

DCM LIMITED: NEW DELHI**MINUTES OF THE 124TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON AUGUST 4, 2014**

The 124th Annual General Meeting of the Company was held on Monday, August 4, 2014 at 3.30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi-110 054.

PRESENT

Mr. Jitendra Tuli	Chairman and Managing Director
Mr. Bipin Maira	Independent Director
	Also as Chairman of following committees of the Company: - Audit Committee; - Nomination and Remuneration Committee; and - Share transfer, finance facilities & Stakeholder Relationship Committee
Prof. Joginder Singh Sodhi	Director
Prof. Sudhir Kumar Jain	Independent Director

In Attendance:

Dr. Vinay Bharat Ram	Chief Executive Officer
Mr. Ashwani Singhal	Executive Vice President (Finance & Accounts)
Mr. Mukesh Sharma	Company Secretary

By Invitation:

Mr. Dilip Maliwal	Representing M/s A. F. Ferguson & Co., Statutory Auditors of the Company
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242 members were present in person/by proxy as per attendance recorded.

In accordance with Article 50 of the Articles of Association of the Company, Mr. Jitendra Tuli, Chairman of the Board of Directors took the chair.

The following documents and registers were placed on the table:

1. Notice convening the 124th Annual General Meeting of the Company
2. Directors' Report along with Annexure thereto for the financial year ended March 31, 2014
3. The Audited Accounts and Auditors Report thereon for financial year ended March 31, 2014
4. The Proxy Register with proxies lodged with the Company in connection with 124th Annual General Meeting of the Company
5. Register of Directors and Key Managerial Personnel and their shareholding (remained open for inspection during the meeting.)

6. Register of Contracts or arrangements in which Directors and Key Managerial Personnel are interested (remained open for inspection during the meeting.)

At 3.30 p.m., the Chairman commenced the meeting by welcoming the members to 124th Annual General Meeting (AGM). The Chairman announced that the requisite quorum being present, the meeting was called to order and may proceed with the agenda.

The Chairman then introduced the members of Board of directors, Chief Executive Officer and Company Secretary present on the dais. Thereafter, the Chairman made his speech, the text of which is annexed (Annexure - I).

Thereafter, the Chairman commenced the formal agenda of the AGM and with the consent of members present, the Notice convening the meeting, the Directors' Report along with Annexure thereto and the Annual Accounts for the financial year ended March 31, 2014 were taken as read.

The Chairman informed the members that the Auditor's Report to the members on the Annual Accounts of the Company for the financial year ended March 31, 2014 did not contain any qualification, observation or comment on financial transactions or matters, which had any adverse effect on the functioning of the Company.

The Chairman informed the members that the Companies Act, 2013 had come into effect from April 1, 2014 and has brought about several changes in the procedure for conduct of AGM including changes in voting procedure at the AGM.

The Chairman informed that considering all the statutory requirements, both under the Companies Act, 2013 and listing agreement, the Company had decided to follow a process that ensured larger participation and also provided equal opportunity to all members in the voting process at the AGM.

He further stated that the Company had provided newly introduced e-voting facility to the members entitled to cast their votes at the AGM, through electronic voting platform of NSDL, as per Companies Act, 2013 in the manner as prescribed under the Companies (Management and Administration) Rules, 2014. The Company had also provided 'Assent/Dissent Form' along with the AGM notice, to enable those shareholders, who did not have access to e-voting facility, for voting at the 124th AGM.

He further stated that the Mr. D. P. Gupta, Practicing Company Secretary was appointed as the Scrutinizer for the purpose of independently conducting and scrutinizing the e-voting process and the Assent / Dissent Forms received from the members in a fair & transparent manner.

He further stated that the cut-off date of June 20, 2014 was fixed to record the entitlement of the shareholders for the aforesaid e-voting and voting through Assent/Dissent Form. The said e - voting took place between July 29, 2014 to July 31, 2014 using the NSDL's electronic voting platform. The 'Assent/Dissent Form' received by the scrutinizer on or before 6.00 p.m. on July 31, 2014 were considered. Mr. D. P. Gupta, Scrutinizer, has submitted the report on e-voting and voting through Assent / Dissent Forms to me before the AGM.

