



ANNUAL REPORT  
2020-2021

DCM NOUVELLE LIMITED

# Board of Directors



**Dr. Meenakshi Nayar**  
Chairman & Independent Director



Dr. Meenakshi Nayar holds Master degree in Psychology from M S University, Vadodara and FPM(Ph.D.) from IIM Ahmedabad in Organizational Behavior. She is Founder Chairperson of ETASHA Society, a not-for-profit organization that provides market-oriented employability and vocational skills to disadvantaged Indian youth. She has worked for more than two decades in Human Resource Management and Development in the corporate sector. She is also Founder of EduServe Consultants working with Adolescents in schools in the areas of Sexuality Education, Career Guidance, and Life Skills Development.



**Mr. Hemant Bharat Ram**  
Managing Director



Mr. Hemant Bharat Ram is the Managing Director of DCM Nouvelle Limited, which is the erstwhile cotton yarn manufacturing business of DCM. Previously, he was the Vice Chairman of DCM Engineering Limited, which manufactures iron blocks and heads for automotive engines. He started his career managing DCM's information technology businesses. He has 30 years of professional experience.

He is the Executive Vice President of Shri Ram Centre for Performing Arts, and a trustee of the Indian National Theatre. He was a member of the General Committee of the Delhi Golf Club.

Mr. Hemant Bharat Ram obtained a Bachelor's degree in Mathematics and Computer Science in 1989 followed by an MBA in 1991, both from Carnegie Mellon University, USA.

In 1999, he was appointed as the President of the Manufacturers Association of Information Technology. He was a member of the CII National Council (1999-2000). He is a member of several professional societies including Institute of Electrical & Electronics Engineers (IEEE), USA, and Association for Computing Machinery (ACM), USA.





**Dr. Vinay Bharat Ram**  
Whole Time Director



Dr. Vinay Bharat Ram educated at the universities of Delhi, Michigan (Ann Arbor) and Harvard; and holds a Ph.D. in Economics from the University of Delhi. Taught at IIM-Ahmedabad, IIT-Delhi and FMS, University of Delhi. He has authored numerous papers published in various Indian and international journals.

Dr. Vinay Bharat Ram is an Indian-born businessman and entrepreneur. He has been awarded the National Citizen's Award for Entrepreneurship in 1990 from the Prime Minister of India, and also received National Excellence Award for Art & Culture from T. P. Jhunjhunwala Foundation.

Dr. Vinay Bharat Ram is the former President of the Northern India Textile Mills Association. He is a past president of The Harvard Club of Delhi and the Manufacturers' Association of Information Technology.



**Mr. Rakesh Goel**  
Whole Time Director



Mr. Rakesh Goel, is MBA from Punjab Agricultural University and has served various organizations at top management level in a span of 4 decades of his career. He served at HAFED for 10 years before joining DCM Group in 1990 and has been working at various positions across textile business. He has well rounded experience with multiple functions exposure purchasing, marketing, plant operations & projects implementation among others. He has end to end experience of all textile operations.







**Ms. Shahana Basu**  
Non-Executive Director



Ms. Shahana Basu graduated in History from Hindu College, Delhi University, a Tripos in Social & Political Sciences from Trinity College, Cambridge University, UK, M.A Degree in Sociology from the University of Chicago in Illinois, USA and a Juris Doctor's Degree in Law from Yale Law School, Yale University in Connecticut, USA in the year 1996-1999.

Ms. Basu has over 15 years of experience working with multinational law firms and corporations. From 2009 to 2012, Ms. Basu was a Partner and Chair of the South Asia Practice at Edwards Wildman Palmer LLP's Boston office. She joined Apollo Tyres Ltd as Chief Legal Officer in 2012 and later became Global General Counsel of Amira Nature Foods Ltd in 2014. She has served on the boards of several companies.



**Mr. Jitendra Tuli**  
Non-Executive Director



Mr. Jitendra Tuli graduated from Shriram College of Commerce with a Bachelor's degree in Commerce. Mr. Tuli received his Post Graduate Diploma from the London School of Journalism and studied at Boston University's School of Public Relations and Communications.

He started his career in Journalism with Hindustan Times in 1964. He joined IBM as a Communication Officer in 1971. He was an Editorial and Communications Consultant at World Health Organization and served as its Public Information Officer for 19 years until 1996. He is deeply involved in the work for the less privileged ones as the trustee of Amarjyoti Charitable Trust and as a founder member of Cancer – Sehyog.







**Mr. Kulbir Singh**  
Independent Director



Mr. Kulbir Singh, attended The Doon School in Dehradun, India, and then went on to earn an Honours degree in Economics from St. Joseph's College in North Point, Darjeeling. In early 1967, he joined Grindlays Bank. He worked for Grindlays Bank, a century-old British institution, for nearly 30 years.

Mr. Singh spent one-third of his time in London, Hong Kong, and Dubai. Between 2001 and 2003, he served as an advisor to Rothschild Bank AG for India and the Middle East, and for five years to Monument Capital Group LLC, a Washington, DC-based private equity firm focusing on homeland security.

Mr. Singh has also served on the boards of public and private companies ranging from chemicals/ petrochemicals to information technology. He has a mix of leadership and advisory experience, with a focus on business strategy, financial management, and compliance, all while maintaining the highest level of integrity.



**Mr. Ravi Vira Gupta**  
Independent and Non-Executive Director



Mr. Ravi Vira Gupta educated at St. Stephen's College, Delhi and at Cambridge University. After his Graduation in Economics, he joined the Indian Administrative Service in 1962. He had worked in various states and held challenging assignments. He was also Deputy Governor of the Reserve Bank of India for about three years. He was also Chairman Emiretus of Ambit Corporate Finance Private Ltd., which is a leading investment bank of India. He is on the board of several other companies.





**Mr. Bipin Maira**  
Independent Director



Mr. Bipin Maira is a science graduate from Agra University having over 50 years of experience in the corporate world. He began his career in 1962 as a Senior Management Trainee with Delhi Cloth & General Mills Co. Ltd., rising to the position of General Manager before leaving in 1982. He was also associated as the Chief Executive with renowned Kewalram Chanrai Group's Nigerian manufacturing operations, which included one of Africa's largest textile complexes. Also worked as a director and partner with Resource Management Associates, where he oversaw international assignments in Management Consultation and HR.



**Mr. Vivek Chhachhi**  
Independent Director



Mr. Vivek Chhachhi earned a Master's degree in Management Studies from the Jamnalal Bajaj Institute of Management Studies, University of Mumbai and a B.Sc. degree in Computer Science from St. Stephen's College, Delhi University.

Mr. Chhachhi had two years of experience as an equity research analyst at a Citi-affiliated brokerage firm, Citicorp Securities & Investments Limited. Mr. Chhachhi was a Director with CVCI, where he had about 15 years of investing experience. Mr. Chhachhi worked with CVCI to identify, manage, and exit a large number of companies in a variety of industries, including IT, pharmaceutical and specialty chemicals, IT enabled services, financial services, auto, metals and mining, infrastructure, oil and gas services, media, and textiles.

Mr. Chhachhi has served on the boards of Thyrocare, Nueclear, Thyrocare Gulf, Sutures, Natco, and Veeda, among others. Mr. Chhachhi has also served on the boards of several CVCI portfolio companies, including i-FLEX, Jubilant Organosys, Sasken Technologies, RelQ Software, Newgen Software, Himadri Industries, and Techno Electric, IVRCL, Perlecan Pharma, International Tractors, Jai Balaji, and Globe Capital, among others.



## From the Desk of the Chairperson



My Dear Shareholders,

First and foremost, I want to thank the Board of Directors, DCM Nouvelle, and the shareholders for allowing me to serve as Chairperson of this prestigious Company with a great history and tradition spanning over a century! I'm both humbled and honoured to be speaking to you once again.

Given these unique times, I would also like to offer my heartfelt condolences for the precious lives lost as a result of the current pandemic. I pray and hope for an early end to it, for the safety and health of all, and particularly yours, our dear shareholders.

As a responsible corporate citizen, DCM Nouvelle has followed and continues to respect the National mandate during the currently on-going pandemic in its true letter and spirit, keeping the safety, hygiene and health of its customers and employees as its utmost priority.

2020-21 has been tough for industry. Like most other industries, there were ripples within the textile sector too. Widespread job losses and reduced income among the general population resulted in reduced discretionary spending, and consumption of clothing saw a sharp downturn. At the same time, the industry faced labour shortages resulting in loss of production which cascaded to yarn shortages and consequent hike in yarn prices.

However, with the relentless drive of our management team, and cooperation of our employees, we were able to continue production and

export large quantities, as a result of which the company has shown significantly better overall performance.

DCM Nouvelle stands at the forefront to implement the values of sustainability, safety, and socially responsible practices in cotton consumption. We are also deeply committed to the wellbeing of the community. And this year has been no different in terms of the support provided to our workers' families and the community around us.

As is well known, DCM Nouvelle has always followed the highest standards of Corporate Governance and worked in the best interest of its valued members. At DCM Nouvelle, our members are our priority. I would like to take this opportunity to thank you all, our dear shareholders, for your continuing support.

On behalf of the Board and myself, I would also like to thank our Management Team, staff and workers headed by Shri Rakesh Goel working under the guidance of Shri Hemant Bharat Ram. This team exemplifies the words of **Tony Robbins "The secret of success is... is no secret. It's called working hard and finding a way to add more value to people's lives than anyone else does!"**

**Dr. Meenakshi Nayar**  
Chairperson





## From the Desk of the **Managing Director**

Dear Shareholders,

We are seeing an unprecedented and heartbreaking impact of the pandemic, which is destroying lives and livelihoods alike. We are tremendously inspired by and pay our respects to the many frontline workers, whose selfless service ensures that society and community continue to breathe. We will be eternally grateful to them.

The premium quality yarn of DCM Nouvelle is exported to a number of customers across the world and with the second wave of the pandemic, the global operations were affected badly. However, with a clear vision and well-placed systems, guided by a team of professionals and steered by an enterprising management, the company has been showing good recovery rates. DCM Nouvelle has shown substantial results and it is on a path of continual growth by diversifying its products and extending its customer reach.

Our profits for the year increased manyfold from ₹ 435 Lakh in the year 2019-2020 to ₹ 3053 Lakh for the year 2020-2021. Such huge growth is a reflection of our dedicated management and the employees of DCM Nouvelle. Irrespective of the Pandemic, our efforts to bring the best to our members did not reduce at all.

The earnings per share for our valued members have increased from ₹ 2.31 per share in the year 2019-2020 to ₹ 16.33 per share in the year 2020-2021. The company has also been adopting cost control measures and the same has been reflected through a decline in the expenses from ₹ 58243 Lakh for the

year 2019-2020 to ₹ 52807 Lakh in the year 2020-2021.

### **LOOKING AHEAD**

As the country navigates the second wave of the pandemic, where challenges have become even more difficult, we are committed to ensuring the safety of our employees, their families, and the communities in which we operate. Till the impact of the vaccine is fully felt, we continue to see our operations exposed to several challenges. We are actively encouraging our employees to get vaccinated, and also facilitate the same.

In every way, we are firmly on our way to becoming a more future-ready company and determined to keep formulating robust strategies and means to combat the challenges thrown by the pandemic. In every way we are focused towards increasing the production and sales of our products and expanding the markets towards the new horizons.

I hereby express my sincerest gratitude to our stakeholders for standing strong with us and believing in the company's values and our long heritage, in our abilities to navigate change and emerge even stronger out of these tough times.

At DCM Nouvelle, our commitment to delivering quality, affection, and thoughtfulness in everything and that remains unchanged.

**Mr. Hemant Bharat Ram**  
Managing Director



# Financial highlights

**Revenue from Operations**  
(₹ in Lacs)

**56,277.87**  
(2020: 58,521.74)

**EBIT**  
(₹ in Lacs)

**4,942.13**  
(2020: 1,842.34)

**EBIDTA**  
(₹ in Lacs)

**6,544.99**  
(2020: 3,489.57)

**Net Worth**  
(₹ in Lacs)

**18,415.55**  
(2020: 15,362.26)

**Net Cash Flow**  
(₹ in Lacs)

**2,894.13**  
(2020: 3,520.92)

**Finance Cost**  
(₹ in Lacs)

**841**  
(2020: 1,186)

**Return on Networth**  
(%)

**16.57**  
(2020: 2.81)

**Earnings per share**  
(Basic and diluted)

**16.33**  
(2020: 2.31)



# Operational highlights

Sales (MT)

**26,662**

(2020: 28,292)

Production (MT)

(₹)

**26,025**

(2020: 28,645)

Spindle Capacity

**1,14,096**

(2020: 1,14,096)

Cotton Consumed (MT)

**33,842.66**

(2020: 36,983.11)

Power &amp; Fuel

(Unit in Lacs)

