal. Any gain or loss from disposal, together with the results of these operations until the date of disposal, is reported separately as discontinued operations. The financial information of discontinued operations is excluded from the respective captions in the financial statements and related notes for all periods presented.

Adjustments in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period are classified separately in Discontinued operations.

k. Employee **benefits**

***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit liabilities such as salaries, wages, casual leave allowance and bonus, etc. that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

***Defined contribution plans***

Provident Fund: A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

The Group makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme and overseas social security contribution.

The Group makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group has following defined benefit plans:

Gratuity: The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized in OCI.

***Other long-term employee benefits***

Benefits under the Group's compensated absences are other long term employee benefits. The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

l. **<u>Provisions and contingent liabilities</u>**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

m. **<u>Revenue Recognition</u>**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

i. **Sale of goods**

The Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

ii. **Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Use of significant judgements in revenue recognition:

**a)** The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

**b)** Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

**c)** The Group uses judgment to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

**d)** The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

iii. **Other income**

**a.** Dividend income is recognised in statement of profit or loss on the date on which the Group`s right to receive payment is established.

**b.** Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

n. **Leases**

**Policy applicable before April 1, 2019**

i. ***Determining whether an arrangement contains a lease***

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. ***Assets held under leases***

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

iii. ***Lease payments***

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

iv. ***Assets given on lease***

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

**Policy applicable after April 1, 2019**

The Group has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. The Group's leases mainly comprise land and buildings.

i. ***Determining whether an arrangement contains a lease***

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the assets.

ii. ***Assets held under leases***

As a lessee, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The **right-of-use asset** is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

iii. ***Lease liabilities***

The **lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments; The lease liability is measured at amortised cost using the effective interest method.

iv. ***Short term leases and low value leases***

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

v. ***Assets given on lease***

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

o. **Income tax**

Income tax comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

i. ***Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. ***Deferred tax***

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Holding Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement is presented as part of deferred tax in the balance sheet.

p. **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Holding Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

In addition to the significant accounting policies applicable to the segments as set out in note 2 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

i) **Segment assets and liabilities**

All segment assets and liabilities have been allocated to the various segments on the basis of specific identification. Segment assets consist principally of fixed assets, capital work in progress, inventories, trade receivables, other financial and non-financials assets and loans. Segment assets do not include unallocated corporate assets, investments, advance tax and other assets not specifically identifiable with any segment.

Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment liabilities do not include borrowings and those related to income taxes.

ii) **Segment revenue and expenses**

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. Segment revenue does not include interest income and other income in respect of non-segmental activities. Segment expenses do not include depreciation on unallocated corporate fixed assets, interest expense, tax expense and other expenses in respect of non-segmental activities.

iii) **Inter segment sales**

Inter-segment sales are accounted for at cost and are eliminated in consolidation.

q. **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

r. **Earnings per share**

Basic earnings per equity share is computed by dividing:

- the net profit attributable to equity shareholders of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during

the year and excluding treasury shares.

- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s. **Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

t. **Finance expense**

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

u. **Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

v. **Research and development expenses**

Expenditure on research is expensed off under the respective heads of account in the period in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and right to use the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit or loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Property, plant and equipment used for research and development are depreciated in accordance with the Group's policy as stated above.

Materials identified for use in research and development process are carried as inventories and charged to the statement of profit or loss on consumption of such materials for research and development activities.

w. **Foreign currency transactions and translation**

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

x. **Foreign operations**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 1, 2016, in respect of all foreign operations to be nil at the date of transition. From April 1, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

**3. Property, plant and equipment and capital work-in-progress:** **(Rupees in lakh)**

| Particulars | Freehold land | Buildings | Lease improvements | Plant and equipment | Furniture and fittings | Office equipment | Vehicles | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | |
| **Balance as at April 01, 2019** | **1,917.98** | **4,558.18** | **18.45** | **20,589.98** | **61.92** | **133.04** | **470.09** | **27,749.64** | **86.34** |
| Add: Additions made during the year | - | 281.16 | - | 62.95 | 13.55 | 20.77 | 9.22 | 387.65 | 8.65 |
| Less: Assets transferred under demerger | 687.10 | 3,107.56 | - | 10,903.91 | 19.86 | 24.84 | 141.29 | 14,884.56 | 20.05 |
| Less: Disposals / adjustments during the year | 724.73 | 318.70 | - | 0.31 | 12.13 | 0.10 | 10.07 | 1,066.04 | 67.69 |
| **Balance as at March 31, 2020** | **506.15** | **1,413.08** | **18.45** | **9,748.71** | **43.48** | **128.87** | **327.95** | **12,186.69** | **7.25** |
| Add: Additions made during the year | - | - | - | 6.28 | 2.71 | - | - | 8.99 | - |
| Less: Disposals / adjustments during the year | - | 21.43 | - | 5.35 | 0.34 | 2.91 | 56.58 | 86.62 | - |
| **Balance as at March 31, 2021** | **506.15** | **1,391.65** | **18.45** | **9,749.64** | **45.85** | **125.96** | **271.37** | **12,109.06** | **7.25** |
| **Accumulated depreciation/amortisation** | | | | | | | | | |
| **Balance as at April 01, 2019** | **-** | **483.14** | **12.36** | **9,737.74** | **28.48** | **69.46** | **197.09** | **10,528.27** | **-** |
| Add: Depreciation expense for the year | - | 49.31 | 2.12 | 1,052.53 | 5.77 | 16.45 | 43.07 | 1,169.25 | - |
| Less: Accumulted depreciation on assets transferred in demerger (refer foot note iii) | - | 336.90 | - | 5,017.10 | 10.40 | 12.80 | 65.67 | 5,442.87 | |
| Less: On disposals / adjustments during the year | - | 20.55 | - | 0.17 | 7.11 | 0.03 | 2.50 | 30.36 | - |
| Balance as at March 31, 2020 | - | 175.00 | 14.48 | 5,773.00 | 16.74 | 73.08 | 171.99 | 6,224.29 | - |
| **Add: Depreciation expense for the year** | **-** | **48.46** | **2.12** | **742.69** | **4.95** | **14.63** | **43.29** | **856.14** | **-** |
| Less: On disposals / adjustments during the year | - | 2.11 | - | 4.50 | - | 1.53 | 40.31 | 48.46 | - |
| **Balance as at March 31, 2021** | **-** | **221.35** | **16.60** | **6,511.19** | **21.69** | **86.17** | **174.97** | **7,031.96** | **-** |
| **Net carrying value** | | | | | | | | | |
| **As at March 31, 2021** | **506.15** | **1,170.30** | **1.85** | **3,238.45** | **24.16** | **39.79** | **96.40** | **5,077.10** | **7.25** |
| **As at March 31, 2020** | 506.15 | 1,238.08 | 3.97 | 3,975.71 | 26.74 | 55.79 | 155.96 | 5,962.40 | 7.25 |

(i) For details of assets pledged/ hypothecated as securities, refer note 19 and 22.

(ii) Registration of Building (Gross Block) amounting to Rs.345.83 lakh is pending in the name of the Holding Company.

(iii) Refer note 47 (a) for disclosure of capital commitments for the acquisition of property, plant and equipment.

(iv) Refer note 40 for assets transferred under Scheme of Arrangement.

**4. Intangible assets and Right to use assets** **(Rupees in lakh)**

| Particulars | Software | Right of use assets | Total |
|---|---|---|---|
| **Gross carrying value** | | | |
| **Balance as at March 31, 2019** | 123.06 | - | 123.06 |
| Add: Additions during the year | 13.19 | 326.67 | 339.86 |
| **Less: Disposals / adjustments during the year** | - | 90.30 | 90.30 |
| **Balance as at March 31, 2020** | **136.25** | **236.37** | **372.62** |
| Add: Reclassified on account of adoption of Ind AS 116 * | - | - | - |
| **Less: Assets transferred in demerger** | - | - | - |
| **Less: Disposals / adjustments during the year** | 1.20 | 29.98 | 31.18 |
| **Balance as at March 31, 2021** | 135.05 | 206.39 | 341.44 |
| **Accumulated amortisation** | | | |
| **Balance as at March 31, 2019** | **83.67** | **-** | **83.67** |
| Add: Amortisation expense for the year | 18.90 | 74.70 | 93.60 |
| Less: Accumulated depreciation transferred in demerger | - | - | - |
| Less: On disposals/adjustments during the year | - | | - |
| **Balance as at March 31, 2020** | 102.57 | 74.70 | 177.27 |
| Add: Amortisation expense for the year | 16.06 | 52.11 | 68.17 |
| Less: On disposals/adjustments during the year | 1.20 | 11.97 | 13.17 |
| **Balance as at March 31, 2021** | 117.43 | 114.84 | 95.93 |
| **Net book value** | | | |
| **As at March 31, 2021** | **17.62** | **91.55** | **245.51** |
| As at March 31, 2020 | 33.68 | 161.67 | 195.35 |

(i) Refer note 41 for assets transferred under Scheme of Arrangement.

* Ind AS 116 Disclosure

Effective April 01, 2019, the Company has adopted IND AS 116 "Leases" using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on April 01, 2019. The adoption of the Standard did not have any material impact on the financial results of the Company.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| **Opening balance** | **173.03** | - |
| Addition due to reclassification on account of adoption of Ind AS 116 | **-** | 326.66 |
| Acquisition | **-** | - |
| Accretion of interest | **15.97** | 24.96 |
| Deletions | **(21.06)** | (90.30) |
| Payments | **(62.38)** | (88.29) |
| **Closing Balance** | **105.56** | 173.03 |
| **Current** | **33.70** | 45.76 |
| **Non-current** | **71.87** | 127.28 |

The effective interest rate for lease liabilities is 12.00%, with maturity between 2020-2022

The following are the amounts recognised in profit or loss:

| **Leases under Ind AS 116** | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| Depreciation expense of right of use assets | **52.11** | 74.70 |
| Interest expense on lease liabilities | **15.97** | 24.96 |
| Expense relating to leases of short-term / low value assets (included in other expenses) | **22.82** | 21.75 |
| **Total amount recognised in profit or loss** | **90.90** | 121.41 |

**Amounts recognised in statement of cash flows:**

| **Right to use assets separate disclosure** | | |
|---|---|---|
| | **As at March 31, 2021 Rs./Lakh** | As at March 31, 2020 Rs./Lakh |
| **Financing activities** | | |
| Repayment of principal | **67.48** | 63.33 |
| Repayment of interest | **15.97** | 24.96 |
| **Operating activities** | | |
| Short term / low value assets lease payment | **-** | 21.75 |
| Total cash outflow for leases | **83.44** | **110.04** |

| 5. | Investments - Non Current | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| (a) | **Investments in equity shares of Joint venture at cost (unquoted)** | | |
| | **Equity accounted investee** | | |
| | Purearth Infrastructure Limited #$ | **581.73** | 672.68 |
| | 17,853,605 (March 31, 2020: 17,853,605) equity shares of face value of Rs. 10 each, fully paid up | | |
| | **Sub total** | **581.73** | 672.68 |
| (b) | **In preference shares (unquoted)** | | |
| | **Preference shares at FVTPL** | | |
| | Combine Overseas Limited | **-** | 74.82 |
| | NIL (March 31, 2020: 80,000) 0% Non cumulative redeemable preference shares of Rs. 100 each fully paid up | | |
| | **Sub total** | **-** | 74.82 |
| | **Total non - current investment** | **581.73** | 747.50 |
| | **Aggregate amount of unquoted investments in equity shares** | **581.73** | 672.68 |
| | **Aggregate amount of unquoted investments in preference shares at FVTPL** | **-** | 74.82 |

# In terms of SORA (refer note 39(a)), the Holding Company will not dispose off its shareholding in Purearth Infrastructure Limited until the completion of the land development project at Bara Hindu Rao/ Kishan Ganj, Delhi.