The Chairman also stated that the members who have not voted through e-voting and/or Assent/Dissent Form and now present in person and through proxies at today's AGM are also entitled to vote in proportion to the shares held by them as on the cut-off date of June 20, 2014.

He further stated that in line with the new requirements under the Companies Act, 2013, the voting at the AGM would be conducted by Poll through physical polling paper.

He further stated that pursuant to above a poll through physical polling paper would be conducted for exercise of voting rights by members /proxies present in the today's AGM on all resolutions of ordinary and special business as set out in item number 1 to 11 of the Notice. Polling papers will be distributed to the members /proxies present in this AGM and then they will cast their votes in the Polling boxes kept on the table near the stage.

He further stated that Mrs. Pragnya Parimita Pradhan, Practicing Company Secretary, was appointed as scrutinizer to scrutinize the Poll process and votes given on the Poll and report thereon in the prescribed manner.

The Chairman further stated that on receipt of Scrutinizer's report from Mrs. Pragnya Parimita Pradhan on today's Poll, the same shall be clubbed with the result of e-voting and Assent/Dissent Form received earlier from Mr. D. P. Gupta, Scrutinizer and the combined votes for or against each resolution shall be worked out and the consolidated results for the e-voting and Assent/Dissent Forms and Poll shall be declared latest by August 6, 2014, as per prescribed time schedule.

The results to be declared for each resolution shall indicate votes cast in favour or against on e-voting and Assent/Dissent Form and physical Poll.

The consolidated result on declaration will be intimated thereafter to Stock Exchanges where the shares of the company are listed. The same shall also be available at the registered office of the company and on company's website www.dcm.in.

The members present at the meeting raised certain queries/suggestions pertaining to the Annual Report/ Businesses, which were responded in the meeting.

Thereafter, the Chairman handed over the Poll process to the Mrs. Pragnya Parimita Pradhan, scrutinizer appointed for the Poll.

He further authorized Mr. Mukesh Sharma, Company Secretary of the Company to announce the aforesaid consolidated results.

The Chairman stated that the meeting would stand concluded after completion of voting by members and proxies.

Conduct of Poll

Mrs. Pragnya Parimita Pradhan, scrutinizer appointed for the Poll, conducted the Poll. Before starting of voting on Poll, the Polling papers were distributed to the members and proxies. Empty Poll boxes were shown to the members and thereafter the Poll boxes were locked and sealed in the presence of members and proxies. The members and proxies present casted their votes and polling concluded at around 4.15 p.m. The Scrutinizer then took custody of polling boxes.

With a vote of thanks to the Chair, the meeting came to an end at 4.30 p.m.

The consolidated results as stated below for the e-voting and Assent/Dissent Forms and Poll were declared by the Company on August 6, 2014 on the website of the Company and were also sent to the stock exchanges, where the shares of the Company are listed. The details of the aforesaid consolidated results as declared by the Company are stated below:

Consolidated Results of the e-voting and Assent/Dissent Forms and Poll on the Ordinary and Special Businesses as set out in item nos. 1 to 11 in the notice of the 124th Annual General Meeting held on August 4, 2014

The Consolidated Results on e-voting and Assent/Dissent Forms and Poll at the AGM was announced by Mr. Mukesh Sharma, Company Secretary of the Company on August 6, 2014 wherein all resolutions for the ordinary and special businesses as set out in item nos. 1 to 11 in the notice of the 124th Annual General Meeting of the Company were declared duly passed by the requisite majority.

Mode of Voting	Votes in favour (Shares)	Votes against (Shares)	Total	% of votes in favour of the resolution	% of votes against the resolution
ORDINARY BUSINESS:					
Ordinary Resolution No. 1: Adoption of Financial Statements for the financial year ended March 31, 2014 and Reports of Board of Directors and Auditors thereon.					
e-voting and Assent / Dissent Forms	9331645	22	9331667	99.99976%	0.00024%
Poll	1520	0	1520	100%	0
Total	9333165	22	9333187	99.99976%	0.00024%
Based on the above, the Resolution has been passed with the requisite majority					
Ordinary Resolution No. 2 : Declaration of final dividend for the financial year ended March 31, 2014 and confirmation of the payment of interim dividend made during the financial year ended March 31, 2014.					
e-voting and Assent / Dissent Forms	9331667	0	9331667	100%	0
Poll	1520	0	1520	100%	0
Total	9333187	0	9333187	100%	0
Based on the above, the Resolution has been passed with the requisite majority					