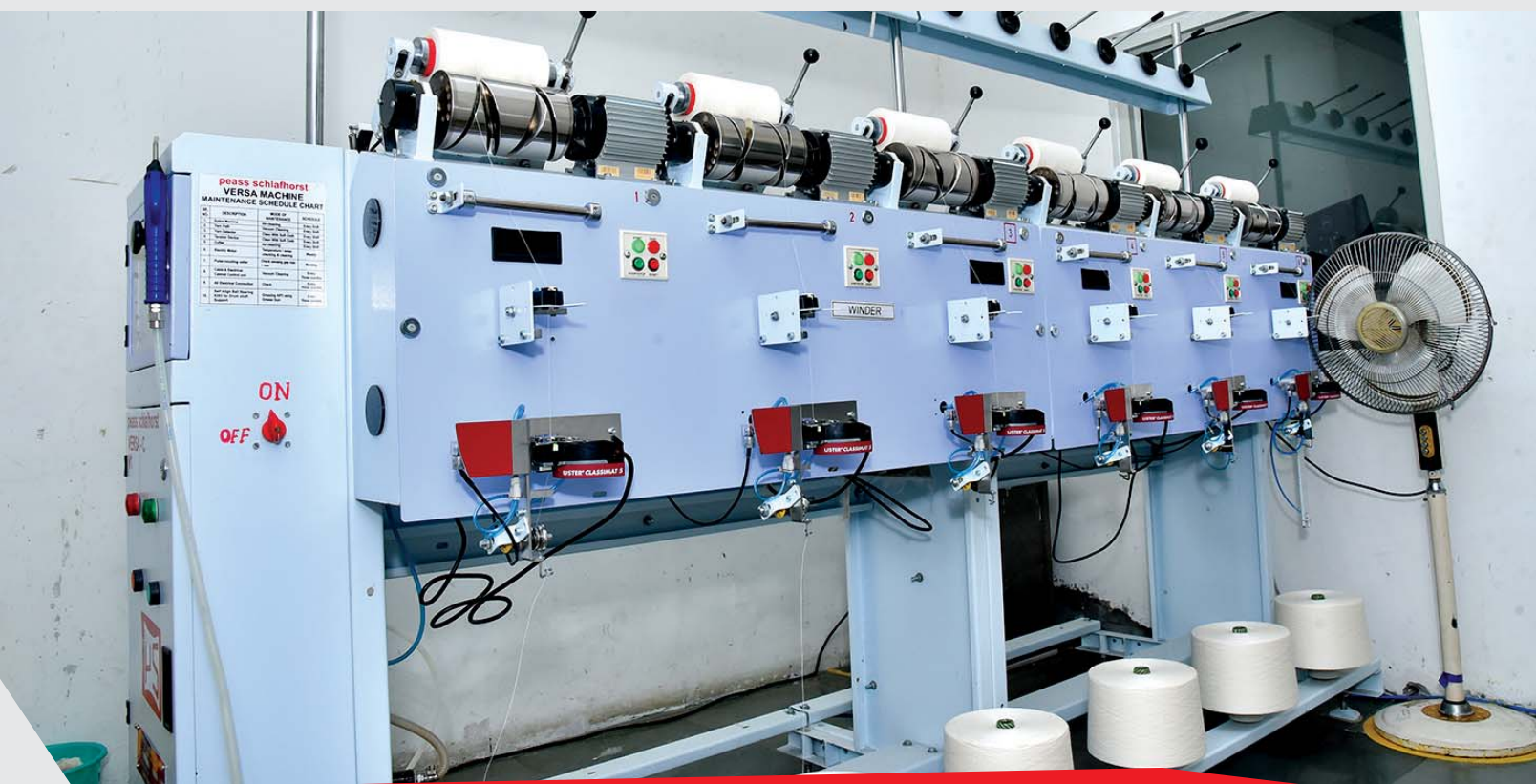
**728.63**

(2020: 796.46)

Employees

**1,861**

(2020: 1,636)





# Corporate Information

## Board of Directors

Dr. Meenakshi Nayar	- Chairperson & Independent Director
Mr. Hemant Bharat Ram	- Managing Director
Dr. Vinay Bharat Ram	- Whole Time Director
Mr. Rakesh Goel	- Whole Time Director
Ms. Shahana Basu	- Non-Executive Director
Mr. Jitendra Tuli	- Non-Executive Director
Mr. Kulbir Singh	- Independent Director
Mr. Ravi Vira Gupta	- Independent Director
Mr. Bipin Maira	- Independent Director
Mr. Vivek Chhachhi	- Independent Director

## Chief Financial Officer

Mr. Sandeep Kumar Jain

## Company Secretary

Mr. Mohd Sagir

## Statutory Auditors

**Walker & Chandiok & Co. LLP,**

Chartered Accountants

21st floor, DLF Square, Jacaranda Marg, DLF Phase II, Gurgaon, Haryana 122002

Telephone: T +91 124 462 8000

## Bankers

Punjab National Bank

## Registered Office

**DCM Nouvelle Limited,**

407, Vikrant Tower, 04, Rajendra Place, New Delhi-1100 08,

India Tel: 91 1143678490

## Registrar and Transfer Agent

**Skyline Financial Services Private Limited,**

D-153 A, First Floor, Okhla Industrial Area, Phase -I, New Delhi-1100 20,

Tel: 011-41044923, Email: info@skylinerta.com

## NOTICE

Notice is hereby given that the **5th Annual General Meeting** of the Members of the DCM Nouvelle Limited ('the Company') will be held on **Tuesday, July 27, 2021 at 11:00 A.M. (IST)** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

**Item No. 1-** To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Auditors and the Board of Directors thereon.

**Item No. 2-** To consider appointment of a director in place of Ms. Shahana Basu (DIN 07137715) who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

**Item No. 3-** To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022.

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, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), M/s. KG Goyal & Associates, Cost Accountants, Jaipur, who was appointed as Cost Auditors by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company for the financial year 2021-22 on a remuneration of ₹ 50,000/- (Rupees fifty thousand only) plus applicable taxes besides reimbursement of out of pocket expenses incurred in connection with the aforesaid audit fixed by the Board of Directors, be and is hereby ratified and confirmed"

**Item No. 4-** Appointment of Mr. Kulbir Singh (DIN: 00204829), as an Independent Director.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made

thereunder, read with Schedule IV of the said Act and Regulation 17 and 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, Mr. Kulbir Singh (DIN: 00204829), who was appointed as an Additional Director of the Company with effect from 01st April, 2021 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of five consecutive years commencing from 22nd June, 2021 upto 21st June, 2026.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**Item No. 5-** Appointment of Mr. Vivek Chhachhi (DIN: 00496620) as an Independent Director.

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 Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, Mr. Vivek Chhachhi (DIN: 00496620), who was appointed as an Additional Director of the Company with effect from 01st April, 2021 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of five consecutive years commencing from 1st April, 2021 upto 31st March, 2026.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**Item No. 6-** To approve increase in remuneration of Mr. Hemant Bharat Ram, Managing Director of the Company.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections, 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 read with the relevant Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), other applicable provisions including any modification or re-enactment thereof, if any, and the Articles of Association of the Company, as recommended by the Nomination & Remuneration Committee, and approved by the Board of Directors, consent of the members be and is hereby accorded to ratify, revise and pay following remuneration to Mr. Hemant Bharat Ram, Managing Director w.e.f from 01st April 2021, as per the terms and conditions mentioned below:

**A) Salary Per Month (Including Basic Salary and Performance Allowance): ₹ 22,48,000/-**

**B) Other Allowances, Reimbursements and Perquisites:**

- i) Rent free accommodation leased/House Rent Allowance upto 50% of Basic Salary.
- ii) Medical Allowances / education allowance/ expenses for self and family at actuals as per Rules of the Company.
- iii) Group Personal accident /medical policy as per Rules of the Company.
- iv) Leaves in accordance with rules framed by the Company.
- v) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company.
- vi) Gratuity payable shall be at a rate not exceeding 15 days' salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.
- vii) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.
- viii) LTA in accordance with rules framed by the Company

In addition to the above, he shall also be entitled to following facilities necessary for the purposes of business, which will not be considered as perquisites:

- i) Company maintained car(s) with driver(s);
- ii) Telephone(s) facility.

However, for the personal use of car, the amount equivalent to the perquisite value of the car(s) as per Income Tax Act shall be recovered from him.

Provided that the above remuneration be paid to Mr. Hemant Bharat Ram, Managing Director of the company, under the above different heads which may be interchangeable either by operation of any law or due to amendment in any rules or schemes framed by the company or otherwise in future as may be decided by the company from time to time.

**C) Bonus:**

In addition to the Salary and Allowances mentioned in A & B above, Mr. Hemant Bharat Ram, Managing Director shall be paid such percentage or amount of bonus as may be determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee based on profitability and overall performance of the Company in each financial year.

**D) Annual increment in remuneration**

The annual increment for Salary & Allowances mentioned in A & B above shall fall due on 01st April every year and shall be such amount as may be fixed by the Nomination and Remuneration Committee subject to a maximum of 30% of the total Salary & allowances.

**E) Other Terms and Conditions:**

- i) Subject to overall superintendence, direction and control of the Board of Directors, Mr. Hemant Bharat Ram is entrusted with substantial powers of management of the Company. He shall look after the working and shall manage the affairs of the Company, as may from time to time be assigned to him by the Board of Directors of the Company.
- ii) For the discharge of duties, Mr. Hemant Bharat Ram shall report to and derive his authorities and functional responsibilities from the Board of Directors.
- iii) Either party may terminate the appointment by



giving to the other, three calendar months' notice in writing.

- iv) In the event of termination of appointment by the Company, the Board of Directors shall determine the compensation on recommendation of Nomination and Remuneration Committee which shall not exceed an amount of remuneration for the remaining term of his appointment or for three years whichever is shorter in accordance with the provisions of section 202 of the Companies Act, 2013.
- v) Remuneration for a part of the year shall be computed on a pro-rata basis.
- vi) He shall not be entitled to any sitting fees for attending the meeting of Board of Directors or Committee(s) thereof.
- vii) Contribution to provident fund, superannuation fund, annuity fund to the extent not taxable under Income Tax Act, 1961, Gratuity payable not exceeding half a month's salary and encashment of leave at the end of the tenure, shall not be included in the computation of ceiling on remuneration as per Schedule V of the Companies Act, 2013.
- viii) Subject to limits as prescribed in Company's Policies, he shall be entitled to re-imbursement of expenses including on entertainment and travelling incurred in the course of business of the Company, which will not be treated as an item of remuneration for the purpose of Section 197 of the Companies Act, 2013.
- ix) For the purposes of retirement benefits like Gratuity, Provident Fund, Earned Leave etc., the service of Mr. Hemant Bharat Ram, Managing Director of the company will be considered in continuation of service from the date of his joining with the Company.

**RESOLVED FURTHER THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for the ratification and payment of remuneration as set out above to Mr.

Hemant Bharat Ram (DIN: 00150933), Managing Director, notwithstanding that the annual aggregate remuneration including bonus payable to all Promoter and/or Executive Directors exceeds 5% and all directors exceeds 11 % of the net profit of the Company as calculated under section 198 of the Companies Act, 2013 in any year during the tenure of his appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

**Item No. 7-** To approve increase in remuneration of Mr. Rakesh Goel, Whole Time Director of the Company.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 read with the relevant Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), other applicable provisions including any modification or re-enactment thereof, if any, and the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee and approved by Board of Directors, consent of the members be and is hereby accorded to ratify, revise and pay following remuneration to Mr. Rakesh Goel, Whole Time Director w.e.f 01st April 2021, as per the terms and conditions mentioned below:

**A) Salary Per Month (Including Basic Salary, Performance Allowance): ₹ 9,61,420/-**

**B) Other reimbursements/Perquisites:**

- i) Rent free furnished accommodation owned by the Company
- ii) Group Personal accident /medical policy as per Rules of the Company.
- iii) Leaves in accordance with rules framed by the Company.
- iv) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company.
- v) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.

vi) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.

vii) LTA in accordance with rules framed by the Company.

viii) Water/Electricity/Gas facility.

In addition to the above, he shall also be entitled to following facilities necessary for the purposes of business, which will not be considered as perquisites:

i) Mobile/ Telephone(s) facility.

Provided that the above remuneration be paid to Mr. Rakesh Goel, Whole Time Director of the Company, under the above different heads which may be interchangeable either by operation of any law or due to amendment in any rules or schemes framed by the company or otherwise in future as may be decided by the company from time to time.

#### **C) Bonus:**

In addition to the Salary and Allowances mentioned in A & B above, Mr. Rakesh Goel, Whole Time Director, shall be paid such percentage or amount of bonus as may be fixed by Nomination and Remuneration Committee based on profitability and overall performance of the company in each financial year.

#### **D) Annual increment in remuneration:**

The annual increment for Salary & Allowances mentioned in A & B above shall fall due on 01st April every year and shall be such amount as may be fixed by the Nomination and Remuneration Committee subject to a maximum of 20% of the total Salary & allowances.

#### **E) Other Terms and Conditions:**

i) For the discharge of duties, Mr. Rakesh Goel shall report to and derive his authorities and functional responsibilities from Mr. Hemant Bharat Ram, Managing Director or as may be decided by the Board of Directors, from time to time.

ii) Subject to overall superintendence, direction and control of the Board of Directors, Mr. Rakesh Goel will be responsible for Plant operations of the Textiles Division namely 'DCM Textiles situated at Hisar, Haryana.

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

iv) 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.

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

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

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

viii) Contribution to provident fund, superannuation fund, annuity fund to the extent not taxable under Income Tax Act, 1961, Gratuity payable not exceeding half a month's salary and encashment of leave at the end of the tenure, shall not be included in the computation of ceiling on remuneration as per Schedule V of the Companies Act, 2013.

ix) For the purposes of retirement benefits like Gratuity, Provident Fund, Earned Leave etc., the service of Mr. Rakesh Goel, Whole Time Director of the company will be considered in continuation of service from the date of his joining with the Company.

**RESOLVED FURTHER THAT**, pursuant to Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Members be and is hereby accorded for the payment of remuneration as set out above to Mr. Rakesh Goel, Whole Time Director, notwithstanding that the annual aggregate remuneration payable to all Executive Directors exceeds 5% and all directors exceeds 11 % of the net profit of the Company as calculated under section 198 of the Companies Act, 2013 in any year during the tenure of his appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary, proper

or desirable or expedient to give effect to the above resolution.

**By order of the Board**

**Mohd Sagir**

Date: June 22, 2021

Company Secretary

Place: New Delhi

Membership No.FCS-11061

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. 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 thereat and cast their votes through e-voting.
3. 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 Stakeholders Relationship & Finance Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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.
6. 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 <https://www.dcmnvl.com/agm-2021.html>. 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](http://www.bseindia.com) and [www.nseindia.com](http://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](http://www.evoting.nsdl.com).
7. 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. 2/2021 dated January 13, 2021.
8. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 3 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed.



**9. Book Closure:**

The Register of Members and the Share Transfer Books of the Company will remain closed from July 19, 2021 to July 27, 2021 (both days inclusive) for the purpose of Annual General Meeting.

10. As per Regulation 40 of the Listing Regulations, as amended, 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 and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents - Skyline Financial Services Private Limited ("Skyline") for assistance in this regard.

11. To support the **"Green Initiative"**, Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.

12. 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 Depository Participant in case the shares are held in electronic form and to Skyline Financial Services Private Limited ("Skyline"), in case the shares are held in physical form.