#$ Net of profit accounted as per equity method.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 6. | **Loans - Non - current**<br>*Unsecured considered good* | | |
| | Security deposits | **195.94** | 199.56 |
| | **Total** | **195.94** | 199.56 |

The Group's exposure to credit and currency risks, and loss allowance related to non-current financial assets are disclosed in note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 7. | **Other financial asset - Non - current** | | |
| | *(Unsecured, considered good)* | | |
| | Deposits with maturity for more than twelve months including interest (Refer note below) | **3.62** | 8.86 |
| | Finance lease receivable (Refer note 38) | **-** | 58.66 |
| | **Total** | **3.62** | 67.52 |

Note :

(i) Bank deposits include Rs. 3.62 lakh (March 31, 2020: Rs. 8.86 Lakh) held as margin money

The Group's exposure to credit and currency risks, and loss allowance related to non-current financial assets are disclosed in note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 8. | **Non-current tax assets (net)** | | |
| | Advance income tax (net of provision) | **364.71** | 583.73 |
| | **Total** | **364.71** | 583.73 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 9. | **Other non-current assets** | | |
| | *(Unsecured, considered good)* | | |
| | Capital advances | | |
| | To related party (Refer note 44) | **47.21** | 47.21 |
| | Others (Refer note 41) | **424.63** | 424.63 |
| | Deferred rent | **1.75** | 2.74 |
| | Balances with government authorities | **122.77** | 122.77 |
| | Other advances | **184.07** | 184.08 |
| | *Unsecured, Considered doubtful* | | |
| | Other advances | **502.18** | 502.18 |
| | | **1,282.61** | 1,283.61 |
| | Less: Loss allowance for doubtful advances | **502.18** | 502.18 |
| | **Total** | **780.43** | 781.43 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 10. | **Inventories** | | |
| | *(Valued at lower of cost and net realisable value)* | | |
| | Raw materials | **153.95** | 154.82 |
| | Work-in-progress | **67.13** | 91.90 |
| | Stores and spares | **1,093.38** | 1,103.87 |
| | **Total** | **1,314.46** | 1,350.59 |

(i) For details of inventory pledged/ hypothecated as securities, (**refer note 19 and 22)**

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **11.** | **Trade receivables** | | |
| | *(Unsecured)* | | |
| | Considered good | **1,031.67** | 1,015.04 |
| | Considered doubtful | **71.38** | 26.74 |
| | | **1,103.05** | 1,041.78 |
| | Less : Allowance for doubtful receivables | **71.38** | 26.74 |
| | **Total** | **1,031.67** | 1,015.04 |

The Group's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **12.** | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - In current accounts | **304.11** | 325.07 |
| | Deposits with original maturity of three months or less | **120.00** | 154.99 |
| | Cash on hand | **2.67** | 5.96 |
| | **Total** | **426.78** | 486.02 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **13.** | **Bank balances other than cash and cash equivalents above** | | |
| | Earmarked balances with bank - unclaimed dividend | **37.58** | 56.17 |
| | Deposits with maturity of more than three months but upto twelve months | | |
| | **- Margin money deposits with bank** | **11.47** | 5.52 |
| | - Earmarked deposits for specific use | **17.29** | 17.29 |
| | - In deposit accounts | **465.10** | 57.45 |
| | Total | **531.44** | 136.43 |

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets ( for note 12 and 13 ) are disclosed in Note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **14.** | **Loans-Current** | | |
| | *(Unsecured, considered good)* | | |
| | Loans to employees | **24.29** | 27.28 |
| | **Total** | **24.29** | 27.28 |

No loans are due by directors or other officers of the group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or director or a member.

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 49

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **15.** | **Other financial assets - Current** | | |
| | *(Unsecured, considered good)* | | |
| | Interest accrued on fixed deposits | **5.46** | 4.13 |
| | Interest accrued on security deposits | **28.68** | 28.62 |
| | Unbilled revenue | **116.31** | 86.64 |
| | Finance lease receivable **(refer note 37)** | **5.23** | 81.93 |
| | Other receivable from related party **(refer note 44)** | **7.75** | 7.75 |
| | **Total** | **163.43** | 209.07 |

The Group's exposure to credit and currency risks, and loss allowance related to current financial assets are disclosed in Note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **16.** | **Other current assets** | | |
| | *(Unsecured, considered good)* | | |
| | Advance to related party **(Refer note 49)** | **1,487.74** | - |
| | Advances to suppliers | **21.54** | 39.32 |
| | Prepaid expenses | **48.92** | 63.62 |
| | Balance with statutory/government authorities | **116.80** | 111.58 |
| | Deferred rent | **0.99** | 1.29 |
| | Others receivables * | **19.19** | 19.19 |
| | **Total** | **1,695.18** | 235.00 |

* include amount pertaining to railway dispute against High court order of Rs 18.57 lakh (March 31, 2020 Rs 18.57 lakh) (Refer note 42(b)

| | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| **17. Equity share capital** | | |
| **a) Authorised** | | |
| 6,39,99,000 (March 31, 2020: 6,39,99,000) equity shares of Rs. 10 each# | **6,399.90** | 6,399.90 |
| 100 (March 31, 2020: 100) 13.5% redeemable cumulative preference shares of Rs. 100 each | **0.10** | 0.10 |
| 3,20,000 (March 31, 2020: 3,20,000) 6th cumulative redeemable cumulative preference shares of Rs. 25 each | **80.00** | 80.00 |
| 36,80,000 (March 31, 2020: 36,80,000) preference shares of Rs. 25 each | **920.00** | 920.00 |
| 10,00,000 (March 31, 2020: 10,00,000) cumulative preference shares of Rs. 100 each | **1,000.00** | 1,000.00 |
| | **8,400.00** | 8,400.00 |
| **b) Issued, subscribed and fully paid-up** | | |
| 1,86,77,749 (March 31, 2020: 1,86,77,749) equity shares of Rs. 10 each fully paid-up | **1,867.77** | 1,867.46 |
| Less: Calls in arrears by others * | **-** | (0.31) |
| **Total issued, subscribed and fully paid-up share capital** | **1,867.77** | 1,867.77 |

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

| | **As at March 31, 2021** | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount Rs./Lakh** | Number of shares | Amount Rs./Lakh |
| **Equity shares** | | | | |
| At the commencement of the year | **18,677,749** | **1,867.77** | 18,677,749.00 | 1,867.77 |
| Add: Shares allotted during the year | - | - | - | - |
| Less: Shares cancelled during the year | - | - | - | - |
| **At the end of the year** | **18,677,749** | **1,867.77** | 18,677,749.00 | 1,867.77 |

**d) Terms, rights, preferences and restrictions attached to equity shares:**

The Holding Company has issued one class of equity shares having at par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Holding Company. In the event of liquidation of the Holding Company, holder of equity shares will be entitle to receive remaining assets of the Holding Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

| | **As at March 31, 2021** | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Number of shares** | **% of holding** | Number of shares | % of holding |
| Sumant Bharat Ram | **9,056,932** | **48.49%** | 9,056,932 | 48.49% |
| Life Insurance Corporation of India | **1,132,850** | **6.07%** | 1,132,850 | 6.07% |

**(f) Details of shares issued for consideration other than cash :**

Issued, subscribed and fully paid up shares includes 1,298,712 equity shares issued during the financial year ended 2016-17 pursuant to the scheme of amalgamation of DCM Engineering Limited with the Company to the shareholders of DCM Engineering Limited without any consideration being received in cash.

* Calls in arrears of Rs. 0.31 lakh written off during the year 2019-20 implementation of Scheme of Arrangement of demerger of DCM Nouvelle Limited as part of Scheme.

# After considering the transfer of authorised capital of Rs.2000 Lakh to DCM Nouvelle Limited as per the scheme of arrangement of demerger of textile business approved by National Company law tribunal vide order dated May 01, 2019. However the effect of the above transfer remains pending in the records of the Registrar of Companies.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **18.** | **Other equity** | | |
| | **Securities premium** | | |
| | Balance as at the beginning of the year | **1,061.19** | 7,367.00 |
| | **Less: Adjustment on Demerger** | **-** | 6,305.81 |
| | Balance as at the end of the year | **1,061.19** | 1,061.19 |
| | **Reserve fund** | | |
| | Balance as at the beginning and end of the year | 0.27 | 0.27 |
| | **Capital reserve** | | |
| | Balance as at the beginning and end of the year | **265.28** | 265.28 |
| | **Special reserve** | | |
| | Balance as at the beginning and end of the year | 29.96 | 29.96 |
| | **Capital redemption reserve** | | |
| | Balance as at the beginning and end of the year | **130.10** | 130.10 |
| | **Surplus in Statement of Profit and Loss** | | |
| | Balance as at the beginning of the year | **(3,549.56)** | 8,004.26 |
| | **Add/ less : Adjustments on Amalgamation/ Demerger (refer note 40)** | **-** | (8,622.85) |
| | Add: Profit/(Loss) for the year | **(1,784.11)** | (2,931.49) |
| | Items of other comprehensive income/ (expense) recognised directly in retained earnings | | |
| | Remeasurement of post employment benefit obligation, net of tax | **72.42** | (40.59) |
| | Exchange difference in translating financial statements of foreign operations, net of tax | **-** | 41.11 |
| | **Balance as at the end of the year** | **(5,261.26)** | (3,549.56) |
| | **Total** | **(3,774.46)** | (2,062.76) |

**Nature and purpose of reserve:**

**a) Capital redemption reserve**

Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 1956.

**b) Securities Premium**

Securities premium account is used to record the premium on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.

**c) Capital reserve**

Capital reserve pertains to government grants received in earlier years for Plant and equipment for the Textile Division of the Group. The assets against the said grant have been fully depreciated.

**d) Reserve Fund**

Created as per requirements of Income Tax Act, 1961

**e) Special reserve**

Created as per requirements of Reserve Bank of India Act, 1934

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **19.** | **Borrowings - Non Current** | | |
| | **Secured** | | |
| | **Term loans** | | |
| | From banks | **601.06** | 632.85 |
| | **Total non-current borrowings** | **601.06** | 632.85 |
| | Less: Current maturities on non-current borrowings | **591.17** | 538.55 |
| | **Total non-current borrowings** | **9.89** | 94.30 |

Change in liability arising from financing activities **(Rupees in lakh)**

| Particulars | Opening | Cash flows during the year | Non-cash changes due to | | | Closing |
|---|---|---|---|---|---|---|
| | | | Acquisition | Foreign exchange movement | Fair value changes | |
| Non-current borrowing | | | | | | |
| **2020-21** | **632.85** | **(31.79)** | **-** | **-** | **-** | **601.06** |
| 2019-20 | 9,703.14 | (3,142.65) | (5,938.59) | - | 10.95 | 632.85 |

**Repayment terms and security disclosure along with default for the outstanding borrowings (refere not 40):**

**Secured :-**

**From banks:**

(a) Rs. 184.28 lakh (March 31, 2020: Rs. 184.28 lakh) secured by way of first pari passu charge on the fixed assets of the Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the division, both present and future. The said term loan is availed from State bank of India and carries a floating interest rate ranging between 11.75%- 13.00% per annum. The repayment of instalment aggregating to Rs. 184.28 lakh (March 31, 2020: Rs. 184.28 lakh) and interest of Rs 31.52 lakh (March 31, 2020: Rs. 9.17 lakh) remained in default as on 31.3.2021 pertaining to the period from October 1, 2019 to March 31, 2021.

(b) Rs. 200.00 lakh (March 31, 2020: Rs. 200.00 lakh) secured by way of first pari passu charge on the fixed assets of the Company's Engineering division, both present and future, including equitable mortgage of Engineering division's factory land and building measuring 71 Acre- 07K-18M and second pari passu charge on the entire current assets of the Company, both present and future. The said term loan is availed from ICICI bank and carries a floating interest rate 11.75% -12.35% per annum. The repayment of instalment aggregating to Rs. 200.00 lakh (March 31, 2020: Rs. 200.00 lakh) and interest of Rs 46.27 lakh (March 31, 2020: Rs. 6.84 lakh) remained in default as on 31.3.2021 pertaining to the period from January 19, 2020 to March 31, 2021.