Ordinary Resolution No. 3 : Appointment of a director in place of Prof. Joginder Singh Sodhi, who retires by rotation and being eligible, offers himself for re- appointment.

e-voting and Assent / Dissent Forms	9331639	3	9331642	99.99997%	0.00003%
Poll	1520	0	1520	100%	0
Total	9333159	3	9333162	99.99997%	0.00003%

Based on the above, the Resolution has been passed with the requisite majority

Ordinary Resolution No. 4 : Appointment of M/s A. F. Ferguson & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.

e-voting and Assent / Dissent Forms	9331664	3	9331667	99.99997%	0.00003%
Poll	1520	0	1520	100%	0
Total	9333184	3	9333187	99.99997%	0.00003%

Based on the above, the Resolution has been passed with the requisite majority

SPECIAL BUSINESS:

Ordinary Resolution No. 5 : Appointment of Mr. Bipin Maira as an Independent Director of the Company

e-voting and Assent / Dissent Forms	9331629	13	9331642	99.99986%	0.00014%
Poll	1520	0	1520	100%	0
Total	9333149	13	9333162	99.99986%	0.00014%

Based on the above, the Resolution has been passed with the requisite majority

Ordinary Resolution No. 6 : Appointment of Prof. Sudhir Kumar Jain as an Independent Director of the Company

e-voting and Assent / Dissent Forms	9331579	63	9331642	99.99932%	0.00068%
Poll	1520	0	1520	100%	0
Total	9333099	63	9333162	99.99932%	0.00068%

Based on the above, the Resolution has been passed with the requisite majority

Ordinary Resolution No. 7 : Appointment of Mr. Ravi Vira Gupta as an Independent Director of the Company

e-voting and Assent / Dissent Forms	9331579	63	9331642	99.99932%	0.00068%
Poll	1520	0	1520	100%	0
Total	9333099	63	9333162	99.99932%	0.00068%

Based on the above, the Resolution has been passed with the requisite majority

Ordinary Resolution No. 8 : Appointment of Dr. Meenakshi Nayar as an Independent Director of the Company

e-voting and Assent / Dissent Forms	9331629	13	9331642	99.99986%	0.00014%
Poll	1520	0	1520	100%	0
Total	9333149	13	9333162	99.99986%	0.00014%

Based on the above, the Resolution has been passed with the requisite majority

Ordinary Resolution No. 9 : Approval of the Remuneration of the Cost Auditors

e-voting and Assent / Dissent Forms	9331632	10	9331642	99.99989%	0.00011%
Poll	1520	0	1520	100%	0
Total	9333152	10	9333162	99.99989%	0.00011%

Based on the above, the Resolution has been passed with the requisite majority

Special Resolution No. 10 : Amendment of Articles of Association of the Company

e-voting and Assent / Dissent Forms	9331651	16	9331667	99.99983%	0.00017%
Poll	1520	0	1520	100%	0
Total	9333171	16	9333187	99.99983%	0.00017%

Based on the above, the Resolution has been passed with the requisite majority

Special Resolution No. 11 : Re-appointment of Mr. Jitendra Tuli as Managing Director of the Company

e-voting and Assent / Dissent Forms	9331629	13	9331642	99.99986%	0.00014%
Poll	1520	0	1520	100%	0
Total	9333149	13	9333162	99.99986%	0.00014%
Based on the above, the Resolution has been passed with the requisite majority					

The resolutions passed by the shareholders are recorded hereunder as part of the proceedings of 124th Annual General Meeting held on August 4, 2014:

ORDINARY BUSINESS

ITEM NO. - 1. ORDINARY RESOLUTION FOR ADOPTION OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014 AND REPORTS OF BOARD OF DIRECTORS AND AUDITORS THEREON

"RESOLVED THAT audited financial statements of the Company for the financial year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014, Statement of Profit & Loss for the year ended on that date, Cash Flow Statement and notes and Consolidated Financial Statements including Consolidated Balance Sheet as at March 31, 2014, Consolidated statement of Profit & Loss for the period ended on that date and Consolidated Cash Flow and Schedules and notes to the Consolidated Statements and other relevant accounts for the year ended March 31, 2014 along with the Reports of the Directors' and Auditors' thereon be and are hereby approved and adopted."