13. 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.

14. Pursuant to Regulation 39(4) of SEBI listing Regulations, members whose shares are being unclaimed or not received then members can claim their shares by sending the details of their folios to the Company or RTA i.e., Skyline, D-153 A, First Floor, Okhla Industrial Area, Phase -I, New Delhi-110020, Tel: 011-41044923, Email: info@skylinerta.com.

15. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

**16. Updation of Members' Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company / Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

**17. Nomination Facility:**

As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [dcmnouvelletd@gmail.com](mailto:dcmnouvelletd@gmail.com)

19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice of AGM and the Annual Report 2020-21 will also be available on the Company's website at [www.dcmnvl.com](http://www.dcmnvl.com), on the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and

www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on July 24, 2021, at 09:00 A.M. and ends on July 26, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 21, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 21, 2021.

#### How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

##### 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.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under "<b>IDeAS</b>" 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 <b>e-Voting service provider - NSDL</b> 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 &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS</b>" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider - NSDL</b> 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 &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
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 <b>e-Voting service provider-NSDL</b> 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [https://](https://www.evoting.nsdl.com/)

[www.evoting.nsdl.com/](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, 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 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 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 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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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'.
  - If your email ID is not registered, please follow steps mentioned below in

**process for those shareholders whose email ids are not registered**

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - 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](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.



## **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 company for which you wish 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.

### **General Guidelines for shareholders**

1. 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](mailto:pragnyap.pradhan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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](http://www.evoting.nsdl.com) to reset the password.
3. 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](http://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-NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or call on +91 22-2499 4545 and email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### **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 [dcmnouvelletd@gmail.com](mailto:dcmnouvelletd@gmail.com).
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 [dcmnouvelletd@gmail.com](mailto:dcmnouvelletd@gmail.com). If you are an Individual shareholder 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](mailto: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.

### **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 (dcmnouvelleltd@gmail.com). The same will be

replied by the company suitably.

#### OTHER INFORMATION:

- a) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or to a person authorized by the Chairperson in writing who shall countersign the same.
- b) The Chairperson or the person authorized by her in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the Results of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website and on the website of NSDL immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Company are listed.
- c) Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e., July 27, 2021.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

The following Statement sets out all material facts relating to Item No. 3 to 7 mentioned in the accompanying Notice.

#### ITEM NO. 3

The Board of Directors of the Company, on recommendation of the Audit Committee, at the meeting held on June 22, 2021 has appointed M/s. KG Goyal & Associates, Cost Accountants, Jaipur as Cost Auditors for the financial year to end on March 31, 2022 at a remuneration of ₹ 50,000/- (Rupees fifty thousand only) plus taxes as may be applicable besides reimbursement of out-of-pocket expenses incurred by them in the conduct of such Audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records & Audit), Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the

Cost Auditors to conduct the cost audit for the financial year 2021-22.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year to end on March 31, 2022.

The Board of Directors recommends the resolution as set out under item no. 3 of this Notice for the approval of members of the Company.

None of the directors, key managerial personnel and their relatives are interested or concerned, financially or otherwise, in the aforesaid resolution as set out under item no 3.

#### **ITEM NO. 4**

The Board of Directors of the Company ('the Board') at the meeting held on June 22, 2021, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the appointment of Mr. Kulbir Singh, as Independent Director of the Company with effect from June 22, 2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolution relating to his appointment.

Declarations have been received from Mr. Kulbir Singh that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015.

In the opinion of the Board, Mr. Kulbir Singh fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as Independent Director and he is independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for appointment of Mr. Kulbir Singh, in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy-five years. During the proposed term of appointment, Mr.

Kulbir Singh will attain the age of seventy-five years on 12th May, 2022. The Special Resolution under Item Nos. 4, once passed, shall also be deemed as your approval under the Listing Regulations 2015, for continuation of Mr. Kulbir Singh as Independent Director beyond the age of seventy-five years.

Requisite Notices under Section 160 of the Act proposing the appointment of Mr. Kulbir Singh have been received by the Company, and consents have been filed by Mr. Kulbir Singh pursuant to Section 152 of the Act.

Mr. Kulbir Singh does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Except Mr. Kulbir Singh, none of the directors, key managerial personnel and their relatives are interested or concerned, financially or otherwise, in the aforesaid resolution as set out under item no 4.

The Board recommends this Special Resolution for your approval.

#### **ITEM NO. 5**

The Board of Directors of the Company ('the Board') at the meeting held on May 15, 2021, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the appointment of Mr. Vivek Chhachhi, as Independent Director of the Company with effect from April 1, 2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolution relating to his appointment.

Declarations have been received from Mr. Vivek Chhachhi, that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015.

In the opinion of the Board, Mr. Vivek Chhachhi, fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as an Independent Director and he is independent of the management of the Company.

Consent of the Members by way of Ordinary Resolution is required for appointment of Mr. Vivek Chhachhi, in

terms of Section 149 of the Act. Requisite Notices under Section 160 of the Act proposing the appointment of Mr. Vivek Chhachhi have been received by the Company, and consents have been filed by Mr. Vivek Chhachhi pursuant to Section 152 of the Act.

Mr. Vivek Chhachhi does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Except Mr. Vivek Chhachhi, none of the directors, key managerial personnel and their relatives are interested or concerned, financially or otherwise, in the aforesaid resolution as set out under item no 5.

The Board recommends this Ordinary Resolution for your approval.

#### ITEM NO. 6

Mr. Hemant Bharat Ram was appointed as the Managing Director of the Company by the Board at its meeting held on May 15, 2019 for a period of 5 years i.e., from April 01, 2019 to March 31, 2024. The same was subsequently approved by the members by way of postal ballot held on September 30, 2019.

Further, considering the contribution of Mr. Hemant Bharat Ram and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on May 15, 2021 approved the revision in the remuneration of Mr. Hemant Bharat Ram, on terms and conditions enumerated in the Resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, and regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the revised remuneration of Mr. Hemant Bharat Ram as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits by way of special resolution.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

Pursuant to the applicable provisions of the Companies Act, 2013, read with relevant rules made there under and SEBI (LODR) Regulations 2015, consent of members is being sought by way of a Special Resolution.

Except Mr. Hemant Bharat Ram and Dr. Vinay Bharat Ram, father of Mr. Hemant Bharat Ram, none of the promoters, directors, key managerial personnel and their relatives are considered to be concerned or interested financially or otherwise, in the Resolution.

The Board recommends this Special Resolution for your approval.

#### ITEM NO. 7

Mr. Rakesh Goel was appointed as the Whole Time Director of the Company for a period of five years (effective from 01.04.2019). The same was subsequently approved by the members at the Postal Ballot held on September 30, 2019.

Further, considering the contribution of Mr. Rakesh Goel and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on May 15, 2021 approved the revision in the remuneration of Mr. Rakesh Goel, on terms and conditions enumerated in the Resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Rakesh Goel as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Rakesh Goel, Whole Time Director of the Company.

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of members is being sought by way of a Special Resolution.

Except Mr. Rakesh Goel, none of the promoters, directors, key managerial personnel and their relatives are considered to be concerned or interested financially or otherwise, in the Resolution.

The Board recommends this Special Resolution for your approval.



Information for item no 6 & 7 as required under item (iv) to third proviso of Section II of Part II of Schedule V of the Companies Act, 2013

<b>Nature of Industry</b>	The Company is engaged in the manufacturing of cotton yarn.		
<b>Date of or expected date of commencement of commercial production</b>	Not Applicable		
<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:</b>	Not Applicable		
<b>Financial Performance based on the given indicators:</b>	Performance for Financial Year 2020-21 & 2019-20 (Amount in lacs except EPS)		
	<b>Year</b>	<b>2020-21</b>	<b>2019-20</b>
	Gross Revenue	56,908	58,899
	Profit After Tax	3,053	435
	Dividend	Nil	Nil
	EPS	16.33	2.31
<b>Foreign investments or collaborations, if any.</b>	Not Applicable		

## 2. INFORMATION ABOUT THE APPOINTEE(S):

<b>Background Details</b>	<p>Mr. Hemant Bharat Ram is the Managing Director of DCM Nouvelle Limited, which is the erstwhile cotton yarn manufacturing business of DCM. Previously, he was the Vice Chairman of DCM Engineering Limited, which manufactures iron blocks and heads for automotive engines. He started his career managing DCM's information technology businesses. He has 30 years of professional experience.</p> <p>Mr. Hemant Bharat Ram obtained a Bachelor's Degree in Mathematics and Computer Science in 1989 followed by an MBA in 1991, both from Carnegie Mellon University, USA.</p>	<p>Mr. Rakesh Goel is MBA from Punjab Agricultural University and has served various organizations at the top management level in a span of 4 decades of his career. He served at HAFED for 10 years before joining DCM Group in 1990.</p>
<b>Past Remuneration</b>	Mr. Hemant Bharat Ram drew ₹ 272.26 Lakhs during the financial year 2020- 21.	Mr. Rakesh Goel drew ₹ 123.05 Lakhs during the financial year 2020- 21.
<b>Recognition or Awards</b>	None	None
<b>Job Profile and his suitability</b>	Mr. Hemant Bharat Ram was associated with the erstwhile Textile Division of DCM Limited ("DCM"), its erstwhile holding company as a President (Textiles) over a long period of time and was involved in its operations and led successfully growth of the business.	He has been part of the Group for the last 30 years and has led successfully in the growth of the business.

<b>Proposed Remuneration</b>	As set out in the Special resolutions forming part of the Notice.	
<b>Comparative Remuneration</b>	Considering the responsibility shouldered by them of the enhanced business activities of the company, proposed remuneration is commensurate with the industry Standards and Board Level positions held in similar sized and similarly positioned businesses.	
<b>Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel; if any</b>	Mr. Hemant Bharat Ram holds 93,38,905 equity shares of ₹ 10 each, comprising 50.02% of the total paid up capital of the company. He is the son of Dr. Vinay Bharat Ram.	Mr. Rakesh Goel holds 2000 equity shares in the Company

### III) OTHER INFORMATION

<b>Reasons of loss or inadequate profits</b>	After the restructuring, the Company is striving hard to enhance its profitability however since the Company is in commodity business and has a very volatile demand scenario. The profitability may go down due to market situation. In view of the same, as a cautionary measure, the Board has sought approval of the members for the items set out at item number 6 to 7.	
<b>Steps taken or proposed to be taken for improvement</b>	<p>The steps taken or proposed to be taken to improve the profitability inter-alia includes:</p> <ul style="list-style-type: none"> <li>o Continued focus to achieve improved quality standard, skill set improvement and enhancement of machine efficiencies for better productivity and cost effectiveness across all areas of operations.</li> <li>o Better product mix /development of new items to match with the increased market dynamics to further increase the market share and better realization.</li> <li>o Various automation measures undertaken/to be undertaken to improve the productivity and cost reductions in the area of power, manpower and material cost.</li> <li>o Implementation of new TQM modules to further improve the overall efficiency.</li> </ul>	
<b>Expected increase in productivity and profits in measurable terms</b>	The series of steps taken/to be taken by the company would increase productivity and profits. With these measures, the company would expect increase in sales as well as cash accruals.	

**By order of the Board**

Date: June 22, 2021  
Place: New Delhi

**Mohd Sagir**  
Company Secretary  
Membership No. FCS-11061

## ANNEXURE TO ITEMS 2, 4 & 5 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Ms. Shahana Basu	Mr. Kulbir Singh	Mr. Vivek Chhachhi
Date of Birth	25.07.1968	12.05.1947	05.01.1971
Nationality	India	India	India
Date of Appointment on the Board	23.04.2019	22.06.2021	01.04.2021
Qualifications	Law, M. A Sociology	Honours Degree in Economics.	Master's Degree in Management Studies and B.Sc. Degree in Computer Science
Expertise in specific functional area	Legal And Business Issues	Financial Management and Strategy	Investment Advisory
Number of shares held in the Company	Nil	Nil	Nil
List of the directorships held in other companies*	Voith Paper Fabrics India Limited	Nil	Nil
Number of Board Meetings attended during the year 2021	5	N. A	N. A
Chairman/*Member in the Committees of the Boards of companies in which he/she is Director*	N. A	N. A	N. A
Relationships between Directors inter-se	N. A	N. A	N. A
Remuneration details (Including Sitting Fees & Commission)	1.00 Lacs	N. A	N. A

\*Directorship includes Directorship of Public Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether listed or not).

By order of the Board

Date: June 22, 2021  
Place: New Delhi

**Mohd Sagir**  
Company Secretary  
Membership No. FCS-11061

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 05<sup>th</sup> Board Report on the Company's business and operations, together with audited financial statements for the financial year ended March 31, 2021.

### 1. FINANCIAL RESULTS

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its standalone financial statements as per Indian Accounting Standards ('Ind AS') for the FY 2020-21

### 2. FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Profit before Interest, Depreciation and Tax	6,544.99	3,489.57
Less: a) Finance Cost	(841.31)	(1,186.41)
b) Depreciation	(1,602.86)	(1,647.23)
Profit before Tax	4,100.82	655.93
Less: a) Provision for tax	(1,050.02)	(224.36)
Profit after tax	3,050.80	431.57
Other Comprehensive income	2.49	3.02
Total Comprehensive income for the year	3,053.29	434.59
Add - Profit brought forward	7,975.86	7,541.27
Profit available for appropriation	11,029.15	7,975.86
Balance Profit carried forward	11,029.15	7,975.86

### 3. OPERATIONAL PERFORMANCE

Your Directors inform the members that during the year under review, your Company faced unprecedented challenges due to global economic slowdown including the domestic markets. Your Company geared itself and took all measures to withstand the challenges. Though the Company recorded a lower turnover at ₹ 557.06 Crores as against ₹ 580.28 Crores, as the financial year started with the national lockdown. Due to these steps your Company was able to achieve better performance. The operating profit of the Company improved significantly due to good market demand that emerged in the second half of the year with the receding Covid19 impact. The Company recorded total profit after tax (including OCI) of ₹ 30.53 Crores in the current financial year against a profit of ₹ 4.34 Crores in the previous year.