(c) Rs. 177.43 lakh (March 31, 2020: Rs. 177.43 lakh) secured by way of first pari passu charge on the fixed assets (including immovable assets) of the Engineering Division and second pari passu charge on the entire stock of raw material, work-in-progress, semi-finished and finished goods, consumable stores & spares and such other movables including book debts, bills, whether documentary or clean, both present & future. The term loan is availed from HDFC bank and carries a floating interest rate @ 11.80% per annum and is repayable in 33 monthly instalments. The repayment of instalment aggregating to Rs. 20.00 lakh (March 31, 2020: Nil) and interest of Rs 6.20 lakh (March 31, 2020: Nil) remained in default as on 31.3.2021 pertaining to the period from February 01, 2021 to March 31, 2021.

(d) Rs. 39.35 lakh (March 31, 2020: Rs. 56.76 lakh) relate to assets purchased under hire purchase/financing arrangements with banks and are secured by way of hypothecation of the specified assets. Repayable in equal monthly instalments. The loans are availed from banking and financial institutions and carry an interest rate ranging between 8.50%-10.50% per annum. There is no continuing default as on the balance sheet date in repayment of loans and interest thereon in respect of these loans.

(e) NIL (March 31, 2020: Rs 9.56 lakh) outstanding against Vehicle purchased under hire purchase/financing arrangements by DCM Infotech Limited (erstwhile DCM Data Systems -IT Division of DCM Limited) and are secured by way of hypothecation of the specified vehicle. Loan is Repayable in equal monthly instalments. The loans carry an interest rate of 8.9% per Annum.

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **20.** | **Other non-current financial liabilities** | | |
| | Other deposits | **0.73** | 0.73 |
| | Lease liability | **71.87** | 127.28 |
| | Other Liabilities | | |
| | - Payable to Related Party (Refer note 44) * | **1,477.36** | - |
| | - Payable to others | **527.44** | 527.44 |
| | **Total** | **2,077.40** | 655.45 |

* During the year ended 31st March, 2021 the Holding Company has entered into an agreement for allotment of residential units/additional area in the project "Amaryllis" to be developed by Purearth Infrastructure Limited (Joint Controlled Entity). Payment for the purchase of rights in residential units is to be made on deferred basis within the period of three years from the date of the allotment of these residential units. The arrangement carries interest ranging between 9.50% - 10.50% per annum and is to be secured by creating charge/lien in part or full over its 112 acres industrial land situated at near Mela Ground, Hissar - 125001, Haryana.

The Group's exposure to interest, currency and liquidity risks related to non-current financial liabilities is disclosed in Note 49

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **21.** | **Provisions - Non-current** | | |
| | **Provision for employee benefits** | | |
| | - Gratuity **(Refer note 43)** | **805.89** | 896.48 |
| | - Compensated absences | **141.64** | 108.37 |
| | **Total** | **947.53** | 1,004.85 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **22.** | **Borrowings - Current** | | |
| | Secured | | |
| | Loans repayable on demand from banks | **2,516.27** | 2,239.00 |
| | **Total** | **2,516.27** | 2,239.00 |

Change in liability arising from financing activities **(Rupees in lakh)**

| **Particulars** | **Opening** | **Cash flows during the year** | **Non-cash changes** | | | **Closing** |
|---|---|---|---|---|---|---|
| | | | **Acquisition/ (transfer)** | **Interest expense** | **Fair value changes** | |
| Non-current borrowing | | | | | | |
| **2020-21** | **2,239.00** | **-** | **-** | **277.27** | **-** | **2,516.27** |
| 2019-20 | 15,236.95 | (1,321.08) | (11,676.87) | - | - | 2,239.00 |

**Security against loans repayable on demand**

i) Cash credit and working capital demand loans facilities aggregating to Rs. 1457.67 lakh (March 31, 2020: Rs. 1348.20 lakh) relating to the Company's Engineering division from banks are secured by way of:

  a) hypothecation of entire stocks of raw material, work in process, semi-finished goods and finished goods, consumable stores and spares and such other movables including book debts, bills, whether documentary or clean, both present and future

  b) charge on all fixed assets, both present and future, including mortgage of factory's land and building located at village Asron, Hadbast No. 418, Tehsil Balachaur District Hoshiarpur, Punjab, measuring 71 Acre- 07K-18M together with all buildings, plant and machinery, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected or attached and standing or attached thereto.

  c) The above cash credit facilities, availed from State bank of India and ICICI bank were overdrawn by Rs. 713.79 lakh (March 31, 2020 : Rs. 537.88 lakh) (including interest) as on balance sheet date. The above accounts are overdrawn since September 2019.

ii) Overdraft facility of Rs. 1058.60 lakh (March 31, 2020: Rs. 890.80 lakh), availed from HDFC bank, relating to the Company's Engineering division from a bank are secured by way of:

  a) land and building located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acres (March 31 2020: 39.02 acre) and land and building located in Rail Mazra Village, Tehsil Balachaur, District Shaheed Bhagat Singh Nagar, Punjab measuring 3.67 acres. (March 31 2020: 3.79 acre) (refer note 47)

  b) The above overdraft facility was overdrawn by Rs.58.60 Lakh (March 31, 2020 : NIL) (including interest) as on balance sheet date. The above accounts are overdrawn since December 2020.

iii) The above facilities carries interest rate ranging between 11.75% - 12.20%

The Company's exposure to interest, currency and liquidity risks related to financial liabilities is disclosed in Note 49.

| | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|
| **23. Trade payables** | | |
| Dues to micro and small enterprises ** | **2,426.74** | 2,045.93 |
| Dues to others* | **3,702.97** | 3,627.13 |
| **Total** | **6,129.71** | 5,673.06 |

The Group's exposure to currency and liquidity risks related to financial liabilities is disclosed in note 49.

** The following details relating to Micro, Small and Medium Enterprises shall be disclosed:

* Include balance due to related party Rs Nil (March 31, 2020 Rs 0.11 lakh) (refer note 44)

| **Particulars** | | |
|---|---|---|
| (a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Principal includes Rs. 2.94 lakh ( March 31 2020 Rs 4.51 lakh) payable to creditor of capital goods - refer note 24) | **1,763.29** | 1,764.36 |
| (b) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year- Interest | **666.39** | 286.08 |
| (c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, during each accounting year | **-** | - |
| (d) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year. | **-** | - |
| (e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006. | **666.39** | 286.08 |
| (f) The amount of interest accrued and remaining unpaid at the end of each accounting year. | **666.39** | 286.08 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **24.** | **Other financial liabilities - Current** | | |
| | Current maturities of non-current borrowings (refer note 19) | | |
| | Secured | | |
| | From banks | **591.17** | 538.55 |
| | Unclaimed dividends * | **37.58** | 56.17 |
| | Unclaimed matured deposits and interest accrued thereon * | **-** | 1.05 |
| | Unclaimed matured debentures and interest accrued thereon * | **2.65** | 5.52 |
| | Security deposits received | **-** | 8.16 |
| | Interest accrued and due on borrowings | **215.56** | 55.44 |
| | Interest accrued but not due on borrowings | **0.23** | - |
| | Employee related payable | **1,350.38** | 1,374.85 |
| | Lease liability | **33.70** | 45.76 |
| | Liability for capital goods | | |
| | Dues to micro and small enterprises ** | **2.94** | 4.51 |
| | **Total** | **2,234.21** | 2,090.01 |

* No amount is due for transfer under Investor Education and Protection Fund in view of SORA, pursuant to which certain past dues have been rescheduled for payment.

** Refer note 23

The Group's exposure to currency and liquidity risks related to financial liabilities is disclosed in Note 49.

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **25.** | **Other current liabilities** | | |
| | Advance from customers | **25.24** | 21.74 |
| | Statutory dues payables | **30.40** | 49.87 |
| | Other payables | **286.09** | 278.81 |
| | **Total** | **341.73** | 350.42 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **26.** | **Current provisions** | | |
| | **Provision for employee benefits** | | |
| | - Gratuity (Refer note 43) | **112.24** | 171.35 |
| | - Compensated absences | **10.06** | 13.26 |
| | **Total** | **122.30** | 184.61 |

| | | As at March 31, 2021 Rs./Lakh | As at March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **27.** | **Current tax liabilities (net)** | | |
| | Provision for income tax [net of advance tax] | **98.34** | 124.67 |
| | **Total** | **98.34** | 124.67 |

| 28. Revenue from operations | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|
| **Sale of products** | | |
| Manufactured goods | | |
| Iron castings | **(105.69)** | 12,643.70 |
| Patterns, jigs and fixtures | - | 72.27 |
| **Sale of rights** | - | 851.20 |
| **Sale of product license** | **109.97** | 85.43 |
| **Sale of services** | **4,579.55** | 4,782.59 |
| | **4,583.83** | 18,435.19 |
| **Other operating revenue** | | |
| Scrap sales | **156.17** | 174.04 |
| | **156.17** | 174.04 |
| **Total** | **4,740.00** | 18,609.23 |

| Contract Balances | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current Assets** | | |
| Trade receivable | **1,031.67** | 1,015.04 |
| Unbilled revenue | **116.31** | 86.64 |
| **Current liabilities** | | |
| Advace from customers | **25.24** | 21.74 |

**Reconciliation of revenue recognised with the contracted price is as follows:**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Contracted price | **4,740.00** | 18,660.52 |
| Reductions towards variable consideration components | - | (51.29) |
| Revenue recognised | **4,740.00** | 18,609.23 |

| | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|
| **29. Other income** | | |
| **Interest income on financial assets at amortised cost** | | |
| - Deposits with others | **1.26** | 2.30 |
| - Other interest income# | **66.59** | 75.29 |
| Net gain on foreign currency transactions | - | 30.18 |
| Profit on sale of property, plant and equipment (net) | **13.64** | 2,431.81 |
| Gain on extinguishment of rights to use asset | **3.05** | - |
| Liabilities/provisions no longer required written back | **342.83** | 19.73 |
| Provisions for doubt ful debt no longer required written back | - | 6.76 |
| Finance lease income | **6.64** | 11.67 |
| Miscellaneous income * | **3.55** | 78.73 |
| **Total** | **437.56** | 2,656.47 |

* include transactions with related party

\# includes interest received on income tax refund Rs.36.15 lakh (March 31, 2020 : 20.55 lakh)