ITEM NO. - 2. ORDINARY RESOLUTION FOR DECLARATION OF FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014 AND CONFORMATION OF PAYMENT OF INTERIM DIVIDEND MADE DURING THE FINANCIAL YEAR ENDED MARCH 31, 2014

"RESOLVED THAT the final dividend of Rs. 1.50 per equity Share of Rs.10/- each, for the financial year ended March 31, 2014 as recommended by the Board of Directors at their meeting held on May 28, 2014 be and is hereby declared.

RESOLVED FURTHER THAT the interim dividend of Rs. 1.50 per equity Share of Rs.10/- each paid to shareholders in respect of financial year March 31, 2014 be and is hereby confirmed and approved."

ITEM NO. - 3. ORDINARY RESOLUTION FOR APPOINTMENT OF A DIRECTOR IN PLACE OF PROF. JOGINDER SINGH SODHI, WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT

"RESOLVED THAT Prof. Joginder Singh Sodhi, (holding DIN 00273151), who retires by rotation and being eligible, having offered himself for re-appointment be and is hereby appointed as a director of the Company."

ITEM NO. - 4. ORDINARY RESOLUTION FOR APPOINTMENT OF M/S A.F. FERGUSON & CO., CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, 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, M/s A.F. Ferguson & Co., Chartered Accountants, New Delhi (Registration no: 112066W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Audit Committee of the Board of Directors of the Company."

SPECIAL BUSINESS

ITEM NO. - 5. ORDINARY RESOLUTION FOR APPOINTMENT OF MR. BIPIN MAIRA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Mr. Bipin Maira (holding DIN 05127804), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

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."

ITEM NO. - 6. ORDINARY RESOLUTION FOR APPOINTMENT OF PROF. SUDHIR KUMAR JAIN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Prof. Sudhir Kumar Jain (holding DIN 06419514), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

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."

ITEM NO.-7 ORDINARY RESOLUTION FOR APPOINTMENT OF MR. RAVI VIRA GUPTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Mr. Ravi Vira Gupta (holding DIN 00017410), whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

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."

ITEM NO. -8 ORDINARY RESOLUTION FOR APPOINTMENT OF DR. MEENAKSHI NAYAR AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the listing agreement, Dr. Meenakshi Nayar (holding DIN 06866256), who was appointed as an Additional Director pursuant to provisions of section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from August 4, 2014.

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."

ITEM NO. -9 ORDINARY RESOLUTION FOR APPROVAL OF REMUNERATION OF COST AUDITORS

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. K C Kohli & Co., Cost Accountants (Firm Registration Number 100541), appointed as Cost Auditors, by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the 'Cotton Textile' manufactured by the Company for the financial year ending March 31, 2015, be paid remuneration amounting to Rs.50,000/- (Rupees fifty thousand only) excluding service tax and out of pocket expenses, if any.

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

ITEM NO. -10 SPECIAL RESOLUTION FOR AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the following Articles of the existing Articles of Association of the Company be and are hereby altered in the following manner:

- i. By adding new Article 76A immediately after the existing Article 76 as under:

New Article Number	Details of New Article
76A	The Board of Directors may, from time to time, appoint / re-appoint an individual as Chairman of the Company as well as Managing Director or Chief Executive Officer of the Company.

- ii. By substituting the existing Article 65(b) of the Articles of Association of the Company with the new Article 65(b) as under:

New Article Number	Details of New Article
65(b)	One or more Directors, whose period of office is liable to determination by retirement of directors by rotation, nominated by the Board of Directors for the purpose of appointing him / them as Managing Director or Managing Directors.

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."