### 4. COVID 19 & ITS IMPACT

The covid-19 epidemic in 2020 has been a major disaster. The impact of covid-19 on India has been

largely disruptive in terms of economic activity as well as a loss of human lives. Almost all the sectors have been adversely affected.

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic.

Your Directors have been regularly reviewing with the Management, the impact of COVID-19 on the Company. During the 1st quarter of the year, your Company had to temporarily suspend operations for more than a month at its plant, keeping in mind the paramount need of safety of the employees.

Your Company quickly took measures to ensure the safety of all employees and assured of their well-being. The Manufacturing facility at Hisar had resumed its operations from the first week of May 2020, when lockdown was partially lifted after establishing thorough and well-rehearsed safety protocols. Proactive preparations were done in our



work locations during this transition to ensure our offices were safe.

The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company.

## 5. CHANGE IN THE NATURE OF BUSINESS

There was no change in nature of the business of the Company during the financial year ended on March 31, 2021.

## 6. DIVIDEND

Considering the future needs of the Company for expansion and growth and to strengthen the financial position of the Company, your directors do not recommend any dividend for the financial year ended March 31, 2021.

## 7. RESERVES

Your directors do not propose to transfer any amount to the General Reserve out of the amount available for appropriation in the current year.

## 8. CAPITAL STRUCTURE

During the year under review, there has been no change in the capital structure of the Company. As on March 31, 2021 the Authorised Share Capital was ₹ 20,05,00,000/- and Paid-up capital was ₹ 18,67,77,490/-.

## 9. MATERIAL CHANGES AND COMMITMENT – IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year and till the date of this report.

## 10. DEPOSITS

During the year under review, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013.

## 11. SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

## 12. BOARD AND COMMITTEE MEETINGS

The Board has constituted an Audit Committee comprising of Mr. Bipin Maira as Chairman and Dr. Meenakshi Nayar and Mr. Rakesh Goel as its Members. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report which forms part of the Annual Report.

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

Due to the exceptional circumstances caused by the COVID-19 pandemic, all Board & Committee meetings in FY 2020-21 were held through Video Conferencing.

## 13. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

### A. Appointments/Re-appointments

#### Ms. Shahana Basu

Ms. Shahana Basu was appointed as Non-Executive, Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 27, 2019.

In terms of Section 152 of the Act, Ms. Shahana Basu, Non-Executive, Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers herself for reappointment.

#### Mr. Jitendra Tuli

Mr. Jitendra Tuli, was appointed as Non-Executive, Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 27, 2019.

In terms of Section 152 of the Act, Mr. Jitendra Tuli, Non-Executive, Non-Independent Director, being liable to retire

by rotation, was re-appointed by the Members at the AGM held on September 25, 2020.

#### **Mr. Kulbir Singh**

The Board of Directors of the Company on June 22, 2021, basis the recommendation of the N&RC appointed Mr. Kulbir Singh as an Independent Director with effect from June 22, 2021 and to hold office up to the date of the ensuing AGM. Further, the N&RC and Board of Directors of the Company have also recommended the appointment of Mr. Kulbir Singh, as Director (Non-Executive, Independent), to the Members at the ensuing AGM, not being liable to retire by rotation.

#### **Mr. Vivek Chhachhi**

The Board of Directors of the Company on March 26, 2021, basis the recommendation of the N&RC appointed Mr. Vivek Chhachhi as an Additional Director with effect from April 01, 2021 and to hold office up to the date of the ensuing AGM. Further, the N&RC and Board of Directors of the Company have also recommended the appointment of Mr. Vivek Chhachhi as Director (Non-Executive, Independent), to the Members at the ensuing AGM, not being liable to retire by rotation.

The relevant details including profiles of Mr. Vivek Chhachhi, Mr. Kulbir Singh and Ms. Shahana Basu are included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

### **B. Key Managerial Personnel**

During the year under review, Mr. Kunal Agrawal, resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f 20.11.2020 and Mr. Mohd Sagir, a qualified Company Secretary, having Fellow membership No. F11061 of the Institute of Company Secretaries of India was appointed as Company Secretary and Compliance Officer of the Company w.e.f 05.02.2021.

### **C. Independent Directors**

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet

the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1) (b) 'the Listing Regulations'. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, cotton and yarn industries and e-marketing; and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute.

In pursuance to the provisions of Section 203 of the Companies Act, 2013, Mr. Hemant Bharat Ram-Managing Director, Dr. Vinay Bharat Ram-Whole Time Director, Mr. Rakesh Goel- Whole Time Director, Mr. Sandeep Kumar Jain- Chief Financial Officer and Mr. Mohd Sagir - Company Secretary are the Key Managerial Personnel of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Board/Committee of the Company.

#### 14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

##### Procedure for Nomination and Appointment of Directors

The Nomination and Remuneration Committee (NRC) has been mandated to oversee and develop competency requirements for the Board based on the industry requirements and business strategy of the Company. The NRC reviews and evaluates the profiles of potential candidates for appointment of Directors and meets them prior to making recommendations of their nomination to the Board. Specific requirements for the position, including expert knowledge expected, are communicated to the appointee.

On the recommendation of the NRC, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the applicable provisions of the Act and 'the Listing Regulations'. The remuneration determined for Executive / Non-Executive Directors is subject to the recommendation of the NRC and approval of the Board of Directors. The Non-Executive Directors are entitled to sitting fees for attending the Board / Committee Meetings. The Executive Directors are not paid sitting fees.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees are in accordance with the Remuneration Policy of the Company. The Company's Policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act and Regulation 19 of the Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

##### Familiarization program for Independent Directors

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, industry developments and any other significant matters of importance. The details of Familiarization Program are provided in the Corporate Governance Report and is also available on the Company's Website <https://www.dcmnvl.com/familiarization-program-for-independent-director.html>.

#### 15. BOARD EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

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

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc. The performance assessment of Non-Independent Directors, Board as a whole and the Chairperson were evaluated at separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### 16. REMUNERATION POLICY

The Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company, at <http://www.dcmnvl.com/downloads/filesn5d120a5dd8c62.pdf>

#### 17. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy, or any other grievance, the details of which are given in the Corporate Governance Report. The Whistle Blower Policy may be accessed on the Company's website on the link <http://www.dcmnvl.com/downloads/files/n5d120c0347e99.pdf>. During the year under

review, no matter has been received under Whistle Blower Policy of the Company.

#### 18. PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance towards sexual harassment at the workplace. In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees permanent, temporary or contractual are covered under the above policy. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act and the committee met on quarterly basis to discuss any issues in this regard. During the year under review, no complaints pertaining to sexual harassment of women employees were reported to the Company.

#### 19. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2020-21.

Accordingly, pursuant to Sections 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts for the Financial Year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures;
- b) they have 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 of the Company for that period;

- c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) they have prepared the Annual Accounts for the Financial Year ended March 31, 2021 on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiaries or associate companies. The Company also does not have any joint venture.

#### 21. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at <https://www.dcmnvl.com/annual-return.html>.

#### 22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is annexed as **Annexure I** and forms an integral part of this report. The policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at <http://www.dcmnvl.com/downloads/files/n5d120c0ea49d0.pdf>

#### 23. AUDITORS

##### Statutory Auditors

M/s Walker Chandio & Co LLP, Chartered Accountants, with Firm registration number 001076N/N500013, have been appointed as Auditors of the Company to hold office for a period of five years commencing from the conclusion of



4th Annual General Meeting until the conclusion of the 9th Annual General Meeting of the Company. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under.

#### **Secretarial Auditors**

The Board has appointed M/s Pragyna Pradhan and Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021, is annexed as **Annexure-II** and forms an integral part of this Report.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. covered under the Secretarial Audit. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **Internal Auditors**

Your Directors, during the year under review, appointed M/s A. Gandhi & Associates, Chartered Accountants, Chandigarh (Firm Registration No.007023N), to act as the Internal Auditors of the Company for the financial year 2020-21 pursuant to section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### **Cost Auditors**

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained every year.

The Board has appointed M/s. KG Goyal & Associates, Cost Accountants, Jaipur as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ended March 31, 2021. The Cost Auditor has given the Cost Audit Report for the financial year ended March 31, 2021, and the Cost Audit Report does not contain any

qualification, reservation or adverse remark.

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, re-appointed M/s. KG Goyal & Associates, Cost Accountants, Jaipur to audit the cost accounts of the Company for the financial year ending March 31 2022 on a remuneration of ₹ 50,000/- plus GST & out of pocket expenses, if any.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. KG Goyal & Associates, Cost Accountants, Jaipur for the financial year ending March 31 2022, is proposed in the notice convening the Annual General Meeting.

## **24. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

During the year under review, the Company has not given any loan nor made investment nor given guarantees under Section 186 of the Companies Act, 2013.

## **25. RISK MANAGEMENT**

The Company has established a Risk Management Framework which gives a holistic approach for identification, evaluation and mitigation of business risks and opportunities. This framework which includes Risk Management policy helps establish ownership throughout the organization and embed risk management as an integral part of the business, and its goals and objectives. It helps the decision makers of the organization effectively recognize and to take account of uncertainty, the nature of that uncertainty, and to work towards a solution to address the same. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Audit Committee is overseeing the risk management framework which includes the following:

- An overview of the risk management process in place;

- Key observations on the status of risk management activities during the quarter, including any new risks identified and action taken w.r.t these risks;
- Status of effectiveness of implementation of the mitigation plan for key risks;
- List of applicable risks for the business, highlighting the new risks identified, if any and the action taken w.r.t the existing and new risks;
- Root causes and mitigation plans for the Key Risk;
- Status of effectiveness of implementation of mitigation plans for the Key Risks identified till date.

Any findings or any identification of Risks is reviewed by Audit Committee and sent to the Board of Directors for their consideration. During the year, in the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

## 26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements.

Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable Development. Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals.

The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company. As on March 31, 2021, the Committee comprised three Directors viz. Mr. Hemant Bharat Ram, Dr Meenakshi Nayar and Mr Rakesh Goel. Mr Hemant Bharat Ram is the Chairman of the CSR Committee.

## 27. CSR POLICY

The Company has in place a CSR policy which lays down its philosophy and approach towards CSR commitment. For doing so, the Company would define an annual budget, select CSR initiatives, select geography, work with either its own CSR team or partner with like-minded individuals and organizations. In addition, the company would utilize the skills of vast majority of Employee talents that the company has in accomplishment of its CSR vision.

The amended CSR Policy may be accessed on the Company's website on the link <http://www.dcmnvl.com/downloads/files/n5d120ad2cf654.pdf>

The CSR Policy has been formulated pursuant to the provisions of Section 135(3)(a) of the Act, Schedule VII of the Act and during the financial year 2020-21, Company also amended its CSR Policy in the Board meeting held on March, 26 2021, in accordance to the amended rules there under.

The Annual report on CSR activities for the financial year 2020-21, containing particulars specified in Companies (CSR Policy) Rules, 2014 read with amendments including an update on the CSR initiatives taken by the Company during the year is annexed as **Annexure - III** and forms an integral part of this Report.

## 28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and forming part of the Directors' Report.

- i. The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21 is as under:-

Sl. No.	Name of the Director	Ratio of Remuneration of each director/to median remuneration of employees
<b>Executive Directors</b>		
1.	Mr. Hemant Bharat Ram - Managing Director	99.45
2.	Dr. Vinay Bharat Ram - Whole Time Director	97.59
3.	Mr. Rakesh Goel - Whole Time Director	98.78
<b>Non-Executive Directors</b>		
1	Dr. Meenakshi Nayar	Not Applicable*
2	Mr. Bipin Maira	
3	Mr. Ravi Vira Gupta	
4	Ms. Shahana Basu	
5	Mr. Jitendra Tuli	

\* All the Non-Executive Directors of the Company were paid only sitting fee for attending meetings of the Board/Committees of Board 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.

- ii. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

**A. Directors**

Sl. No.	Name of the Director	% Increase in remuneration in the financial year
<b>Non- Executive Director(s)#</b>		
1	Dr. Meenakshi Nayar	NA
2.	Mr. Bipin Maira	NA
3.	Mr. Ravi Vira Gupta	NA
4.	Mr. Jitendra Tuli	NA
5.	Ms. Shahana Basu	NA

#All the 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 Board of Directors. Therefore, the said percentage increase in remuneration of Non-Executive Director is not applicable

Sl. No.	Name of the Director	% Increase in remuneration in the financial year
<b>Executive Director(s)##</b>		
1	Mr. Hemant Bharat Ram - Managing Director	NA
2.	Dr. Vinay Bharat Ram - Whole Time Director	NA
3.	Mr. Rakesh Goel - Whole Time Director	NA

## There is no percentage increase in remuneration of Executive Directors during the year.

**B. Chief Executive Officer\*, Chief Financial Officer and Company Secretary**

Sl. No.	Name of the Key Managerial personnel	% Increase in remuneration in the financial year
1.	Mr. Sandeep Kumar Jain - Chief Financial Officer	4.99%
2.	Mr. Kunal Agrawal - Company Secretary**	NA
3.	Mr. Mohd. Sagir - Company Secretary ***	NA

\* Company has no Chief Executive Officer during the Financial Year 2020-21

\*\* Mr. Kunal Agrawal remained in service up to November 20, 2020

\*\*\* Mr. Mohd Sagir was appointed w.e.f February 05, 2021, therefore the said percentage increase is not applicable

iii. **During the financial year 2020-21, the percentage increase in the median remuneration of employees is: 0.04%**

iv. **the number of permanent employees on the rolls of company as on March 31, 2021 is: 1861**

v. **Average percentile increases 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 increases in the salaries of employees other than the managerial personnel during the FY 2020-21 over FY 2019-20 was around 3.69%.

vi. **Affirmation that the remuneration is as per the remuneration policy of the company.**

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

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement showing the names and other particulars of the top ten employees and employees drawing remuneration in excess of the limits set out in the said rules is annexed as **Annexure - IV** and forms an integral part of this Report.