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **30.** | **Cost of material consumed** | | |
| | Opening stock | **154.82** | 321.25 |
| | Add: Purchases | **-** | 3,878.29 |
| | Add: Other Adjustment | **(28.86)** | - |
| | | **125.96** | 4,199.54 |
| | Less: Closing stock | **153.95** | 154.82 |
| | | **(27.99)** | 4,044.72 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **31.** | **Changes in inventories of finished goods and work-in-progress** | | |
| | Inventories at the end of the year: | | |
| | Finished goods | **-** | - |
| | Work-in-progress | **67.13** | 91.90 |
| | **Total** | **67.13** | 91.90 |
| | Inventories at the beginning of the year: | | |
| | Finished goods | **-** | 905.39 |
| | Work-in-progress | **91.90** | 1,707.40 |
| | **Total** | **91.90** | 2,612.79 |
| | **Net (increase)/ decrease** | **24.77** | 2,520.89 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| **32.** | **Employee benefits expense** | | |
| | Salaries, bonus and other allowances | **3,133.50** | 6,016.97 |
| | Contribution to provident and other funds | **188.20** | 363.08 |
| | Gratuity expense (Refer note 43 ) | **135.82** | 169.85 |
| | Staff welfare expenses | **13.31** | 127.54 |
| | **Total** | **3,470.83** | 6,677.44 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 33. | **Finance costs** | | |
| | Interest expense on : | | |
| | Borrowings | **856.74** | 1,009.75 |
| | Lease Liabilities (refer note 4) | **15.97** | 24.96 |
| | Others | **-** | 3.40 |
| | Other borrowing costs | **0.07** | 61.27 |
| | **Total** | **872.78** | 1,099.38 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 34. | **Depreciation and amortisation expense** | | |
| | Depreciation on property, plant and equipment | **856.13** | 1,169.25 |
| | Amortisation of intangible assets | **16.06** | 18.90 |
| | Amortisation of right to use asset (refer note 4) | **52.11** | 74.70 |
| | **Total** | **924.30** | 1,262.85 |

| | | For the year ended March 31, 2021 Rs./Lakh | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|---|
| 35. | **Other expenses** | | |
| | Consumption of stores and spare parts | **104.12** | 2,329.48 |
| | Power, fuel, etc. | **43.24** | 2,346.81 |
| | Rent (refer note 38) | **22.82** | 21.75 |
| | Repair and maintenance | | |
| | - Buildings | **7.18** | 10.95 |
| | - Machinery | **9.80** | 325.59 |
| | - others | **77.91** | 110.34 |
| | Subcontracting charges ^ | **671.86** | 864.17 |
| | Freight and forwarding | **-** | 271.68 |
| | Insurance | **47.34** | 66.43 |
| | Security charges | **44.89** | 80.92 |
| | Rates and taxes | **8.61** | 410.19 |
| | Directors' fees | **2.20** | 92.21 |
| | Legal and professional fees (refer note (i) below) | **218.85** | 333.00 |
| | Travelling and conveyance | **22.97** | 175.00 |
| | Expenditure on corporate social responsibility (Refer note 48) | **6.60** | - |
| | Allowance for bad trade and other receivables, loans and advances | **16.51** | - |
| | Bad trade and other receivables, loans and advances written off | **45.57** | 34.52 |
| | Loss on finance lease written off | **53.43** | 5.75 |
| | Net loss on foreign exchange transactions | **3.20** | - |
| | Net Loss on translating financial statement of Foreign operations | **13.53** | - |
| | Miscellaneous expenses | **142.25** | 225.75 |
| | **Total** | **1,562.88** | 7,704.54 |

| | **For the year ended March 31, 2021 Rs./Lakh** | For the year ended March 31, 2020 Rs./Lakh |
|---|---|---|
| **(i) Includes auditors remuneration (excluding taxes) **** | | |
| For audit fee and limited review | **13.50** | 21.50 |
| For certification and other services | 1.50 | 1.50 |
| for reimbursement of expenses | - | 3.78 |
| **Total** | **15.00** | 26.78 |

^ Includes freight, transportation expense Rs NIL (March 31, 2020 Rs 63.23 lakh) incurred on materials sent to and received back from sub-contractors.

** Excluding remuneration of other auditors of subsidiaries Rs. 1.52 lakh (March 2020 : Rs. 1.37 lakh) and audit fee paid by jointly controlled entity (share of joint venture Rs. 3.98 lakh (March 2020 : Rs. 3.51 lakh)) accounted as per equity method

**36. Tax expense** **(Rupees in lakh)**

**(a) Amounts recognised in profit and loss**

| | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| **Current tax (a)** | | |
| Current tax for the year | **108.88** | 248.54 |
| Adjustment for current tax of prior years | **(13.07)** | (56.29) |
| | **95.81** | 192.25 |
| **Deferred tax expense/ (credit) (b)** | **(52.58)** | (7.03) |
| **Tax expense for the year** | **43.23** | 185.22 |

**(b) Amounts recognised in other comprehensive income/(expense)**

| | **For the year ended March 31, 2021** | | |
|---|---|---|---|
| | **Before tax** | **Tax (expense) benefit** | **Net of tax** |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of defined benefit obligations | **75.36** | **(2.86)** | **72.50** |
| **Exchange difference in translating financial statements of foreign operations** | **-** | **-** | **-** |
| | **75.36** | **(2.86)** | **72.50** |

| | For the year ended March 31, 2020 | | |
|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of defined benefit obligations | (41.78) | 1.70 | (40.08) |
| Exchange difference in translating financial statements of foreign operations | 49.58 | (8.47) | 41.11 |
| | 7.80 | (6.77) | 1.03 |

**(c)** As at March 31, 2021, the Holding Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have been recognised only to the extent of deferred tax liability. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

| | Deferred tax (assets) / liabilities | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Property, plant and equipment | **-** | 7.97 |
| Provision for gratuity and compensated absences | **366.07** | 299.20 |
| Unabsorbed depreciation | **1,084.52** | 2,860.81 |
| Business loss | **3,765.98** | 955.53 |
| Provision for trade receivables and other advances | **21.81** | 6.82 |
| Other items | **3.61** | 79.53 |
| **Net deferred tax (assets)** | **5,241.99** | 4,209.86 |

**(Rupees in lakh)**

| | Deferred tax liabilities | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Property, plant and equipment | **18.80** | - |
| **Net deferred tax liabilities** | **18.80** | - |
| Unrecognised tax asset (net) | **5,164.74** | 4,201.13 |
| **Net deferred tax asset (net) (refer below note d)** | **58.45** | 8.73 |

**(d)** Break up of recognied deferred tax assets

| | Recognised deferred tax asset/ (liabilities) | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Property, plant and equipment | (1.81) | (2.48) |
| Provision for gratuity and compensated absences | 50.67 | 5.07 |
| Unabsorbed depreciation | - | - |
| Business loss | - | - |
| Provision for trade receivables and other advances | 5.98 | 6.14 |
| Other items | 3.61 | - |
| **Net deferred tax (assets) liabilities** | 58.45 | 8.73 |

MAT credit for which no MAT credit entitlement recognised expire as follows: **(Rupees in lakh)**

**MAT**

| As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|
| **Amount** | **Expiry year** | Amount | Expiry year |
| **120.79** | **2025-26** | 120.79 | 2025-26 |
| **419.47** | **2026-27** | 419.47 | 2026-27 |
| **8.22** | **2027-28** | 8.22 | 2027-28 |
| **18.77** | **2029-30** | 18.77 | 2029-30 |
| **31.56** | **2034-35** | 31.56 | 2034-35 |

* available for set off against any other income and can be crried forward for indefinite period as per Income Tax Act, 1961

| (e) Effective Tax reconciliation | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Loss for the year | **(1,650.01)** | (2,299.48) |
| Applicable tax rate (in %) | **29.12%** | 29.12% |
| Tax expenses should be | **(480.48)** | (669.61) |
| Unrecognised tax asset | **581.44** | 911.47 |
| Earlier year tax provision | **(61.08)** | (56.29) |
| Others | **3.35** | (0.35) |
| **Tax as per books** | **43.23** | 185.22 |
| Current tax | **108.88** | 248.54 |
| Income tax relating to remeasurement of defined benefit obligations | **(13.07)** | (56.29) |
| Deferred Tax | **(52.58)** | (7.03) |
| | **43.23** | 185.22 |

**37. Leases**

**Finance leases**

**A. Leases as a lessor**

The group has classified the arrangement with the customers wherein the patterns/tooling/moulds are lease out in the nature of lease based on the principles enunciated in Appendix C of Ind AS 17 'Leases' and accounted for as finance lease in accordance with those principles.

The agreement with the customers is for a period of 3 to 15 years.

**(Rupees in lakh)**

| | **As at March 31, 2021** | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Minimum lease payments** | **Present value of minimum lease payments** | Minimum lease payments | Present value of minimum lease payments |
| Not later than one year | **5.53** | **5.23** | 88.58 | 81.94 |
| Later than one year and not later than five years | - | - | 60.57 | 58.66 |
| Later than five years | - | - | - | - |
| **Total minimum lease payments** | **5.53** | **5.23** | 149.15 | 140.60 |
| Less: amounts representing unearned finance income | **0.30** | - | 8.55 | |
| **Present value of minimum lease payments** | **5.23** | **5.23** | 140.60 | 140.60 |

**38. Earnings per share**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Net profit/(loss) from continuing operations attributable to equity shareholders (Rs. In lakh) | **(1,784.11)** | (2,931.49) |
| Net profit/(loss) from discontinued operations attributable to equity shareholders (Rs. In lakh) | - | - |
| Weighted average number of equity shares in calculating Basic EPS | **18,677,749** | 18,677,749 |
| Weighted average number of equity shares in calculating Diluted EPS | **18,677,749** | 18,677,749 |
| Basic and Diluted earning per share in rupees (face value per equity share Rs. 10 each) (Rs.) | **(9.55)** | (15.69) |

**39. Restructuring**

(a) In terms of the Scheme of Restructuring and Arrangement approved by Delhi High court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 and subsequent modification thereto vide Delhi High Court order dated April 28, 2011 (hereinafter referred to as SORA), the Company has sold the development rights in its freehold and leasehold land at Bara Hindu Rao/Kishanganj, Delhi to Purearth Infrastructure Ltd (PIL). The Company has recognized the revenue in respect of said sale of development rights to PIL both of Freehold and Leasehold land during the past year(s).

(b) After considering the effect of Scheme of Restructuring and Arrangement approved by the Delhi High Court vide its order dated October 29, 2003 under section 391-394 of the Companies Act, 1956 (Act) and subsequent modification thereto vide Delhi High Court order dated April 28, 2011 (hereinafter referred to as SORA), , the Company had complied with the debt repayment obligations including in respect of debentures, deposits, loans and related interest and where such amount has not been claimed by the concerned party, deposited an equivalent amount into a 'No Lien /Designated Account' with scheduled banks. Aggregate of amount so deposited as at the year-end is Rs. 2.65 lakh (March 31, 2020: Rs. 6.57 lakh).

**40. Amalgamation and demerger**

**a)** The Board of Directors of the Holding Company in its meeting held on October 15, 2016 approved a Scheme of Arrangement ('the Scheme') between DCM Limited (transferor company) and DCM Nouvelle Limited (resulting company) , a wholly owned subsidiary of DCM Limited, for the demerger of the Textile business of DCM Limited as per the scheme and vesting of the same with DCM Nouvelle Limited, on a going concern basis.The aforesaid Scheme was subject to approval from the concerned regulatory authorities which were not perfunctory and considered to be substantive.

During the financial year 2019 -20, the Company had received the order from the National Company Law Tribunal (NCLT) on May 1, 2019 sanctioning the Scheme with the appointed date of April 1, 2019. Accordingly, the impact of the Scheme had been considered in the standalone financial statements for the year ended March 31, 2020. The scheme had become effective on May 13, 2019 on Holding Company filing the NCLT order with Registrar of Companies. As per Scheme, Holding Company during the year ended March 31, 2020 had transferred net assets of 14925.00 lakh to the DCM Nouvelle Limited and which had resulted in reduction in securities premium account by Rs. 6305.81 lakh and surplus in statement of profit and loss adjusted by Rs. 8,617.54 lakh. Surplus in statement of profit and loss was further adjusted by cancellation of investment in DCM Nouvelle Limited by Rs. 5.00 lakh and Calls in arrears by Rs. 0.31 lakh.The Sale consideration was discharged by Resulting Company namely DCM Nouvelle Limited by issuing 1 share of DCM Nouvelle Limited against the 1 share of DCM Limited to the shareholder of DCM Limited.