ITEM NO. -11 SPECIAL RESOLUTION FOR RE-APPOINTMENT OF MR. JITENDRA TULI AS MANAGING DIRECTOR OF THE COMPANY

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 and Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Jitendra Tuli (holding DIN 00272930), as Managing Director of the Company, with effect from December 20, 2013 without payment of salary and perquisites but with sitting fees as paid to other directors, for a period of one year, which is extendable for further period(s) not exceeding 5 years, on each occasion from time to time at the discretion of the Board.

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

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

All the above resolutions, which were put to vote, were passed with requisite majority.

Date: 01/09/2014
Place: New Delhi

Jitendra Tuli
Jitendra Tuli
(Chairman)

Chairman's Statement -2014

Dear Shareholders,

On behalf of the Board of Directors and on my personal behalf, I extend a warm and cordial welcome to each one of you to the 124th Annual General Meeting of your Company. The Directors' Report and Audited Financial Statements of the Company for the year ended March 31, 2014 along with the Auditors' Report thereon, have been with you for quite some time and with your permission, I take them as read.

THE MACRO SCENE

The global economic environment continued to remain challenging in fiscal 2013-14. The year under review witnessed divergent growth globally, led by strengthening of the US economy, uneven and subdued growth in the Euro area and Japan, coupled with a slowdown in Developing & Emerging markets.

The Indian economy has not remained untouched by the global economic slowdown and witnessed deceleration in GDP growth rates. Over the past few years, India's economic growth has moderated and the economy has witnessed macro headwinds, inflationary pressures and adverse currency fluctuations, all of which have led to moderation in demand.

The macro-economic slowdown impacted most of the sectors of the Indian economy. Fiscal 2013-14 has been a tough year for Indian industry. On the one hand, food inflation remained high during the year and on the other, there were uncertainties about job prospects and the state of the economy. Towards the middle of fiscal 2013-14, there was a sharp depreciation in the Indian Rupee (INR) and it touched record lows, primarily as an outcome of widening current account and fiscal deficits. Towards the end of the year, certain focused measures by the Government and Reserve Bank of India, helped to bring in some positive trends as the rupee stabilised. With all these factors, the Indian economy got saddled with unmitigated Current Account Deficit, high inflation, slow growth and falling rupee value.

With the formation of a stable and reform-oriented government after the Lok Sabha elections, there is a positive sentiment in the markets for a kick start of the reforms process and decisive policy action. Looking ahead, the outlook for the Indian economy appears positive.

Amidst much euphoria, the new Government has delivered a balanced Budget with something significant for almost every key sector of the economy. The Budget document enunciates a host of new ideas that may have a far-reaching impact on reviving economic growth.

Key announcements on investments in physical infrastructure development, direct allowances for new investment in Plant & Machinery, FDI, GSI implementation and long-term financing options are likely to boost manufacturing.

The three segments which stand highlighted are: thrust to infrastructure, augmentation of savings and boosting entrepreneurship. The focus on infrastructure and manufacturing has the potential to kick-start the investment cycle, while the legislative and administrative changes to reduce litigation in direct taxes and focus on digitalisation at village level reflect the attitudinal change that this Budget has embarked upon.

COMPANY AFFAIRS

Your company has recently completed 125 years since inception. It is more than a century of entrepreneurship, sustainability and creating shareholder value. DCM's journey of 125 years is an acknowledgement of the untiring efforts of successive generations of employees who have dedicatedly served your Company. We believe it is an ongoing journey, full of challenges and opportunities with the focus on keeping multiple businesses growing with the same entrepreneurial spirit while managing operational discipline and sharing core competencies across the board.

The financial year ending on March 2014 was another successful year, despite a challenging environment. Your Company has recorded a Net Profit after Tax of Rs. 36.20 Crores against Net Profit after Tax of Rs. 29.01 Crores earned last year. However, the performance of DCM Engineering Ltd, one of the subsidiaries of the Company continued to be severely affected due to market slowdown, a volatile input cost environment and heightened competitive intensity.

The Board of Directors of your Company has recommended a final dividend of 15% @ Rs. 1.50 per equity share of Rs. 10 each for your approval for the financial year 2013-14 in addition to the interim dividend of 15% @ Rs 1.50 per equity share of Rs.10 each which was paid in December, 2013.