## 29. INTERNAL CONTROL SYSTEMS

### Internal audit and its adequacy

The scope and authority of the internal audit function is defined in the Internal Audit Charter. To maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board. At

the beginning of each financial year, the Audit Committee of the Board, evaluate the efficacy and adequacy of the internal control system(s) and compliance(s), robustness of internal processes, policies and accounting procedures, compliance with laws and regulations.

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

### Internal Controls over Financial Reporting

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

## 30. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board as required under Section 143(12) of the Act and the rules made thereunder.

## 31. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. A Certificate from a Practicing Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.



### 32. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules 2014 is annexed as **Annexure – V** and forms part of this Report.

### 33. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in the future.

### 34. INDUSTRIAL RELATIONS

The Industrial Relations scenario continued to be cordial during the year under review.

### 35. GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 05th Annual General Meeting of the Company including the Annual Report for FY 2020-21 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

### 36. APPRECIATION

Your Directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates, for their unstinted co-operation and valuable support extended during the year.

Your Directors also thank the Government of India, Government of various States in India and government departments / agencies concerned for their co-operation.

Your Directors appreciate and value the contributions made by each and every member of the DCM Nouvelle family.

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: June 22, 2021**

**Dr. Meenakshi Nayar**  
**Chairperson**  
**DIN: 06866256**

## ANNEXURE: I

To the Directors' Report

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for 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 including certain arms length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Details
a)	Name (s) of the related party & nature of relationship	The Delhi Golf Club -an entity in which director was interested	Candle Techserv Private Limited- an entity in which director was interested
b)	Nature of contracts/ arrangements/transaction	Advertisement Services	Maintenance and development of various software for the Textile Division of Company
c)	Duration of the contracts/ arrangements/transaction	7 years	12 Months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 32.50 Lacs	₹ 4.37 Lacs
e)	Date of approval by the Board	The Board of directors in their meeting held on August 26, 2019 had noted and approved the transaction	The Board of directors in their meeting held on November 06, 2020 had noted and approved the transaction
f)	Amount paid as advances, if any	None	None

For and on behalf of the Board

Dr. Meenakshi Nayar  
Chairperson  
DIN: 06866256

Place: New Delhi  
Date: June 22, 2021

## ANNEXURE: II

To the Directors' Report

### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule*

*No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015, as amended]*

To,  
The Members,  
DCM NOUVELLE LIMITED  
407, Vikrant Tower,  
4, Rajendra Place, New Delhi-110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DCM NOUVELLE 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 to me digitally due to COVID19 pandemic, 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<sup>st</sup> 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 NOUVELLE LIMITED ("the Company") for the financial year ended 31<sup>st</sup> 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 (*Not Applicable as the Company did not issue any security during the Financial Year under review*);
  - 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) *(Not applicable as the Company has not delisted its equity shares from any stock exchange during the Financial Year under review; 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** there is no non-compliance/ observation/audit qualification, reservation or adverse remarks in respect of the Board Structures/ Systems and process relating to the Audit period.

**For Pragnya Pradhan & Associates**  
Company Secretaries

**Pragnya Parimita Pradhan**

ACS No. 32778

C P No.: 1203

Place: New Delhi

Date: May 15, 2021

UDIN:A032778C000328887

#### **DISCLAIMER**

**Due to the COVID-19, we have carried out Secretarial Audit based on the online information provided to us and we believe that all information so made available to us in soft copy are originated from the original records of the Company**

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

#### **Annexure A**

- a. Factories Act, 1948;
- b. Industries (Development and Regulation) Act 1951;
- c. Minimum Wage Act, 1948;
- d. Employees Provident Fund & Miscellaneous Provisions Act, 1952;
- e. The Payment of Bonus Act, 1965
- f. Payment of Gratuity Act, 1972;
- g. The Workmen Compensation Act, 1923
- h. The Apprentice Act, 1961
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,
- j. The Electricity act, 2003
- k. The Fatal Accident Act, 1855



- l. The Hazardous Wastes( Management and handling) Rules, 1989
- m. The Air ( Prevention and Control of Pollution) Act,1981
- n. The water (Prevention and Control of Pollution) Act, 1974
- o. The Environment Protection Act, 1986
- p. Payment of Wage Act, 1936;
- q. The Contract Labour (Regulation & Abolition) Act, 1970

## Annexure B

To  
The Members,  
DCM NOUVELLE LIMITED  
407, Vikrant Tower,  
4, Rajendra Place, New Delhi-110008

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.

**For Pragnya Pradhan & Associates**  
Company Secretaries

**Pragnya Parimita Pradhan**  
ACS No. 32778  
C P No.: 1203  
UDIN:A032778C000328887

Place: New Delhi  
Date: May 15, 2021

## ANNEXURE: III

### To the Directors' Report

#### ANNUAL REPORT ON CSR ACTIVITIES

##### 1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is: <https://www.dcmnvl.com/policies-and-code.html>

##### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Hemant Bharat Ram	Chairman/Managing Director of the Company	2	2
2	Dr. Meenakshi Nayar	Member/Independent Director & Chairperson of the Board	2	2
3	Mr. Rakesh Goel	Member/Whole Time Director of the Company	2	2

##### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.dcmnvl.com/composition-of-board-and-committees.html>

##### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

##### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹/Lacs)	Amount required to be set-off for the financial year, if any (in ₹/Lacs)
1	2019-20	Nil	Nil
2	2020-21	Nil	9.44
3	2021-22	9.44	-
	<b>TOTAL</b>	9.44	9.44

##### 6. Average net profit of the company as per section 135(5) : ₹ 1585.54 Lacs

a)	Two percent of average net profit of the company as per section 135(5)	₹ 31.71 Lacs
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
c)	Amount required to be set off for the financial year, if any :	₹ 9.44 Lacs
d)	Total CSR obligation for the financial year 2021-22 (7a+7b- 7c)	₹ 22.27 Lacs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer	

Not Applicable

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

Not Applicable

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹/Lacs).	Mode of implementation on -Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Amount spent for Educational Initiatives (Secondary School at Hisar)	Promotion of Educational Activities (clause (ii) of Schedule VII)	Yes	Haryana	Hisar	13.88	No	HTM High School	NA

**(d) Amount spent in Administrative Overheads**

Nil

**(e) Amount spent on Impact Assessment, if applicable**

Not Applicable

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹ 13.88 Lacs

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	4.44 Lacs
(ii)	Total amount spent for the Financial Year	13.88 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.44 Lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.44 Lacs

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

Not applicable

**(b) Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project -Completed/ Ongoing

Not applicable

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

We hereby declare that Company spends two per cent of the average net profit as per section 135(5) and implementation and monitoring of the CSR policy are in compliance with CSR objectives and Policy of the Company.

Date: May 15, 2021  
Place: New Delhi

Rakesh Goel  
Whole Time Director

Hemant Bharat Ram  
Chairman- CSR Committee



## ANNEXURE: IV

### To the Directors' Report

- i. Details of top ten employees in terms of remuneration drawn during the year under review including details of employees employed throughout the year under review and who are in receipt of remuneration for that year, which in aggregate was not less than ₹ 1.02 crores per annum:

Sl. No.	Name	Age (Year)	Designation	Qualification	Total Experience (Year)	Date of Commencement of employment	Remuneration received (₹ in lacs)	Particulars of last Employment	% age of Equity Shares held in the Company
<b>A. Employed throughout the year</b>									
1	Mr. Hemant Bharat Ram	55	Managing Director	B.S. (Math & Comp. Sc.), MS (IA)	30	May 1, 2019	272.26	DCM Ltd.	50.00
2	Mr. Rakesh Goel	64	Whole Time Director	M.B.A.	41	November 23, 1990	123.05	Hafed Spinning Mills	0.01
3	Dr. Vinay Bharat Ram	85	Whole Time Director	B.A. (Hons.) Economics, University of Delhi, MBA, Michigan University (Ann Arbor), Management Development Programme, Harvard University, Ph.D. in Economics from University of Delhi	59	October 1, 2019	61.20	DCM Ltd.	Nil
4	Mr. Sudip Nandy	51	Asst. Vice President	B. Tech. (Textiles)	28	February 28, 2008	40.69	Arihant Spinning Mill, Malerkotla	Nil
5	Mr. Sandeep Kumar Jain	48	Chief Financial Officer	Chartered Accountant, LL.B., M. Com.	23	January 15, 2007	39.17	S.A.P. Ltd. Meerut.	Nil
6	Mr. Vivek Kaushal	50	Sr. General Manager (Marketing & Purchase)	M.B.A.	28	December 8, 1995	37.17	Nahar Export Limited, Ludhiana	Nil
7	Mr. Bir Chand Jataiwal	51	General Manager	B. Tech.	29	October 13, 2007	28.91	Rana Polycot Ltd, Punjab	Nil
8	Mr. Pratap Bahadur Singh	50	General Manager	BA, MSW, LL. B	26	January 19, 2009	28.64	Maya Export Corporation, Delhi	Nil
9	Mr. Harish Kumar Arora	44	Senior Manager	B. Tech	23	November 17, 1999	20.95	Vardhman Group	Nil
10	Mr. Shantanu Bhattacharyya	49	Senior Manager	B. Tech	23	November 25, 2013	18.99	Vindon Yarns Ltd, Mohali	Nil
<b>B. Employed for Part of the year</b>									
Nil									

**Note:**

- Remuneration include basic salary, contribution to provident and superannuation funds, allowances and taxable value of perquisites.
- Dr. Vinay Bharat Ram is the father of Mr. Hemant Bharat Ram, hence both are relatives.

## ANNEXURE: V

To the Directors' Report

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

#### (A) CONSERVATION OF ENERGY

##### i. The steps taken or impact on conservation of energy

Conservation of energy is an essential step towards overcoming energy crisis, environmental degradation and global competitiveness. The Company is giving due importance to conservation of energy and makes continuous efforts to conserve energy by effecting process and machinery modifications, implementation of technological advancements, development of newer methods, energy audit, proper and timely maintenance etc., amongst others. These measures led to savings in terms of energy, money and time.

Besides continuing the measures taken in earlier years, following additional steps were taken during the year 2020-21 with a view to reduce cost of energy and consequently, the cost of production:

- Installation of inverter on H Plant supply of Ring Frame.
- Installation of inverter on Air Fan supply of Blow Room.

##### Green Energy – Clean Energy

The Company produced 29.17 Lacs units for in-house consumption through solar power plant during the previous financial year. Solar power is clean green electricity sourced from sunlight. Solar energy is a renewable free source of energy that is sustainable and totally inexhaustible, unlike fossil fuels that are finite. It is also a non-polluting source of energy and it does not emit any greenhouse gases when producing electricity. We are under process to increase solar power plant capacity by 10 MW.

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

The Company had installed 355 KWp solar power plant during first quarter of financial year 2020-21.

##### (iii) The capital investment on energy conservation equipment's - ₹ 1.14 Cr

#### (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	NA
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Nil
iv.	The expenditure incurred on Research and Development	Nil

#### (C) FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Lacs)

Particulars	As on March 31, 2021
Foreign Exchange Earned	28,807.71
Foreign Exchange Used	163.72

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's pursuit of excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders. Your Company has a strong legacy of fair, transparent and ethical governance practices.

Corporate governance at DCM Nouvelle Limited ("Company") is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporate citizen, we use this framework to maintain accountability in all our affairs and employ democratic and open processes by putting in place the procedures and systems. We are adopting applicable guidelines and best practices to ensure timely and accurate disclosure of information regarding our financials, performance and governance of the Company. We review the corporate governance practices periodically against the backdrop of the latest developments in the corporate arena with a view to maximize shareholders' confidence and wealth.

The Company's corporate governance policies and practices are founded on the following principles:

1. To recognize the respective roles and responsibilities of the Board and Management.
2. To achieve the highest degree of transparency by maintaining the optimum level of disclosure.
3. To ensure and maintain high ethical standards in all areas of the Company's functioning.
4. To render high importance to investor relations.
5. To ensure adequate risk management system and internal controls.
6. To ensure that employees of the company subscribe to the corporate values and apply them in their conduct.
7. To ensure that the decision-making process is fair and transparent.

Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India (SEBI).

## 2. BOARD OF DIRECTORS

### i. Composition of Board

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

The Board has a fiduciary role in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas.

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of March 31, 2021, comprised of 8 (Eight) members comprising of 3 (three) Executive Directors and 5 (Five) Non-Executive Directors including 3 (three) Independent Directors and 2 (two) women Directors. The composition of the Board of Directors of the Company is in conformity with Section 149(1) of the Companies Act, 2013 read with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations).

**The Composition of the Board as of March 31, 2021 is given below.**

Category of Directors	Name of Directors	No. of Directors	%
Independent Directors	Dr. Meenakshi Nayar (Chairperson)	3	37.50
	Mr. Bipin Maira		
	Mr. Ravi Vira Gupta		
Executive Directors	Mr. Hemant Bharat Ram (Managing Director)	3	37.50
	Dr. Vinay Bharat Ram (Whole Time Director)		
	Mr. Rakesh Goel (Whole Time Director)		
Non – Independent	Mr. Jitendra Tuli	2	25.00
Non-Executive Directors	Ms. Shahana Basu		

The Chairperson of the Board is a Non-Executive director. The Chairperson, the Executive Directors and all the Independent Directors of the Company are appointed for a fixed term and are not liable to retire by rotation. All other Directors are liable to retire by rotation.

All the Board Members meet the criteria of number of Directorship(s), Committee Membership(s) / Chairmanship(s) they hold which are within the respective limits prescribed under the Act and the Listing Regulations.

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies as prescribed under Regulation 17 of the Listing Regulations.

Necessary disclosures required to be made by the Board members have been timely made by them.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have 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 discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

During the year under review, no Independent Director has resigned from the Board of Directors of the Company.

Five (5) Board meetings were held during the financial year ended March 31, 2021. The dates of the meetings are as follows: June 25, 2020, August 06, 2020, November 06, 2020, February 05, 2021, and March 26, 2021. The time gap between two consecutive Board meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic, all Board meetings in FY 2020-21 were held through Video Conferencing.

- II. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2021 are given below. Other directorships do not include directorships of associations, private limited companies, foreign companies, companies incorporated under Section 8 of the Act, Government Bodies and Alternate Directorships. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.