Consequently, the audited financial statements of the Company exclude the Textile Division and is disclosed as discontinued operations. Break up of discontinued operations is as under:

**i. Details of assets and liabilities of discontinued operations**

| **Particulars** | **As at April 01, 2019** |
|---|---|
| **Net Asset Transferred** | |
| Non-current assets | 9,947.46 |
| Current Asset | 25,810.89 |
| **Total assets transferred (A)** | **35,758.35** |
| Non-current Liabilities | 5,368.10 |
| Current Liabilities | 15,465.25 |
| **Total Liabilities transferred (B)** | **20,833.35** |
| Net Asset Transferred ( A - B ) | 14,925.00 |
| **Sales consideration** | |
| Issuance of equity share to shareholders of DCM limited by resulting company of face | 14,925.00 |

**b)** Board of Directors of the Company in its meeting held on November 28, 2019 have approved a composite scheme of arrangement for transfer of its "Engineering Business undertaking "to its wholly owned subsidiary namely DCM Engineering Limited (formerly known as DCM Tools and Dies Limited), on a going concern basis with effect from the appointed date of October 01, 2019 and restructuring of outstanding loans, debts and liabilities of the Engineering Business Undertaking. The above Scheme was filed with the Stock Exchanges viz. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for seeking their no-objection. The Company has received observation letter from BSE Limited and National Stock Exchange Limited (Stock Exchanges) both dated June 24, 2020 enabling the Company to file the Scheme with Hon'ble National Company Law Tribunal (NCLT) for seeking their approval. The filing of Scheme remains pending awaiting in principle approval of secured lenders (Banks). The said approval of the Stock Exchanges was valid till December 23, 2020. Pursuant to above, the Company has filed the application(s) to the Stock Exchanges on December 22, 2020 and June 28, 2021 for seeking their approval for extension of time for enabling the Company to file the scheme before NCLT for seeking their approval under Section 230 – 232 of the Companies Act, 2013 with due compliance. The Company has been in discussion with the secured lenders at all level in this regard.

Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these Consolidated financial results.

**41.** Capital advances includes Rs. 420.00 lakh (March 31, 2020: Rs. 420.00 lakh) to acquire certain property under construction at New Delhi. The construction was a matter of litigation between the builder and the local authorities. The High Court of Delhi has allowed the builder to construct the property subject to certain conditions. During the year, the Group has recieved back a part advance of Rs. 450.00 lakh as decided in the arbitration proceedings during the year and the management is fully confident that the remaining advance paid to acquire the property is good and fully recoverable.

**42. Contingent liabilities, contingent assets and commitments**

**a) Commitments**

**(Rupees in lakh)**

| **Particulars** | **As at March 31, 2021** | As at March 31, 2020 |
|---|---|---|
| Capital commitments | **25.08** | 25.08 |

**b) Contingent liabilities not provided for:**

**(Rupees in lakh)**

| **Particulars** | **As at March 31, 2021** | As at March 31, 2020 |
|---|---|---|
| Claims not acknowledged as debts: * | | |
| - Excise claims | **0.50** | 0.50 |
| - Sales tax matters/ VAT | **618.03** | 495.38 |
| - Income-tax matters | **644.37** | 663.91 |
| - Customs duty | **12.55** | 12.55 |
| - Employees' claims (to the extent ascertained) | **64.70** | 64.70 |
| - Property tax @ | **-** | 283.67 |
| - Others # | **91.81** | 103.81 |

* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Group.

\# Includes Deposit made vide High Court order for claims filed by railway Rs. 18,57,391 (Refer Note 16)

@ Delhi High Court set aside the impugned order and remand back case to relevant jurisdiction for reassessment of the property tax liability. However no further order has been received by the Company till the finalisation of the financial statement.

(i) The Group has been regular in transferring amounts to the Investor Education and Protection Fund after considering SORA, pursuant to which certain past dues have been rescheduled for repayment.

(ii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group will evaluate its position and act, as clarity emerges.

**43. Employee benefits**

**A Defined contribution plans**

Contributions to defined contribution plans charged off for the year are as under:

**(Rupees in lakh)**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Group's contribution to provident fund | **60.00** | 201.09 |
| Group's contribution to superannuation fund | **3.10** | 18.82 |
| Group's contribution to employees' state insurance | **0.41** | 21.64 |
| Group's contribution to social security | **87.98** | 117.14 |
| Group's contribution to NPS | **20.58** | 4.39 |
| **Total** | **172.07** | 363.08 |

**B Defined benefit plans**

The Group operates the following post-employment defined benefit plans:-

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

**The following table set out the status of the defined benefit obligation** **(Rupees in lakh)**

| **Particulars** | **As at March 31, 2021** | As at April 1, 2020 |
|---|---|---|
| Defined benefit liability- Gratuity | **918.13** | 1,067.83 |
| **Total employee benefit liabilities** | | |
| Non current | **805.89** | 896.48 |
| Current | **112.24** | 171.35 |
| **Total** | **918.13** | 1,067.83 |

For details about the related employee benefit expenses, **refer note 32**.

***i) Reconciliation of the defined benefit liability***

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

**(Rupees in lakh)**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | **1,067.83** | 1,838.01 |
| Current service cost | **57.91** | 64.75 |
| Interest cost | **72.52** | 105.10 |
| Actuarial (gains) losses recognised in other comprehensive income/(expense) | **(75.36)** | 42.29 |
| Benefits paid | **(204.77)** | (418.41) |
| Transfer under Scheme of Arrangement | **-** | (563.91) |
| **Balance at the end of the year** | **918.13** | 1,067.83 |
| Non-current | **805.89** | 896.48 |
| Current | **112.24** | 171.35 |

***ii) Expense recognized in profit and loss*** **(Rupees in lakh)**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Current service cost | **57.91** | 64.75 |
| Interest cost | **72.52** | 105.10 |
| **Net cost** | **130.42** | 169.85 |

***iii) Remeasurements recognized in other comprehensive income/(expense)*** **(Rupees in lakh)**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Actuarial gain/( loss) on defined benefit obligation | **75.36** | (42.29) |
| | **75.36** | (42.29) |

***iv) Actuarial assumptions***

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial assumptions** | | |
| Discount rate | **6.79%** | 6.79% |
| Future salary growth | **6.00%** | 6.00% |
| Retirement age | **58 years** | 58 years |
| Mortality table | **IALM (2012-14)** | IALM (2012-14) |
| Withdrawal rate | | |
| Upto 30 years | **3.00%** | 3.00% |
| From 31 to 44 years | **2.00%** | 2.00% |
| Above 44 years | **1.00%** | 1.00% |

As at March 31, 2021, the weighted average duration of the defined benefit obligation was 12.60 - 14.85 year (March 31, 2020 : 11.95-12.60 year)

Expected contributions to post-employment benefit plans for the next annual reporting period are Rs. 99.52 lakh (March 31, 2020: 115.58 lakh)

***v) Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**(Rupees in lakh)**

| Particulars | **As as March 31, 2021** | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Increase** | **Decrease** | Increase | Decrease |
| Discount rate (1%) | **(34.70)** | **37.39** | (37.37) | 40.25 |
| Future salary growth (1%) | **37.49** | **(35.11)** | 40.36 | (37.82) |

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

***vi) Maturity profile*** **(Rupees in lakh)**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Year 1 | **112.24** | 171.35 |
| Year 2 | **127.27** | 107.03 |
| Year 3 | **85.11** | 126.65 |
| Year 4 | **57.54** | 85.34 |
| Year 5 | **33.59** | 64.56 |
| Next 6 | **34.92** | 33.24 |
| Next to 6 years | **467.46** | 479.66 |

***vii) Description of Risk Exposures:***

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

a. Interest risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b. Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

c. Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**44. 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**

**Subsidiaries**

1. DCM Textiles Limited
2. DCM Infotech limited (Formerly known as DCM Realty Investment & Consulting Limited)
3. DCM Engineering Limited (Formerly known as DCM Tools & Dies Limited)
4. DCM Finance & Leasing Limited
5. DCM Data Systems Limited
6. DCM Realty and Infrastructure Limited

**Joint controlled entity**

7. Purearth Infrastructure Limited

**Subsidiaries of Joint controlled entity**

8. Kalptru Realty Private Limited
9. Kamayani Facility Management Private Limited
10. Viganharta Estates Private Limited

**Key management personnel and/or individuals having direct or indirect control or significant influence, and their relatives:**

11. Dr. Vinay Bharat Ram – Chairman (Managing Director upto September 30, 2019)
12. Mr. Hemant Bharat Ram – President (Textiles ) (upto April 30, 2019)
13. Mr. Sumant Bharat Ram – Chief Executive and Financial Officer ( Upto March 31, 2019)
14. Mr. Sushil Kapoor Executive Director (Engineering Business) - (upto September 30, 2019)
15. Mr. Varun Sarin - Chief of Operation and Finance (IT Division)- ( Upto September 15, 2019)
16. Mr. Yadvinder Goyal - Company Secretary (upto September 06, 2019)
17. Mr. Jitendra Tuli –Managing Director (w.e.f. October 01, 2019)
18. Mr. Ashwani Singhal – Chief Financial Officer (w.e.f. April 01, 2019)
19. Mr. Vimal Prasad Gupta - Company Secretary (w.e.f. October 21, 2019)
20. Mr. Dinesh Dhiman - Whole Time Director (upto December 12, 2020)
21. Mr. Vinay Sharma - Whole Time Director (From December 15, 2020)
22. Dr. Kavita A. Sharma - Independent Director (w.e.f. November 14, 2019)
23. Mr. Sudhir Kumar Jain - Independent Director

**Other Entities**

24. DCM Engineering Products Educational Society
25. DCM Limited Superannuation Trust
26. DCM Employees Welfare Trust

**Other Entities in which Individuals described in Sr. 11, 12 & 13 above have direct or indirect control**

27. Juhi Developers Private Limited
28. Teak Farms Private Limited
29. Unison International IT Services Limited
30. Aggresar Leasing and Finance Private Limited
31. Atlantic Commercial Company Limited
32. DCM Nouvelle Limited
33. Calipro Real Estates Private Limited
34. Shreshtha Real Estates Private Limited

**B. Transactions with related parties:** **(Rupees in lakh)**

| Name of Related Party and Nature of Relationship | Nature of Transaction | For year ended March 31, 2021 | For year ended March 31, 2020 |
|---|---|---|---|
| **Joint Controlled Entity** | | | |
| Purearth Infrastructure Limited | Building Maintenance, Electricity and other expenses (net) | **8.19** | 20.74 |
| | Purchase of rights in Residential Flats | **1,487.74** | - |
| | Payable for purchase of rights in flats (including Interest) | **1,477.35** | - |
| **Other Entity** | | | |
| DCM Nouvelle Limited | Expenses reimbursed (net) | - | 414.92 |
| | Support Service Income | - | 72.90 |
| | Sale of fixed assets | - | 2,201.50 |
| | Net assets transferred as per scheme of Arrangement | - | 14,925.00 |
| **Key Management Personnel *** | | | |
| Dr. Vinay Bharat Ram | Short term employee benefits | - | 75.55 |
| Mr. Hemant Bharat Ram | Short term employee benefits | - | 19.99 |
| Mr. Sushil Kapoor | Short term employee benefits | - | 54.90 |
| Mr. Varun Sarin | Short term employee benefits | - | 31.05 |
| Mr. Yadvinder Goel | Short term employee benefits | - | 14.35 |
| Mr. Dinesh Dhiman | Short term employee benefits | **16.74** | 40.08 |
| | Post Employment benefits - Gratuity | **6.58** | 0.77 |
| | Other long term benefits - Compensated absences | **1.47** | 1.03 |
| Mr. Vimal Prasad Gupta | Short term employee benefits | **9.21** | 9.01 |
| | Post Employment benefits - Gratuity | - | 0.19 |
| | Other long term benefits - Compensated absences | - | 0.25 |
| Mr. Ashwani Singhal | Short term employee benefits | **26.48** | 61.02 |
| Mr. Vinay Sharma | Short term employee benefits | **0.48** | - |
| Mr. Jitender Tuli | Sitting Fees | **0.35** | 1.20 |

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall company basis are not included in the remuneration of existing key management personnel.