The Board of Directors has recommended the induction of Dr. Meenakshi Nayar to the Board as an Independent Director. In view of her vast expertise and knowledge in management of social enterprises and human resources, it will be in the interest of the Company to appoint her as an Independent Director.

Sh. Naresh Kumar Jain, director of the Company passed away on December 8, 2013. He was 78 years old and had worked as Managing Director of the Company for more than one decade. Your Board placed on record its deep condolences on his sad demise.

TEXTILE DIVISION

The Textile Division continued to perform well during the FY 2013-14, by registering a profit before tax of Rs. 45.12 Crores against Rs. 43.02 Crores in the previous year. Primarily, good global demand and rupee depreciation during the year contributed to higher profits.

I am pleased to inform that the expansion project of the Textile Division through an addition of 39168 spindles at Hisar entailing a capital cost of about Rs. 105 Crores has been successfully executed without any cost or time overrun, raising the total capacity of the Division to 115048 spindles. Part production has commenced. The expansion has brought in a higher level of automation with latest machineries, which would help to increase efficiency / productivity as well as quality.

Current Market Scenario in Textile Sector

In 2011-12, China implemented its policy of buying domestic and imported cotton for its national reserve and consequently became a large importer of cotton. Since 2011-12, the high price of cotton in China hurt its spinning industry, but helped the spinning industry in other countries, such as India, Pakistan, Bangladesh, Indonesia, and Vietnam.

Recently, the government of China changed its cotton policy and started supplying cotton to its mills from its reserves at lower prices, which it has stockpiled to a high of 12.8 million tonnes, constituting over 58 per cent of the global stock.

The fallout of the change in China's policy on India's cotton yarn exports was immediate, resulting into weakened demand for cotton exports from India. According to some industry sources, after the announcement of China's new cotton policy, India saw a sharp drop of 25 per cent in the cotton yarn export.

IT DIVISION

During the year under review the IT Division earned Profits before Tax of Rs. 4.39 Crores as compared to Profits before Tax of Rs. 1.51 Crores in the previous year. This was possible mainly on account of an increase in the export volume and better margins.

Exports of Infrastructure services showed good growth during the year. Investments have been made in building sales bandwidth and acquiring tools to further expand the export services business. This should help to provide the desired impetus to the offshore business in future. On the domestic front, efforts were made to build capabilities as a result of which some new customers were added including Government department(s) and PSUs, etc.

CORPORATE GOVERNANCE

The Companies Act, 2013 largely applicable now has brought in provisions which require the companies to adhere to stringent corporate governance norms. I am proud to state that your Company has always followed the highest standards of Corporate Governance and considers it as more of an ethical requisite than a regulatory necessity.

SOCIAL RESPONSIBILITY STATEMENT

Your Company has always endeavored to uphold the concept of corporate social responsibility. As an effort in this direction the Textiles Division of your Company is running a school upto 10th standard in its campus at Hisar. There are around 450 students on the rolls in different classes. DCM Engineering Ltd, a subsidiary of the Company, is also running a school upto 10th standard in its campus at Shaheed Bhagat Singh Nagar, Punjab, where there are around 500 students studying in different classes.

ACKNOWLEDGEMENTS

Dear Shareholders, with astute guidance from our Board of Directors, the unflinching support of our stakeholders, the loyalty of our customers and dedication of our employees, we are optimistic of our abilities to avail of the opportunities and address the challenges that the future presents to deliver growth that is consistent, competitive, profitable and responsible.

I wish to place on record my deep appreciation to all of you for your unstinted support towards our journey. Also, I express my sincere gratitude to my colleagues in DCM for the support and valuable guidance and to our employees at all levels for their dedication and commitment. I also thank the Financial Institutions and Banks for the support extended to the Company. I also take this opportunity to thank the Government of India and the State Governments for their support and co-operation.

I look forward to your continued support and assure you of our total commitment to the objective of enhancing investor value.

Thank you,

Speech by Mr. Jitendra Tuli, Chairman, at the 124th Annual General Meeting of DCM Limited held on Monday the 4th day of August, 2014, at New Delhi.

Jitendra Tuli