**a) Details of attendance of each Director at Board meetings and at the last year's Annual General meeting:**

Name of Directors	AGM	Date of a Board Meeting					% of Attendance
	25.09.2020	25.06.2020	06.08.2020	06.11.2020	05.02.2021	26.03.2021	
Mr. Hemant Bharat Ram (Managing Director) DIN: 00150933	Y	Y	Y	Y	Y	Y	100%
Mr. Rakesh Goel (Executive/Whole Time Director) DIN: 00226058	Y	Y	Y	Y	Y	Y	100%
Dr. Meenakshi Nayar DIN:06866256	Y	Y	Y	Y	Y	Y	100%
Mr. Bipin Maira DIN: 05127804	Y	Y	Y	Y	Y	Y	100%
Mr. Ravi Vira Gupta DIN:00017410	Y	Y	Y	Y	Y	Y	100%
Ms. Shahana Basu DIN: 07137715	Y	Y	Y	Y	Y	Y	100%
Mr. Jitendra Tuli DIN: 00272930	Y	Y	Y	Y	Y	Y	100%
Dr. Vinay Bharat Ram (Executive /Whole Time Director) DIN: 00052826	Leave Sought	Y	Leave Sought	Leave Sought	Leave Sought	Leave Sought	20%

The maximum time gap between any two Board Meetings was less than 120 days.

**b) The composition and category of Directors, the number of Directorships and Committee Chairpersonships/Memberships held by them and Directorships held by them in other listed entities as on March 31, 2021:**

Name of the Director and Category	Category of Directors	Number of Directorships in other public companies (A)		Number of Committee positions held in other public companies (B)		Directorship in other listed entity (category of Directorship)
		Chairperson	Member	Chairperson	Member	
Dr. Vinay Bharat Ram Whole Time Director DIN: 00052826	Non-Independent Executive	Nil	Nil	Nil	Nil	None
Mr. Hemant Bharat Ram Managing Director DIN: 00150933	Non-Independent Executive	Nil	Nil	Nil	Nil	None
Mr. Rakesh Goel Whole Time Director DIN: 00226058	Non-Independent Executive	Nil	Nil	Nil	Nil	None
Dr. Meenakshi Nayar Chairperson DIN:06866256	Independent Non-Executive	Nil	Nil	Nil	Nil	None
Mr. Bipin Maira DIN: 05127804	Independent Non-Executive	1	2	1	1	DCM Limited-Non-Executive-Independent Director-Chairman

Name of the Director and Category	Category of Directors	Number of Directorships in other public companies (A)		Number of Committee positions held in other public companies (B)		Directorship in other listed entity (category of Directorship)
		Chairperson	Member	Chairperson	Member	
Mr. Ravi Vira Gupta DIN:00017410	Independent Non-Executive	Nil	1	Nil	1	The Delhi Safe Deposit Company Limited-Non-Executive/Independent Director
Mr. Jitendra Tuli DIN: 00272930	Non-Independent Non-Executive	Nil	1	Nil	1	DCM Limited- Managing Director
Ms. Shahana Basu DIN: 07137715	Non-Independent Non-Executive	Nil	1	Nil	1	Voith Paper Fabrics India Limited-Non-Executive/Independent Director

**Notes:**

- (A) Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.
- (B) Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies as per Regulation 26(1)(b) of Listing Regulations.

**c) Board Procedure**

The annual tentative calendar of Board Meetings is circulated to the members of the Board, well in advance. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board members to take informed decisions. The agenda and related information are circulated in electronic form.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that the terms of reference are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The terms of reference are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes.

Meeting effectiveness is ensured through clear agenda, circulation of agenda material in advance, detailed presentations at the meetings. Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees, which brings in the requisite accountability and also provides developmental inputs.

The Board plays a critical role in strategy development of the Company. The Managing Director apprises the Board on the overall performance of the Company every quarter.

The Board regularly reviews the strategy, annual business plan, business performance of the Company, Capex Budget, Risk Management, Safety and other matters.

The Board also reviews the compliance reports of the laws applicable to the Company, Internal Financial Controls and Financial Reporting Systems, adoption of quarterly/half-yearly/annual results, minutes of committees of the Board.

The Board also reviews the declarations made by the Managing Director, Whole Time Director, Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports on a quarterly basis.

The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration.

Video conferencing facility is used as and when required to facilitate Directors at other locations to participate in the meetings.

**d) Independent Directors**

The Independent Directors of the Company have been appointed in terms of the requirements of the Act and the Listing Regulations. Formal letters of appointment have been issued to the Independent

Directors and the terms and conditions of their appointment are disclosed on the Company's website at the web link: <https://www.dcmnvl.com/terms-and-conditions-of-appointment-of-independent-director.html>

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

No Independent Director had resigned during the Financial Year 2020-21.

#### **(a) Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives was held on June 21, 2021 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

- i. reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into

account the views of Executive Directors and Non- Executive Directors;

- iii. assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors of the Company attended the Meeting of Independent Directors held on June 21, 2021. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

#### **e) Familiarization Programme for Independent Directors**

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, Performance updates of the Company, Industry scenario, Business Strategy, Internal Control and risks involved and Mitigation Plan.

The details of the Familiarization Programme for Independent Directors for 2020-21 is disclosed on the Company's website at the web link: <http://www.dcmnvl.com/downloads/files/n5e9fd530b46cd.pdf>

#### **f) Chart / matrix setting out the skills/expertise/competence of the Board of Directors**

Directors of the Company comprises of qualified and experienced members who possess required skills, expertise and competence that enable them to make effective contributions in the decision-making process of the Board and its Committees.

The following skills / expertise/ competencies have been identified for the effective functioning of the Company and are currently available with the Board of Directors: -

Skills/Expertise/Competency	Description
Leadership	Experience of playing leadership roles in large businesses, with strong competencies around strategy development and implementation, business administration, Human Capital Development and people management.
Versatility	Experience and exposure in multiple industries with a balanced approach to the dynamic business environment. A multi discipline and seasoned professional.
Industrial Experience	Strong knowledge and experience in Textile industry and research and / or in managing business operations of a sizeable Textile organization.
Financial Acumen	Practical knowledge and experience in corporate finance, financial accounting and reporting and internal financial controls, including strong ability to assess financial impact of business decision making and ensure profitable and sustainable growth with Micro and Macro Economic expertise.
Governance	Board-level experience in reputed organizations, with strong understanding of and experience in directing the management in the best interests of the company and its stakeholders and in upholding high standards of governance.

Technology	Ability to understand and adapt to technological trends in manufacturing and business operations and experience in directing successful development / implementation of technological innovations and improvements (including IT infrastructure and applications).
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In the Table below, list of skills/expertise/competencies of Individual board members have been mentioned:

Name of the director	Skills/expertise/competency
Dr. Vinay Bharat Ram	Leadership, versatility, Industrial Experience, Financial Acumen, and Governance.
Mr. Hemant Bharat Ram	Industrial Experience, Leadership, Financial Acumen, Governance, Technology and versatility.
Dr. Meenakshi Nayar	Leadership, Versatility, Financial Acumen and Governance.
Mr. Rakesh Goel	Leadership, Financial Acumen, Versatility, Industrial Experience, Governance and Technology.
Mr. Ravi Vira Gupta	Leadership, Versatility, Financial Acumen and Governance.
Mr. Bipin Maira	Financial Acumen, Leadership, Versatility, Governance and Industrial Experience
Mr. Jitendra Tuli	Leadership, Versatility, Industrial Experience and Governance.
Ms. Shahana Basu	Leadership, Versatility and Governance.

**g) Code of Business Conduct and Ethics (“Code”)**

The Board of Directors has adopted a Code of Business Conduct and Ethics (“Code”) for the Board Members, Senior Management Personnel and functional heads of the Company. This Code helps



the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under Regulation 17(3) of the Listing Regulations.

A copy of the code of conduct has been posted on the Company's official website i.e. <https://www.dcmnvl.com/downloads/files/n5d120b2b738bb.pdf>.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code, for the financial year ended March 31, 2021. The declaration regarding compliance with the code of conduct is appended to this report.

#### (h) Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices.

The Board of Directors has adopted a Code of Conduct to regulate, monitor and report trading by designated persons ("Insider Trading Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations").

The Company has also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in compliance with the PIT Regulations. This Code is displayed on the official website <https://www.dcmnvl.com/downloads/files/n5d120a92e8a84.pdf>.

### 3. AUDIT COMMITTEE

- a) The terms of reference of Audit Committee covers all areas mentioned under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable. 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 appointment of Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and fixation of their audit fees.
- b) As on March 31, 2021, the Audit Committee consisted of 3 (three) Directors namely Mr. Bipin

Maira, Dr. Meenakshi Nayar and Mr. Rakesh Goel. The composition comprises of two Independent Directors. Mr. Bipin Maira (Independent Director) is the Chairman of the Audit Committee.

Company Secretary have been acting as the Secretary to the Audit Committee.

- c) The Audit Committee met four (4) times during the year i.e., on June 25, 2020, August 06, 2020, November 06, 2020, and February 05, 2021, and the time gap between two consecutive meetings was not more than one hundred and twenty days. Due to the exceptional circumstances caused by the COVID-19 pandemic, all Audit Committee meetings in FY 2020-21 were held through Video Conferencing. The names of Chairman, Members and their attendance at the Audit Committee Meetings are as under:

Members	Category	Meetings Held	Meetings Attended
Mr. Bipin Maira	Non-Executive/Independent	4	4
Dr. Meenakshi Nayar	Non-Executive/Independent	4	4
Mr. Rakesh Goel	Executive	4	4

Mr. Bipin Maira, Dr. Meenakshi Nayar and Mr. Rakesh Goel have knowledge of finance and accounts. Audit Committee meetings are attended by Managing Director, Whole Time Director and Chief Financial Officer. Representatives of Statutory Auditors, Cost Auditors and Internal Auditors have also attended the Audit Committee Meetings on invitation.

### 4. NOMINATION AND REMUNERATION COMMITTEE

- a) The terms of reference of the Nomination and Remuneration Committee cover all areas mentioned under Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. 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.

- b) As on March 31, 2021, the Nomination and Remuneration Committee consisted of 3 (three) Non- Executive, Independent Directors viz. Mr. Bipin Maira, Mr. Ravi Vira Gupta and Dr. Meenakshi Nayar. Mr. Bipin Maira (Independent Director) is the Chairman of the Nomination and Remuneration Committee.

Company Secretary has been acting as the Secretary to the Nomination and Remuneration Committee.

- c) The Nomination and Remuneration Committee met 2 (two) times during the year i.e. on February 01, 2021, and March 26, 2021. Due to the exceptional circumstances caused by the COVID-19 pandemic, all Nomination and Remuneration Committee meetings in FY 2020-21 were held through Video Conferencing. The names of Chairman, Members and their attendance at the Nomination and Remuneration Committee Meeting are as under:

Members	Category	Meetings Held	Meetings Attended
Mr. Bipin Maira	Non-Executive/ Independent	2	2
Dr. Meenakshi Nayar	Non-Executive/ Independent	2	2
Mr. Ravi Vira Gupta	Non-Executive/ Independent	2	2

- d) The performance evaluation criteria for Independent Directors cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and during the evaluation; the Directors who were subject to evaluation had not participated.

## 5. REMUNERATION OF DIRECTORS

- a) The Nomination and Remuneration policy of the Company is to remain competitive in the industry and to attract and retain quality talent and appropriately reward employees for their contribution.

The Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of

Section 178 of the Companies Act, 2013, is available on the website of the Company, at <http://www.dcmnvl.com/downloads/files/n5d120a5dd8c62.pdf>

The details of remuneration paid to Directors for the year ended March 31, 2021, are as under: -

- i) The Non-Executive Directors are paid by way of sitting fee only for attending each meeting of the Board of Directors or Committees thereof.

The details of sitting fees paid to Non-Executive Directors for the year ended March 31, 2021, are as under: -

(₹ in Lacs)

Name of the Director	Sitting Fee Paid
Dr. Meenakshi Nayar	1.90
Mr. Bipin Maira	1.80
Mr. Ravi Vira Gupta	1.30
Mr Jitendra Tuli	1.10
Ms. Shahana Basu	1.00

Apart from receiving directors' remuneration by way of sitting fee for attending each meeting of the Board or Committee, none of the Non-Executive Directors has any pecuniary relationship or transactions with the Company during the year ended March 31, 2021. The Company does not have any stock option scheme.

- ii) The details of Remuneration paid to Executive Directors are as under:

(₹ in Lacs)

Name of the Director	Remuneration paid for the year ended March 31, 2021		
	Remuneration		
	Salary	Perquisite	Total
Mr. Hemant Bharat Ram Managing Director	272.26	-	272.26
Mr. Rakesh Goel Whole Time Director	114.46	8.59	123.05
Dr. Vinay Bharat Ram Whole Time Director	61.20	-	61.20

## 6. STAKEHOLDER RELATIONSHIP AND FINANCE COMMITTEE

The powers, role and terms of reference of the Stakeholder Relationship and Finance Committee covers the areas as contemplated under Regulation

20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. As on March 31, 2021, the Stakeholders Relationship & Finance Committee consisted of four (4) Directors namely Mr. Jitendra Tuli, Mr. Hemant Bharat Ram, Mr. Rakesh Goel and Mr. Bipin Maira

The Stakeholders Relationship Committee met once during the year i.e., on March 26, 2021.

Other details: -

- Name of the Non-Executive Director heading the Committee: Mr. Jitendra Tuli
- Name and Designation of the Compliance Officer: Mr. Mohd Sagir, Company Secretary
- Number of Shareholders Complaints: The Company has received Three (3) complaints during the year and only one complaint was pending at the end of the year.

d) Numbers not resolved to the satisfaction of shareholders: All the complaints have been resolved during the year except one because it was received on the closure of financial year.

e) Number of pending complaints as on March 31, 2021: (1)

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Composition and Role of the Committee are in conformity with the provisions of Section 135 of the Act.