The Company maintains superannuation trust for the purpose of administering the superannuation payment to its employees.

**C Balance Outstanding in Balance Sheet** **(Rupees in lakh)**

| Name of Related Party and Nature of Relationship | Nature of Transaction | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Joint Controlled Entity** | | | |
| Purearth Infrastructure Limited | Advance for purchase of rights in Residential Flats | **1,535.60** | 47.21 |
| | Payable for purchase of rights in flats (including Interest) | **1477.35** | - |
| | Balance receivable | **7.75** | 7.64 |
| **Other Entities** | | | |
| DCM Employees Welfare Trust | Balance receivable (Net of provision) | **179.89** | 179.89 |
| | Provision for doubtful debts | **100.00** | 100.00 |
| **Key Management Personnel** | | | |
| Mr. Dinesh Dhiman | Balance payable | **5.03** | 5.03 |
| Mr. Sushil Kapoor | Balance payable | **-** | 6.04 |
| Mr. Ashwani Singhal | Balance payable | **-** | 3.01 |
| Mr. Vinay Sharma | Balance payable | **0.48** | - |

*Entities in which key management personnel have significant influence/ Entity having significant control over the Group

** Jointly controlled entity is accounted as per equity method. Related party transcations are shown without any eliminations

## 45. Operating segments

### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the Group has identified four reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Chief operating decision maker (CODM) reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the group's reportavale segments:

| Reportable segments | Operations |
|---|---|
| IT services | IT Infrastructure services |
| Real estate | Development at the Group's real estate site at Bara Hindu Rao / Kishan Ganj, Delhi. |
| Grey iron casting | Grey iron casting manufacturing |
| Others | Others |

### B. Information about operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Board of Directors of the holding company. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(Rupees in lakh)

| Particulars | Reportable Segment | | | | | | | | Unallocated | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Real Estate | | Grey iron casting | | IT Services | | Others | | | | | |
| | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 |
| **Segment revenue** | | | | | | | | | | | | |
| - External revenues | - | **851.20** | **(105.69)** | 12,715.97 | **4,689.52** | 4,868.02 | - | - | - | - | **4,583.83** | 18,435.19 |
| - Other operating revenue | - | - | **156.17** | 174.04 | - | - | - | - | - | - | **156.17** | 174.04 |
| **Total segment revenue** | - | 851.20 | **50.48** | 12,890.01 | **4,689.52** | 4,868.02 | - | - | - | - | **4,740.00** | 18,609.23 |
| **Segment profit/(loss) before tax** | - | 595.84 | **(1,338.25)** | (3,672.88) | **396.25** | 368.18 | **(10.95)** | (28.65) | - | - | **(952.95)** | (2,737.51) |
| Unallocated corporate expenses/ income (net of unallocated income/ expenses) | - | - | - | - | - | - | - | - | **40.02** | 1,459.82 | **107.87** | 1,459.82 |
| Interest income | - | - | - | - | - | - | - | - | **67.85** | 77.59 | **67.85** | 77.59 |
| Profit before finance costs and tax | - | - | - | - | - | - | - | - | - | - | **(777.23)** | (1,200.10) |
| Finance costs | - | - | - | - | - | - | - | - | **872.78** | 1,099.38 | **872.78** | 1,099.38 |
| Profit/(loss) before tax and share of profit/(loss) of associates | - | - | - | - | - | - | - | - | - | - | **(1,650.01)** | (2,299.48) |
| Share of loss of equity accounted investee | - | - | - | - | - | - | - | - | **(90.87)** | (446.79) | **(90.87)** | (446.79) |
| Profit/(loss) before tax | - | - | - | - | - | - | - | - | - | - | **(1,740.88)** | **(2,746.27)** |
| Provision for taxation | - | - | - | - | - | - | - | - | **43.23** | 185.22 | **43.23** | 185.22 |
| Profit/(loss) after taxation | - | - | - | - | - | - | - | - | - | - | **(1,784.11)** | (2,484.70) |
| Depreciation and amortization | - | - | **817.45** | 1,138.98 | **67.60** | 85.69 | - | 0.02 | **924.30** | 38.16 | **1,809.35** | 1,262.85 |
| Capital expenditure during the year | - | - | - | 23.54 | **5.86** | 17.93 | - | - | - | 23.12 | **5.86** | 64.61 |
| Non cash expense other than depreciation | - | - | **115.22** | 0.06 | **3.85** | 25.04 | - | - | - | 15.17 | **119.07** | 40.27 |

(Rupees in lakh)

| Particulars | Reportable Segment | | | | | | | | Unallocated | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Real Estate | | Grey iron casting | | IT Services | | Others | | | | | |
| | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 | **As at March 31, 2021** | As at March 31, 2020 |
| Segment assets | **1,499.74** | 12.00 | **6,011.30** | 7,144.15 | **2,256.89** | 1,839.16 | **21.14** | 46.54 | - | - | **9,789.07** | 9,041.85 |
| Assets held for sale | - | - | **205.05** | 207.55 | - | - | - | - | - | - | **205.05** | 207.55 |
| Unallocated assets | - | - | - | - | - | - | - | - | **2,576.57** | 2,971.98 | **2,576.57** | 2,971.98 |
| **Total assets** | **1,499.74** | 12.00 | **6,216.35** | 7,351.70 | **2,256.89** | 1,839.16 | **21.14** | 46.54 | **2,576.57** | 2,971.98 | **12,570.69** | 12,221.38 |
| Segment liabilities | **1,500.35** | 23.32 | **8,101.15** | 7,837.97 | **895.96** | 784.88 | **8.91** | 5.17 | **853.67** | 885.51 | **11,360.05** | 9,536.85 |
| Share capital and reserves | - | - | - | - | - | - | - | - | **(1,906.69)** | (194.99) | **(1,906.69)** | (194.99) |
| Loan funds | - | - | **3,077.98** | 2,809.39 | - | 14.39 | - | - | **39.35** | 55.74 | **3,117.33** | 2,879.52 |
| **Total liabilities** | **1,500.35** | 23.32 | **11,179.13** | 10,647.36 | **895.96** | 799.27 | **8.91** | 5.17 | **(1,013.67)** | 746.26 | **12,570.69** | 12,221.38 |

**C. Geographical information**

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

***i. Revenues*** **(Rupees in lakh)**

| | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| India (a) | **(4,185.85)** | 14,423.38 |
| - Countinuing operation | **(4,185.85)** | 14,423.38 |
| - Discountinued operation | **-** | - |
| Outside India (b) | **4,185.85** | 4,185.85 |
| - Countinuing operation | **4,185.85** | 4,185.85 |
| - Discountinued operation | | |
| China | **-** | - |
| Other countries | **-** | - |
| **Total (a+b)** | **-** | - |

***ii. Non current assets**** **(Rupees in lakh)**

| | **As At March 31, 2021** | As At March 31, 2020 |
|---|---|---|
| India | **5,971.93** | 7,015.91 |
| Outside India | **2.01** | 2.01 |
| **Total** | **5,973.94** | 7,017.92 |

* Non current assets exclude financial instrument, deferred tax assets and post employment benefit assets.

**D. Major customers**

There is no single customer who contributed 10% or more of the Company's revenue during the year ended March 31, 2020 and March 31, 2019.

**46. Research and development expenditure**

Details of Research and Development expenditure are as follows:

**(Rupees in lakh)**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| **Capital expenditure** | | |
| Computers | - | 10.50 |
| **Revenue expenditure** | | |
| Salaries, wages and compensated absences | - | 54.98 |
| Contribution to provident and other funds | - | 2.01 |
| Travelling and conveyance | - | 2.55 |
| Others | - | 0.29 |
| **Development expenditure** | - | 72.12 |
| **Total** | **-** | 142.45 |

**47. Assets held for sale**

"The Board of Directors of the Holding Company, in its meeting held on February 8, 2018, approved the sale of land and building held by Engineering Division located in Kodukanthangal Village and Serkadu Village, Katpadi Sub-Registration District, Vellore Registration District, Vellore District, Tamil Nadu measuring 39.02 acre (March 31, 2020 - 39.02 acres) and land and building located in Rail Mazra Village, Tehsil Balachaur, Distt Shaheed Bhagat Singh Nagar, Punjab measuring 3.67 acres (March 31, 2020 - 3.79 acres) for such consideration and on such terms and conditions as may be deemed fit in the best interest of the Company. During the year land of 0.12 acres compulsory acquired by Govt for construction of road and gain of Rs 23.48 lakh is recognised in statement of profit & loss account under head "other income". All the assets held for sale are pledged against the short term borrowing of the company (Refer note 22 (ii))".

**48. Corporate Social Responsibility (CSR)** **(Rupees in lakh)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Gross amount required to be spent** | **6.60** | **-** |
| **Amount spent (in cash):** | | |
| Promotion of education | **-** | - |
| Others | **6.60** | - |

**49. Fair value measurement and financial instruments**

**a. Financial instruments – by category and fair values hierarchy**

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

**i. As on March 31, 2021** **(Rupees in lakh)**

| Particulars | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **Non-current** | | | | | | | |
| Loans * | - | - | 195.94 | **195.94** | - | - | 195.94 |
| Other financial assets * | - | - | 3.62 | **3.62** | - | - | 3.62 |
| **Current** | | | | | | | |
| Trade receivables * | - | - | 1,031.67 | **1,031.67** | - | - | 1,031.67 |
| Cash and cash equivalents * | - | - | 426.78 | **426.78** | - | 426.78 | - |
| Balances other than above * | - | - | 531.44 | **531.44** | - | 531.44 | - |
| Loans * | - | - | 24.29 | **24.29** | - | - | 24.29 |
| Other financial assets * | - | - | 163.43 | **163.43** | - | - | 163.43 |
| **Total** | **-** | **-** | **2,377.17** | **2,377.17** | **-** | **958.22** | **1,418.95** |
| **Financial liabilities** | | | | | | | |
| **Non-current** | | | | | | | |
| Borrowings # | - | - | 601.06 | **601.06** | - | 601.06 | - |
| Other financial liabilities * | - | - | 2,005.53 | **2,005.53** | - | - | 2,005.53 |
| **Current** | | | | | | | |
| Borrowings # | - | - | 2,516.27 | **2,516.27** | - | 2,516.27 | - |
| Trade payables * | - | - | 6,129.71 | **6,129.71** | - | - | 6,129.71 |
| Other financial liabilities * | - | - | 1,609.34 | **1,609.34** | - | - | 1,609.34 |
| **Total** | **-** | **-** | **12,861.91** | **12,861.91** | **-** | **3,117.33** | **9,744.58** |

**a. Financial instruments – by category and fair values hierarchy (continued)**

**ii. As on March 31, 2020** **(Rupees in lakh)**

| Particulars | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| **Non-current** | | | | | | | |
| Investments | | | | | | | |
| Preference shares | 74.82 | - | - | **74.82** | - | - | 74.82 |
| Loans * | - | - | 199.56 | **199.56** | - | - | 199.56 |
| Other financial assets * | - | - | 67.52 | **67.52** | - | - | 67.52 |
| **Current** | | | | | | | |
| Trade receivables * | - | - | 1,015.04 | **1,015.04** | - | - | 1,015.04 |
| Cash and cash equivalents * | - | - | 486.02 | **486.02** | - | 486.02 | - |
| Balances other than above * | - | - | 136.43 | **136.43** | - | 136.43 | - |
| Loans * | - | - | 27.28 | **27.28** | - | - | 27.28 |
| Other financial assets * | - | - | 209.07 | **209.07** | - | - | 209.07 |
| **Total** | **74.82** | **-** | **2,140.92** | **2,215.74** | **-** | **622.45** | **1,593.29** |
| **Financial liabilities** | | | | | | | |
| **Non-current** | | | | | | | |
| Borrowings # | - | - | 632.85 | **632.85** | - | 632.85 | - |
| Other financial liabilities * | - | - | 528.17 | **528.17** | - | - | 528.17 |
| **Current** | | | | | | | |
| Borrowings # | - | - | 2,239.00 | **2,239.00** | - | 2,239.00 | - |
| Trade payables * | - | - | 5,673.06 | **5,673.06** | - | - | 5,673.06 |
| Other financial liabilities * | - | - | 1,505.70 | **1,505.70** | - | - | 1,505.70 |
| **Total** | **-** | **-** | **10,578.78** | **10,578.78** | **-** | **2,871.85** | **7,706.93** |

# The Group's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The loans, investments and other non-current financial assets and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2021 and March 31, 2020.

**Reconciliation of Level 3 fair value measurement:** **(Rupees in lakh)**

| Particulars | For the year ended | |
|---|---|---|
| | **31-Mar-21** | 31-Mar-20 |
| Opening balance | **74.82** | 84.82 |
| Less : Realised during the year | **74.82** | 20.00 |
| | **-** | 64.82 |
| Gain recognised in other comprehensive income | **-** | 10.00 |
| **Closing balance** | **-** | 74.82 |

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Group at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Group at each balance sheet date.

**b. Financial risk management**

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors have authorized senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and are derived from revenue earned from customers primarily located in India. The Group continuously monitors the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The average credit period on sales of goods and services (other than moulds) within India is 30 to 60 days, sale of moulds is 180 days and sales of goods and services outside India is 30 to 90 days.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Group's exposure to credit risk for trade receivables are as follows: **(Rupees in lakh)**

| **Particulars** | **Gross carrying amount** | |
|---|---|---|
| | **As at March 31, 2021** | As at March 31, 2020 |
| Not due | **909.84** | **855.53** |
| 1-90 days past due | **97.71** | **71.21** |
| 91 to 180 days past due | **5.36** | **17.67** |
| More than 180 days past due # | **66.40** | 97.37 |
| Other receivables having negligible credit risk | **-** | - |
| **Total** | **1,079.31** | 1,041.78 |

\# The Group believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

**Movement in the allowance for impairment in respect of trade receivables:** **(Rupees in lakh)**

| **Particulars** | **For the year ended March 31, 2021** | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning | **26.74** | 181.76 |
| Add: Impairment loss recognised / (reversed) | **44.64** | 6.17 |
| Impairment loss (transfer) on Demerger/ Slump Sale | | (115.26) |
| Less: Amount written off | **-** | (42.71) |
| Less: Amount reclassified | | (3.22) |
| Balance at the end | **71.38** | 26.74 |

**b. Financial risk management (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it would be able to approach and materialise new financing arrangements, unlocking of value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary. Also refer Note 55.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

**(Rupees in lakh)**

| **As at March 31, 2021** | **Carrying amount** | **Contractual cash flows** | | | |
|---|---|---|---|---|---|
| | | **Less than one year** | **Between one year and five years** | **More than 5 years** | **Total** |
| **Non-current liabilities** | | | | | |
| Borrowings * | **601.06** | **591.17** | **9.89** | **-** | **601.06** |
| Other financial liabilities | **2,005.53** | **-** | **2,005.53** | **-** | **2,005.53** |
| **Current liabilities** | | | | | |
| Borrowings | **2,516.27** | **2,516.27** | **-** | **-** | **2,516.27** |
| Trade payables | **6,129.71** | **6,129.71** | **-** | **-** | **6,129.71** |
| Other financial liabilities * | **1,609.34** | **1,609.34** | **-** | **-** | **1,609.34** |
| **Total** | **12,861.91** | **10,846.49** | **2,015.42** | **-** | **12,861.91** |

**(Rupees in lakh)**

| **As at March 31, 2020** | **Carrying amount** | **Contractual cash flows** | | | |
|---|---|---|---|---|---|
| | | **Less than one year** | **Between one year and five years** | **More than 5 years** | **Total** |
| **Non-current liabilities** | | | | | |
| Borrowings * | 632.85 | 538.55 | 94.30 | - | 632.85 |
| Other financial liabilities | 528.17 | - | 528.17 | - | 528.17 |
| **Current liabilities** | | | | | |
| Borrowings | 2,239.00 | 2,239.00 | - | - | 2,239.00 |
| Trade payables | 5,673.06 | 5,673.06 | - | - | 5,673.06 |
| Other financial liabilities * | 1,505.70 | 1,505.70 | - | - | 1,505.70 |
| **Total** | **10,578.78** | **9,956.31** | **622.47** | **-** | **10,578.78** |

* Contractual cash flow includes the interest to be incurred and paid in subsequent periods

**b. Financial risk management (continued)**

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2021 and March 31, 2020 are as below:

**(Rupees in lakh)**

| Particulars | **As at March 31, 2021** | As at March 31, 2020 |
|---|---|---|
| | **USD** | USD |
| **Financial assets** | | |
| Trade receivables | **944.47** | 787.04 |
| Cash and cash equivalent | **243.73** | 211.33 |
| Loans and advances | **1.41** | 3.31 |
| Other financial assets | **92.05** | 65.00 |
| | **1,281.66** | 1,066.68 |
| **Financial liabilities** | | |
| Trade payables | **216.97** | 100.87 |
| Other financial liabilities | **216.35** | 110.41 |
| | **433.32** | 211.28 |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2020 (previous year ended as on March 31, 2019) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**(Rupees in lakh)**

| Particulars | Profit or loss before tax | | Changes in equity (net of tax) | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| 1% depreciation / appreciation in Indian Rupees against following foreign currencies: | | | | |
| **For the year ended March 31, 2021** | | | | |
| USD | **8.48** | **(8.48)** | **8.55** | **(8.55)** |
| | **8.48** | **(8.48)** | **8.55** | **(8.55)** |
| **For the year ended March 31, 2020** | | | | |
| USD | **8.56** | **(8.56)** | **(6.82)** | **6.82** |
| | 8.56 | (8.56) | (6.82) | 6.82 |

USD: United States Dollar, EUR: Euro

**b. Financial risk management (continued)**

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

**Exposure to interest rate risk**

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

**(Rupees in lakh)**

| Variable-rate instruments | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Term loans from banks (Non current) | **9.89** | 94.30 |
| Loans repayable on demand from banks | **2,516.27** | 2,239.00 |
| Loans repayable on demand from others | | |
| Current maturities of long term borrowings | **591.17** | 538.55 |
| **Total** | **3,117.33** | 2,871.85 |

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

For loading rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year

**(Rupees in lakh)**

| Particulars | Profit or loss before tax | | Changes in equity (net of tax) | |
|---|---|---|---|---|
| | 100 bps increase | 100 bps decrease | 100 bps increase | 100 bps decrease |
| **Interest on term loans from banks** | | | | |
| For the year ended March 31, 2021 | **(36.69)** | **36.69** | **(36.69)** | **36.69** |
| For the year ended March 31, 2020 | (61.97) | 61.97 | (61.97) | 61.97 |

**50. Capital management**

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts adjusted with available cash and bank balances divided by total capital (equity attributable to owners of the parent ).

**(Rupees in lakh)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Borrowings | **3,117.33** | 2,871.85 |
| Less : Cash and bank balances | **958.22** | 622.45 |
| **Adjusted net debt (A)** | **2,159.11** | 2,249.40 |
| **Total equity (B)** | **(1,906.69)** | (194.99) |
| **Adjusted net debt to total equity ratio (A/B)** | **(1.13)** | (11.54) |

**51.** Due to continued situation of industrial unrest in Engineering Business undertaking the Group is currently facing liquidity issues towards clearing of statutory dues, vendor payments and repayment of borrowings pertaining to its Engineering Division. This has significantly reduced the Company's net worth and the current liabilities exceed the current assets by Rs. 6050.26 lakh as at March 31, 2021. The Group is taking requisite steps to improve the liquidity and manage the existing situation.

The Scheme of Arrangement mentioned in note 40 (b) above has been made with a view to restore profitability and revive the said Engineering Business Undertaking (Undertaking) by facilitating strategic investment and further sale of surplus piece of land and restructuring of outstanding loans, debts and liabilities pertaining to the Engineering Business to revive the said undertaking and infuse sufficient liquidity.

The management believes that with the above restructuring of Engineering Business Undertaking along with the debt pertaining to said Undertaking and infusing liquidity by focusing /managing of its remaining business undertaking/real estate operation as well as other interim measures to improve liquidity including proposed Right Issue approved by the Board in its meeting held on February 12, 2021, the Group will be able to continue its operation on a going concern basis.

Accordingly, the financial results of the Group have been prepared on a going concern basis.

**52.** As stated in note 51 above, the Group/Holding Company has proposed to restructure the outstanding loans payable to banks pertaining to its Engineering Business Undertaking, however, as per the original terms of said loans with the lenders, the Holding Company has defaulted in repayment of dues aggregating to Rs 1260.66 lakh to these banks as on the date of approval of these financial statements.

**53.** DCM Ltd., Holding Company is listed on stock exchange (BSE/NSE) in India, Holding Company has prepared standalone financial statement as required under Companies Act 2013 and listing requirements. The standalone financial statement is available on Company's website for public use.

**54.** In view of continued situation of industrial unrest at Engineering Business Division of the Holding Company, situated at Village Asron, District Shaheed Bhagat Singh Nagar (Punjab), the management of the Division has recommended to declare a lockout. The Board of Directors of the Holding Company in their meeting held on October 21, 2019 has accordingly approved the declaration of lockout at its said Engineering Business Undertaking w.e.f. October 22, 2019.

The said lockout was opposed by the workmen of said Engineering Division before the Labour Authorities. Based on the legal advice received by the Holding Company, the management is of the view that the present lockout is legal and justified. Therefore, the Group has not made any provision for wages pertaining to the lockout period October 22, 2019 to March 31, 2021 aggregating to Rs. 2721.22 lakh.

**55.** The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The Government has started to lift the lockdown in phases from the beginning of May 2020.

The Management has been closely reviewing the impact of COVID-19 on the Group. Due to continuation of lockout of Engineering Business Unit (Engineering Business Undertaking), declared on October 22, 2019, the operation of the said Business Unit remained suspended during the lock down period on account of COVID-19. Based on current indicators of future economic conditions, the Group has concluded that although due to Covid 19 the Group's initiatives of restructuring of Engineering Business Undertaking and infusing liquidity by focusing /managing of its real estate operation are taking time, however, the impact of COVID 19 is not material on long term basis on the future potential of its said Engineering Business Unit and Real Estate operation. Due to the nature of the pandemic, the Group will continue to monitor any material changes on the future economic conditions and relating to its Businesses in future periods.

**56.** The Holding Company has received certain recovery notices/petitions from the creditors. A Bank has filed a suit for recovery and served demand notice u/s 13(2) under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 which has been stayed by the Hon'ble High court of Punjab & Haryana. Pursuant to the restructuring scheme approved by the Board of the Company, the settlement of all such creditors and bank has already been provided for in the said Scheme (refer note 4 above). In addition to the said Restructuring Scheme, the Company is also taking other interim measures to improve liquidity including proposed Right Issue of equity shares approved by the Board in its meeting held on February 12, 2021, to augment capital and expedite to complete the de-leveraging the Company.