Two Meetings of the Committee were held during the year 2020-21 i.e., on August 06, 2020 and March 26, 2021. Due to the exceptional circumstances caused by the COVID-19 pandemic, all Corporate Social Responsibility Committee meetings in FY 2020-21 were held through Video Conferencing. The names of Chairman, Members and their attendance at the Corporate Social Responsibility Committee Meeting are as under:

Members	Position	Category	Meetings Held	Meetings Attended
Mr. Hemant Bharat Ram	Chairman	Executive Director	2	2
Dr. Meenakshi Nayar	Member	Independent Director	2	2
Mr. Rakesh Goel	Member	Executive Director	2	2

## 8. GENERAL BODY MEETING

a) The last three Annual General Meetings were held as under:

Financial Year	Location	Date	Time
2017-18	601, 6th floor, Vikrant tower, 4, Rajendra place, New Delhi, 110008	September 06, 2018	1:15 PM
2018-19	601, 6th floor, Vikrant tower, 4, Rajendra place, New Delhi, 110008	April 27, 2019	1:15 PM
2019-20	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")	September 25, 2020	11:00 AM

b) Special Resolutions passed in the previous 3 (three) AGMs:

- At the last Annual General Meeting of the Company held on September 25, 2020:  
As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Reappointment of Mr. Jitendra Tuli (DIN: 00272930), as a Non-Executive Director of the Company who is of more than 75 years of age.
- At the Annual General Meeting of the Company held on April 27, 2019, following Special Resolutions were passed:

- To borrow any sum of monies from both domestic and foreign Lenders for the purpose of meeting the financial requirements of the Company from time-to-time upto an amount of Rs 750 Crores.
- To mortgage and/or charge, subject to the limit approved under section 180(1)(c) of the Companies Act, 2013, all or any of the movable/immovable properties of the Company, both present and future in favour of the Lender(s) for securing the borrowings of the Company from time to time.
- As per Schedule IV of the Companies Act,

2013 and Regulation 16 of the Listing Regulations, Mr. Jitendra Tuli (DIN: 00272930), had been appointed as Non-Executive Director of the Company.

IV. As per Schedule IV of the Companies Act, 2013 and Regulation 16 of the Listing Regulations, Mr. Bipin Maira (DIN: 05127804), had been appointed as Non-Executive Independent Director of the Company for a term of five consecutive years with effect from 23rd April 2019.

V. As per Schedule IV of the Companies Act, 2013 and Regulation 16 of the Listing Regulations, Mr. Ravi Vira Gupta (DIN: 05127804), had been appointed as Non-Executive Independent Director of the Company for a term of five consecutive years with effect from 23rd April 2019.

3. At the Annual General Meeting of the Company held on September 06, 2018, No Special Resolution was passed.

4. Special resolution passed through postal ballot held in September 2019:

The Company had sought the approval of the shareholders by way of Special Resolutions through Notice of postal ballot dated August 26, 2019, including remote E-voting. Ms. Pragnya Parimita Pradhan, Practicing Company Secretary was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder.

The details of the special resolutions and voting pattern was as follows: -

Particulars	Votes in favour of the resolution			Votes against the resolution		
	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
For Appointment of Mr. Hemant Bharat Ram (DIN: 00150933) as a Managing Director of the Company and to approve his remuneration.	280	1775103	99.86	18	2523	0.14
For Appointment of Mr. Rakesh Goel (DIN: 00226058) as a Whole Time Director of the company, and to approve his remuneration.	282	10825940	99.98	17	2612	0.02
For Appointment of Dr. Vinay Bharat Ram (DIN: 00052826), as a Whole Time Director of the Company and to approve his Remuneration.	279	1775104	99.86	19	2522	0.14

5. No Special Resolution was required to be passed through postal ballot during the financial year 2020-21.

No immediate proposal is there for passing any resolution through postal ballot.

Editions and Jansatta (Hindi) – Delhi Edition and are displayed on the Company's website [www.dcmnvl.com](http://www.dcmnvl.com)

- b) **Official News Releases:** The Company's website also displays official news releases.

- c) **Presentations made to Institutional Investors or to the Analysts:** No presentation was made to institutional investors or to the analysts by the Company.

## 9. MEANS OF COMMUNICATION

- a) **Quarterly Results:** Quarterly Results of the Company are published in Financial Express -All

## 10. GENERAL SHAREHOLDER INFORMATION

### A. Annual General Meeting:

**Date** : July 27, 2021

**Time** : 11:00 am

**Venue** : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

**B. Financial Year** : April 01, 2020 to March 31, 2021

**C. Date of Book Closure** : As mentioned in the Notice of this AGM

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

**E. Listing on Stock Exchanges** : BSE Limited (BSE),  
New Trading Ring, Rotunda Building,  
P J Towers, Dalal Street,  
Mumbai - 400 001

National Stock Exchange of India Limited (NSE), "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

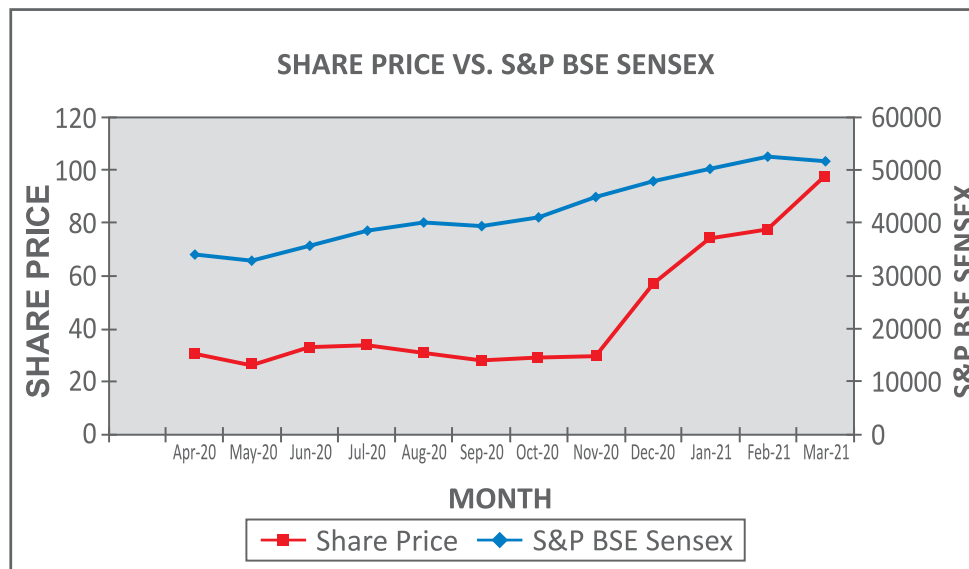
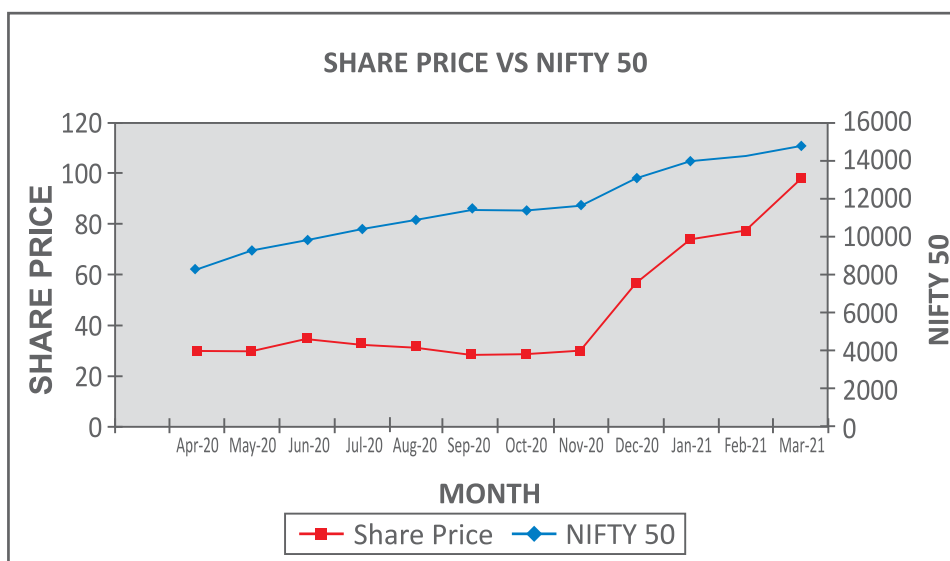
Annual Listing Fee for the year 2021-22 has been paid by the Company to BSE & NSE.

**F. Stock Code** : BSE – 542729, NSE – DCMNVL, Demat ISIN – INE08KP01019

**G. Market Price Data:** Monthly High & Low during each month of the financial year 2020-21 at National Stock Exchange (NSE) and BSE Ltd. (BSE) are as under: -

Month	National Stock Exchange			BSE Ltd.		
	Highest (₹)	Lowest (₹)	Volume (Nos.)	Highest (₹)	Lowest (₹)	Volume (Nos.)
Apr, 2020	29.95	22.90	106737	30.4	22.65	7216
May, 2020	29.70	19.25	60765	26	20.35	35811
June, 2020	34.50	22.15	313172	32.7	21.55	49496
July, 2020	32.75	22.00	528580	33.6	25.1	78331
Aug, 2020	31.5	25.35	472464	30.8	25.6	34737
Sep, 2020	28.35	23.00	203978	27.7	22.5	24711
Oct, 2020	28.50	22.55	295351	28.8	22.00	221977
Nov, 2020	29.75	24.10	268363	29.7	24.25	146366
Dec, 2020	56.95	28.00	868694	56.9	27.9	369947
Jan, 2021	74.15	52.50	868918	74	54.25	268150
Feb, 2021	77.45	63.0	518488	77.5	63.5	98661
Mar, 2021	98.00	66.15	818908	97.5	66.35	85572



**H. Performance of the share price of the Company in comparison to indices of Stock Exchanges.****Chart of comparison of Company's Share Price with S&P BSE SENSEX****Chart of comparison of Company's Share Price with Nifty 50**

**I. Trading of shares of the Company:** During the year under review, the shares of the Company were not suspended from trading.

**J. Registrar and Transfer Agents:**

M/s. Skyline Financial Services Pvt Ltd, continues to be the Registrar & Transfer Agents of the Company and their address is as under: -

M/s. Skyline Financial Services Pvt Ltd  
D-153 A, First Floor, Okhla Industrial Area,  
Phase -I, New Delhi-110020, Tel: 011-41044923,  
Email:[info@skylinerta.com](mailto:info@skylinerta.com)

**K. Share Transfer System:** The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Power of share transfer has been delegated to Registrar & Share Transfer Agent (RTA) for expediting share transfers. Further, pursuant to the amendment in Regulation 40 of 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 depository.

Accordingly, the Company / its RTA have stopped

accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialization

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

Share or Debenture holding Nominal Value	Number of Share-holders/ folios	% to Total Numbers of share-holders	Equity Shares Amount	% to Total Amount of shares
(₹)			(₹)	
Up To 5,000	27675	95.83	12650150	6.77
5001 To 10,000	544	1.88	43861800	23.48
10001 To 20,000	315	1.09	4722540	2.53
20001 To 30,000	90	0.31	2332200	1.25
30001 To 40,000	46	0.16	1626090	0.87
40001 To 50,000	43	0.15	2023620	1.08
50001 To 1,00,000	65	0.23	4852700	2.60
1,00,000 and Above	100	0.35	154184010	82.55
<b>Total</b>	<b>28878</b>	<b>100.00</b>	<b>186777490</b>	<b>100.00</b>

Shareholding Category as on March 31, 2021.

Category	No. of Equity Shares held	% to total shareholding
Promoter and Promoter Group	93,62,163	50.12
Mutual Funds	65,283	0.35
Financial Institutions/ Banks	5,365	0.03
Insurance Companies	11,48,512	6.15
Non-Institution: Bodies Corporate	11,49,870	6.16
NRI's	6,40,783	3.43
Individual Shareholders	56,43,917	30.22
HUF	3,81,049	2.04
Others (NBFCs, trust, Clearing members and IEPF)	2,80,707	1.50
<b>Grand Total</b>	<b>1,86,77,749</b>	<b>100.00</b>

**M. Dematerialisation of shares:** 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 Depository Limited (NSDL) & Central Depository Services Limited (CDSL) for dematerialization of shares. About 97.02 % of the Company's paid-up equity share capital has been dematerialised up to March 31, 2021.

The details of Demat of shares as on March 31, 2021, are as under: -

Depository(es)	No. of Share-holders	No. of Shares	% of capital
NSDL	8554	1,58,37,756	84.79
CDSL	4134	22,84,310	12.23

Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days

**N. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:** The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

**O. Commodity price risk or foreign exchange risk and hedging activities:** The Company is subject to market risk with respect to commodities prices fluctuations in cotton. The Company manages exposure to commodity risk through close monitoring of cotton price movement and strategic buying initiatives in the cotton season. The prices of cotton fluctuated a lot due to pandemic effect in the year 2020 -21. Due to expected increase in MSP of raw cotton by Govt. of India and good demand for Indian cotton in international markets, the price is expected to be higher in the financial year 2021-22.

During the year 2020-21, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note no. 44 to the standalone financial statement.

**P. Plant Location:**

Textile Division,  
Post Box No 59, Near Mela Ground,  
Hisar, Haryana-125 001

**Q. Address for Correspondence:**

Registered Office:  
DCM Nouvelle Limited,  
407, Vikrant Tower, 04,  
Rajendra Place, New Delhi-110 008  
India Tel: 011-43678490

**R. Credit Ratings:**

- During the year ended March 31, 2021, CRISIL Limited, a renowned credit rating agency reaffirmed rating as CRISIL BBB/Stable and CRISIL A3+ to the long-term and short term rating respectively for ₹ 210 crores borrowings availed by the Company.

**11. OTHER DISCLOSURES****a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large**

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the management, subsidiaries or relatives, except for those disclosed in the Board's report. Detailed information on materially significant related party transactions is enclosed to the Board's report

None of the transactions with any of related parties were in conflict with the interests of the Company. Attention of the members is drawn to the disclosure of transactions with related parties set out in Note No. 42. of the Financial Statements, forming part of the Annual Report.

**b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

During the last three years, neither was there any incidence of non-compliance by the Company nor any penalty, stricture has been imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets.