**57.** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

**58. Interests in other entities**

**(a) Subsidiaries/ Special purpose entity**

The group's subsidiaries and controlled trust (treated as subsidiary for consolidation) at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| **Name of the Entity** | **Place of business/ country of incorporation** | **Ownership interest held by the group** | | **Ownership interest held by non-controlling interests** | |
|---|---|---|---|---|---|
| | | **31 March 2021** | 31 March 2020 | **31 March 2021** | 31 March 2020 |
| DCM Finance & Leasing Limited | India | **100%** | 100% | **-** | - |
| DCM Textiles Limited | India | **100%** | 100% | **-** | - |
| DCM Realty and Infrastructure Limited | India | **100%** | 100% | **-** | - |
| DCM Engineering Limited (Formerly DCM Tools & Dies Limited) | India | **100%** | 100% | **-** | - |
| DCM Infotech Limited (Formerly DCM Realty Investment & Consulting Limited ) | India | **100%** | 100% | **-** | - |
| DCM Data Systems Limited | India | **100%** | 100% | **-** | - |
| DCM Engineering Products Educational Society | India | **100%** | 100% | **-** | - |

**Principal activities of group companies**

| | |
|---|---|
| **DCM Finance & Leasing Limited** | The operations of this company mainly comprises income from real estate activities. |
| **DCM Textiles Limited** | This mainly includes business of ginners, weavers, spinners, dyers, manufactures, import, export in all kinds of yarn and cloth. |
| **DCM Realty and Infrastructure Limited** | This mainly includes business of construction and Real Estate. |
| **DCM Engineering Limited (Formerly DCM Tools & Dies Limited)** | The company is engaged in the business of purchase, sell, import, export, manufacture tools & dies. |
| **DCM Infotech Limited (Formerly DCM Realty Investment & Consulting Limited )** | The Company is engaged in pure play service provider of managed IT Services globally, specializing in networking, analytics, cloud, and digital technologies. |
| **DCM Data Systems Limited** | The company is engaged in the business of providing IT and allied services . |
| **DCM Engineering Products Educational Society** | The trust (Special purpose entity) is engaged in providing educational services to children of its staff and workers mainly. |

(b) **Joint venture** **(Rupees in lakh)**

| Name of entity | Place of business | % of ownership interest | Accounting method | Carrying amount | |
|---|---|---|---|---|---|
| | | | | **31 March 2021** | 31 March 2020 |
| Purearth Infrastructure Limited | New Delhi | 16.56% | Equity | **581.81** | 672.68 |
| **Total equity accounted investments** | | | | **581.81** | 672.68 |

Purearth Infrastructure Limited ("PIL") is a joint arrangement carrying on business of real estate in which Group has joint control and a 16.56% ownership interest. PIL is structured as a separate legal entity and the Group has an interest in the net assets of PIL. Accordingly, the Group has classified its interest in PIL as a joint venture.

**Summarised financial information for joint venture**

The tables below provide summarised financial information of PIL and the carrying amount of the Group's interest in PIL. **(Rupees in lakh)**

| | **As at 31 March 2021** | As at 31 March 2020 |
|---|---|---|
| **Percentage ownership** | **16.56%** | 16.56% |
| Net assets | **6,734.63** | 7,283.85 |
| Group's share net Assets | **1115.25** | 1206.21 |

| | **For the year ended 31 March 2021** | For the year ended 31 March 2020 |
|---|---|---|
| Revenue | **1,685.46** | 632.52 |
| Depreciation and amortisation | **45.87** | 24.62 |
| Finance costs | **1,807.49** | 2,038.34 |
| Income tax expense | **0.40** | (604.89) |
| Profit/(loss) | **(548.73)** | (2,699.05) |
| Other comprehensive income | **(0.49)** | (3.07) |
| **Total comprehensive income** | **(549.22)** | (2,702.12) |
| Group's share of profit | **(90.87)** | (446.79) |
| **Group's share of total comprehensive income** | **(90.87)** | (446.79) |
| **Reconciliation to carrying amounts of investments** | | |
| Investment in joint venture | **672.68** | 1,119.47 |
| Profit /(loss) for the year | **(549.22)** | (2,702.12) |
| Group's share in the profit/(loss) (after adjustment for unrealised gain in inventories) | **(90.87)** | (446.79) |
| Carrying amount of investment in the joint venture | **581.81** | 672.68 |

**59. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Joint venture.**

**(Rupees in lakh)**

| Name of Enterprise | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent company:** | | | | | | | | |
| DCM Limited | | | | | | | | |
| | **26.87%** | **(512.37)** | **111.92%** | **(1,996.70)** | **88.35%** | **63.98** | **112.91%** | **(1,932.72)** |
| March 31, 2020 | -728.42% | 1,420.34 | 104.85% | (3,073.77) | -6834.62% | (35.54) | 106.08% | (3,109.31) |
| | | | | | | | | |
| **Subsidiaries:** | | | | | | | | |
| DCM Data Systems Limited | | | | | | | | |
| **March 31, 2021** | **-0.02%** | **0.34** | **0.25%** | **(4.48)** | **0.00%** | **-** | **0.26%** | **(4.48)** |
| March 31, 2020 | -2.47% | 4.81 | 0.01% | (0.19) | 0.00% | - | 0.01% | (0.19) |
| | | | | | | | | |
| DCM Finance & Leasing Limited | | | | | | | | |
| **March 31, 2021** | **-0.03%** | **0.51** | **0.61%** | **(10.92)** | **0.00%** | **-** | **0.64%** | **(10.92)** |
| March 31, 2020 | -5.80% | 11.31 | 0.01% | (0.29) | 0.00% | - | 0.01% | (0.29) |
| | | | | | | | | |
| DCM Infotech Limited (Formerly DCM Realty Investment & Consulting Limited ) | | | | | | | | |
| **March 31, 2021** | **-71.36%** | **1,360.93** | **-20.09%** | **358.43** | **11.76%** | **8.52** | **-21.44%** | **366.95** |
| March 31, 2020 | -533.30% | 1,039.89 | -23.65% | 693.26 | 6934.62% | 36.06 | -24.88% | 729.32 |
| | | | | | | | | |
| DCM Textiles Limited | | | | | | | | |
| **March 31, 2021** | **-0.02%** | **0.42** | **0.30%** | **(5.39)** | **0.00%** | **-** | **0.31%** | **(5.39)** |
| March 31, 2020 | -2.98% | 5.82 | 0.01% | (0.17) | 0.00% | - | 0.01% | (0.17) |
| | | | | | | | | |
| DCM Engineering Limited (Formerly DCM Tools & Dies Limited) | | | | | | | | |
| **March 31, 2021** | **-0.32%** | **6.09** | **0.02%** | **(0.37)** | **0.00%** | **-** | **0.02%** | **(0.37)** |
| March 31, 2020 | -3.31% | 6.45 | 0.01% | (0.32) | 0.00% | - | 0.01% | (0.32) |
| | | | | | | | | |
| DCM Realty and Infrastructure Limited | | | | | | | | |
| **March 31, 2021** | **-0.02%** | **0.47** | **0.18%** | **(3.30)** | **0.00%** | **-** | **0.19%** | **(3.30)** |
| March 31, 2020 | -1.93% | 3.76 | 0.01% | (0.21) | 0.00% | - | 0.01% | (0.21) |
| | | | | | | | | |
| DCM Engineering Products Educational Society | | | | | | | | |

| Name of Enterprise | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **March 31, 2021** | **-0.23%** | **4.38** | **0.27%** | **(4.73)** | **0.00%** | **-** | **0.28%** | **(4.73)** |
| March 31, 2020 | -4.67% | 9.11 | 0.00% | 0.05 | 0.00% | - | 0.00% | 0.05 |
| | | | | | | | | |
| Elimination on consolidation | | | | | | | | |
| **March 31, 2021** | **145.14%** | **(2,767.83)** | **1.44%** | **(25.77)** | **0.00%** | **-** | **1.51%** | **(25.77)** |
| March 31, 2020 | 1382.88% | (2,696.48) | 3.52% | (103.06) | 0.00% | - | 3.52% | (103.06) |
| | | | | | | | | |
| NCI in all subsidiaries | | | | - | | - | | - |
| | | | | | | | | |
| **Joint venture (Investments as per Equity Method)** | | | | | | | | |
| Purearth Infrastructure Limited | | | | | | | | |
| **March 31, 2021** | **-30.51%** | **581.81** | **5.09%** | **(90.87)** | **-0.11%** | **(0.08)** | **5.31%** | **(90.95)** |
| March 31, 2020 | -344.98% | 672.68 | 15.24% | (446.79) | 0.00% | - | 15.24% | (446.79) |
| | | | | | | | | |
| **Total** | | | | | | | | |
| **March 31, 2021** | | **(1,907.06)** | | **(1,784.10)** | | **72.42** | | **(1,711.68)** |
| March 31, 2020 | | (194.99) | | (2,931.49) | | 0.52 | | (2,930.97) |

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

*For* **S S Kothari Mehta & Company**
*Chartered Accountants*
ICAI Firm Registration No.: 000756N

**Sunil Wahal**
*Partner*
Membership No.: 087294

**Place :** New Delhi
**Date :** June 29, 2021

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

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

**Annexure-"A"**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (AOC-1)**

**Part "A" : Subsidiaries** **(Rupees in lakh)**

| SN | Name of the Subsidiary Company | Share capital | Reserves and surplus | Total assets | Total liabilities | Investments | Turnover | Profit/ (loss) Before Taxation | Provision for Taxation | Profit After Taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | DCM Textiles Limited | 5.00 | (4.58) | 0.59 | 0.17 | - | - | (5.40) | - | (5.40) | - | 100.00% |
| 2 | DCM Infotech Limited (Formerly DCM Realty Investment & Consulting Limited ) | 255.01 | 1,105.92 | 2,256.89 | 895.96 | - | 4,711.74 | 401.66 | 43.23 | 358.43 | - | 99.99% |
| 3 | DCM Engineering Limited (Formerly DCM Tools & Dies Limited) | 5.00 | 1.08 | 6.25 | 0.16 | - | - | (0.37) | - | (0.37) | - | 100.00% |
| 4 | DCM Finance & Leasing Limited | 5.00 | (4.99) | 0.80 | 0.29 | - | - | (10.92) | - | (10.92) | - | 99.99% |
| 5 | DCM Data Systems Limited | 5.00 | (4.67) | 0.50 | 0.16 | 0.20 | - | (4.48) | - | (4.48) | - | 100.00% |
| 6 | DCM Realty and Infrastructure Limited | 5.00 | (4.54) | 0.63 | 0.16 | 0.30 | - | (3.30) | - | (3.30) | - | 100.00% |

Subsidiaries which are yet to commence business.

1 DCM Engineering Limited
2 DCM Textiles Limited
3 DCM Data Systems Limited
4 DCM Realty and Infrastructure Limited

**Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014**

**Part "B" : Joint Ventures** **(Rupees in lakh)**

| | | |
|---|---|---|
| 1 | Name of the Joint Venture | Purearth Infrastructure Limited |
| 2 | Latest audited Consolidated Balance Sheet Date | March 31, 2021 |
| 3 | Share of Joint venture held by the Company on the year end | 16.56% |
| | No. | 17,853,605 |
| | Amount invested in Joint venture | 2,986.18 |
| | Extent of holding % | 16.56% |
| 4 | Description of how there is significant influence | Pursuant to shareholder agreement. |
| 5 | Reason why the Joint venture is not consolidated | Accounted as per equity method in consolidated accounts. |
| 6 | Net worth attributable to shareholding as per latest balance sheet | 1,115.25 |
| 7 | Profit/ (Loss) for the year | |
| i | Considered in consolidation * | (90.87) |
| ii | Not considered in consolidation | - |

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

**Bipin Maira**
*Chairman*
DIN: 05127804

**Jitendra Tuli**
*Managing Director*
DIN: 00272930

**Dr. Kavita A Sharma**
*Director*
DIN: 07080946

**Ashwani Singhal**
*Chief Financial Officer*

**Sanjeev Kumar**
*Company Secretary*

**Place :** New Delhi
**Date :** June 29, 2021

Note:
The Company will make available the annual accounts and related detailed information of the subsidiary companies upon request by the shareholders of the holding and the subsidiary companies. These shall also be kept for inspection at the Registered Office of the Company and the subsidiary companies and also available on the website.