**c) Whistle Blower Policy**

The Company requires that all directors and employees adhere to high ethical standards in business conduct and comply with laws and regulations, the Company's code of conduct, ethics policies, practices and procedures. Ethical behavior in the areas of business conduct is of utmost priority to the Company.

The Company has established a vigilance mechanism namely 'Vigil Mechanism and Whistle Blower Policy' for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The purpose of the Vigil Mechanism and Whistle Blower Policy' of the Company is to provide adequate safeguards against victimization of directors and employees who avail of the vigil mechanism provision and to provide direct access to the Chairman of the Audit Committee.

During the year ended March 31, 2021, no matter has been received under Whistle Blower Policy of the Company and no personnel have been denied access to the Chairman of the Audit Committee of the Company.

**d) Compliance with mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 Listing Regulations.

**e) Web link where policy for determining 'material' subsidiaries is disclosed**

The Company does not have a subsidiary; hence it is not applicable.

**f) Web link where policy on dealing with related party transactions**

<http://www.dcmnvl.com/downloads/files/n5d120c0ea49d0.pdf>

**g) Disclosure of commodity price risks and commodity hedging activities**

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:

**1. Total exposure of the Company to commodities is INR: ₹ 33643.07 Lacs**

## 2. Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	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	
Cotton	₹ 33643.07 Lacs	30152.12 tonnes	Nil	Nil	Nil	Nil	Nil

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

The commodity risks on cotton are mitigated through close monitoring of its price movement and through strategic buying initiatives in the cotton season.

### h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 31(7A):

Not Applicable

### i) Certification by Practicing Company Secretary: Ms. Pragnya Parimita Pradhan, Practising Company Secretary has issued a certificate under the Listing Regulations, confirming 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. The certificate is enclosed with this section.

### j) Acceptance of recommendations made by the Committees

During the financial year 2020-21, the Board has accepted all the recommendations of its Committees.

### k) Total Fees paid to Statutory Auditors

The details of fees paid by the Company to the Statutory Auditors are as under: -

(₹ in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
As Statutory Auditor	10.00	12.00
For taxation matters	1.00	2.00
Other Services	8.50	8.00
Reimbursement of Expenses	1.52	1.48
Total	21.02	23.48

### l) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace. In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act and the committee met on quarterly basis to discuss any issues in this regard.

The details of number of complaints filed, disposed off and pending during the financial year ended March 31, 2021, are as follows:

Number of complaints filed during the financial year 2020-21	Nil
Number of complaints disposed off during the financial year 2020-21	Nil
Number of complaints pending as on end of the financial year	Nil

## 12. CEO/CFO CERTIFICATION

The Executive Director-Textiles and the Chief Financial Officer have issued a certificate pursuant to Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Mr. Rakesh Goel, Executive Director and Mr. Sandeep Kumar Jain, Chief

Financial Officer was placed before the Board of Directors at its meeting held on May 15, 2021.

### 13. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The certificate issued by Ms. Pragnya Parimita Pradhan – Practising Company Secretary, on compliance of Corporate Governance norms is annexed to this Report.

### 14. DISCLOSURES WITH RESPECT TO UNCLAIMED SHARES

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2020-21.

### 15. DISCRETIONARY REQUIREMENTS

#### A. The Board

No office for the Chairperson is maintained at the Company's expense. There was no reimbursement of expenses to the Chairperson in performance of her duties.

#### B. Shareholders Rights

As the Company's quarterly results are published in an English newspaper having circulation all over India and in a Hindi newspaper having circulation in the Delhi region and is uploaded on Company's website [www.dcmnvl.com](http://www.dcmnvl.com), the half-yearly declaration of financial performance is not sent separately to each household of the shareholders of the Company.

#### C. Modified Opinion in audit report

The Auditors report does not contain any qualification, adverse remark or any disclaimer. The report read with the notes of accounts are self-explanatory requiring no further clarification.

#### D. Reporting of Internal Auditors

The Reports of the Internal Auditors have been placed before the Audit Committee on regular basis.

## CERTIFICATE

### Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

To the Members of  
DCM Nouvelle Limited

This is to confirm that the Board of Directors had adopted a Code of Conduct for all the Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company.

I hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the provisions of the Company's Code of Conduct, for the financial year ended March 31, 2021.

Date: May 15, 2021  
Place: New Delhi

Hemant Bharat Ram  
Managing Director



## PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of  
DCM Nouvelle Limited**

1. We have examined the compliance of conditions of Corporate Governance by DCM Nouvelle Limited ('the Company') for the year ended March 31, 2021, as per regulations 17 to 27, clauses (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 ('SEBI Listing Regulations') pursuant to the Listing Agreement of the Company with stock exchanges.
2. The preparation of the Corporate Governance Report is the responsibility of the Management including the preparation and maintenance of all the 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. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2021.
4. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter stated in the above paragraph. The procedures selected, including procedures for assessment of the risk associated with the subject matter, depends on the auditor's judgment.
5. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate, ("the Guidance Note"), issued by the Institute of Company Secretaries of India ("ICSI").
7. In our opinion, and to the best of our information and according to the explanation and representations given to us, we are of the opinion that the Company has complied with the conditions of the Corporate Governance as stipulated in SEBI Listing Regulations, as applicable as at March 31, 2021, referred to in paragraph 2 above.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
9. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with the obligations under the SEBI 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 report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of report.

**For Pragnya Pradhan & Associates**  
Company Secretaries

**Pragnya Parimita Pradhan**  
Proprietor  
Membership No. 32778  
C P No.: 12030  
UDIN: A032778C000445685

Place : New Delhi  
Date : June 11, 2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

***(pursuant to Regulation 34(3) and sub clause (i) of clause (10) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended)***

I, Pragnya Parimita Pradhan, proprietor of Pragnya Pradhan & Associates, Practicing Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DCM NOUVELLE LIMITED having CIN L17309DL2016PLC307204 and having registered office at 407, Vikrant Tower 4, Rajendra Place, New Delhi-110008 In (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para-C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2021 have 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 other Statutory Authority.

S. No	DIN	Name of Director
1	00017410	Mr. RAVI VIRA GUPTA
2	00052826	Dr. VINAY BHARAT RAM
3	00150933	Mr. HEMANT BHARAT RAM
4	00226058	Mr. RAKESH GOEL
5	00272930	Mr. JITENDRA TULI
6	05127804	Mr. BIPIN MAIRA
7	06866256	Dr. MEENAKSHI NAYAR
8	07137715	Ms. SHAHANA BASU

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Pragnya Pradhan & Associates**  
Company Secretaries

**Pragnya Parimita Pradhan**  
Proprietor  
Membership No. 32778  
C P No.: 12030  
UDIN: A032778C000427051

Place : New Delhi  
Date : June 07, 2021

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Textile Industry provides for varying needs of human beings of all ages at home, during travel and at work locations. Multitudes of fibers and technologies are the backbone of the industry. Textile raw materials are natural fibers like cotton, jute, viscose and linen etc. make up 37% of the total consumption. Rest is made up from man made fibers like polyester, and nylon etc. Now the sustainability drive has also led to recycled fibers industry which is making its own space in the world. Fibers are spun or made into filament yarns which in turn are woven or knitted into fabrics. Non-woven textile industry has also made inroads.

The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in textile designing makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world. At present, Indian textiles sector occupies prominent position in the world textile trade.

### Spinning Industry Overview

In 2020 with an installed capacity of about 53 million plus spindles, India is one of the largest producers and exporter of cotton yarn in the world with a production of 5659 million kgs (FY 2019-20) of all types of spun yarn.

China is the largest importer of cotton yarn (28% share) from India, followed by Bangladesh with 23% share respectively. The top five importers share of India's total cotton yarn exports is 66%.

The high cotton yarn exports out of India can be attributed to the local availability of abundant raw material and modern technology in the spinning section of the value chain. Indian spinners over the last few decades have invested extensively in enlarging and modernizing the industry with latest machines and equipments procured locally as well as from outside the country. Central and State Governments has been pitching in with various incentives to help the industry in this endeavor so that it is able to export value added high quality products from India and simultaneously providing employment to the lowest earning population of the country.

## Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.09 billion during December 2018 to April 2020.

The Ministry of Textiles has sanctioned 59 Textile parks under the Scheme of Integrated Textile Park (SITP), out of which 22 Textile Parks have been completed.

## COMPANY OVERVIEW

### Excellence

DCM Nouvelle Limited is a leading manufacturer & exporter of 100% cotton carded and combed yarns in single and two-ply forms of count range Ne 12s to 40s. The Company has spindle capacity of 1,15,048 located at Hisar with approx 2500 MT of monthly production. State-of-art spinning machineries and Quality Assurance instruments from leading manufacturers have been installed for production of fault free 100 % cotton yarn. With the introduction of value added products, premium brands & sustainability certifications, the company has moved ahead in positioning itself as supplier of quality yarn for fine clothing. The company has successfully engraved its name in domestic markets and exports to more than 30 countries. It is moving on the path of Total Quality Management (TQM), its improved processes & products to achieve ultimate goal of "CUSTOMER DELIGHTNESS".

### Brands



The Company expanded its spinning capacity by setting up its latest world class automated spinning unit (Unit III) with 39168 spindles in 2014. From this New Spinning Unit, "PRIMERO" a brand of premium 100% Cotton Combed Yarn was launched in 2015. PRIMERO has gained immense recognition among the high-end customers due to controlled contaminations & good piling performance. The fabric knitted with Primero quality yarn has controlled contamination level suitable for bleach & light shades. The feel of fabric made up of primero quality is rich & luxurious having excellent appearance.

# Dinero

From the same New Spinning Unit III, "DINERO" a brand of premium 100% Cotton Carded Yarn was launched in 2016. The fabric knitted with Dinero quality yarn has exceptional uniformity. The feel of the finished fabric is smooth & soft. The yarn has better tensile properties suitable for knitting after cone dyeing. Dinero quality yarn performance excellently on high-end knitting machines.



CCY is contamination controlled 100% cotton combed knitting yarn processed through advanced contamination control systems "USTER® JOSSI VISION SHIELD with MAGIC EYE 2" and "Uster Quantum 3 with Polypropylene (PP) & Dark Foreign Fibre (FFD)" clearing devices that ensures removal of Polypropylene and colored contaminants. This combination these two control systems results in Contamination Controlled Yarn.

## Sustainability



The company is certified as per Global Organic Textile Standard (GOTS). GOTS defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well.



As Proud Member of BCI, We Stand at forefront to achieve BCI objective to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

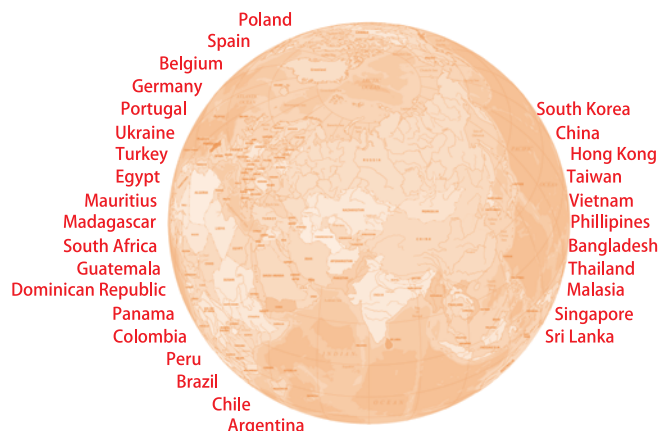


Ensure our products and processes are free of dangerous chemicals including lead & pesticides.

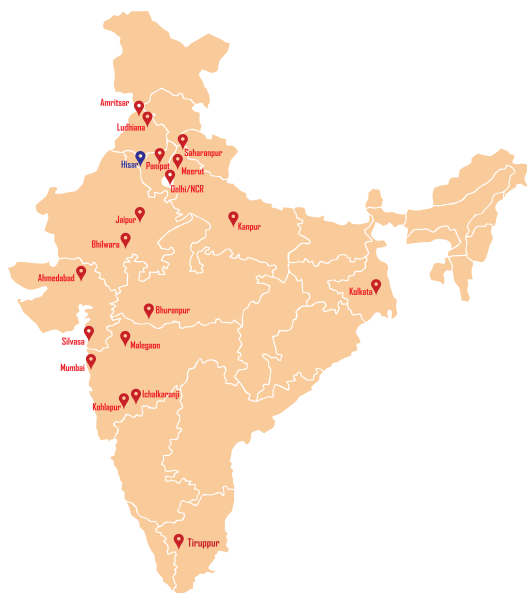
## Milestones journey

1991	Commenced spinning operations with 33000 spindles at Hisar.
1995	Led the Industry by getting ISO 9001 Certification
1998	Spindle capacity enhanced from 33000 to 45000 in Unit I.
2005	Spindle capacity enhanced to 76,200 by setting up Unit II.
2014	Spindle capacity enhanced to 1,15,048 by setting up Unit III.
2015	Launched PRIMERO Brand of Products from Unit III
2016	Launched DINERO Brand of Products from Unit III
2016	Obtained BCI Certification
2017	Commenced Production of Cotton Slub Yarns
2018	Obtained Global Organic Textile Standard Certification
2018	Obtained OEKO-TEX STANDARD 100 Certification
2020	Launched CCY Brand of Products from Unit I

## Export Markets



## Domestic Markets



## OPPORTUNITIES, THREATS AND FUTURE OUTLOOK

The outlook for the textile industry in India is quite optimistic. It is expected that the textile industry will continue to grow at an impressive rate.

The Indian textile industry currently estimated at around US\$ 140 billion and is expected to grow at CAGR of more than 5%. The industry is the second largest employer after agriculture providing employment to over 45 million people directly and 65 million people indirectly. The Indian textiles industry contributes approximately 2.3% to India's GDP and 14% to overall Index of Industrial Production (IIP). The implementation of GST is another positive step to organize the textile sector and for revenue generation both for industry and the Government.

The production of raw cotton in India is estimated to have reached 350 Lacs bales in FY21. kg. However, due to COVID-19 pandemic cotton consumption has dipped.

The inherent strengths of the textile industry have seen it through rough days and hard times. There have been many periods of adversity, when growth charts dipped and the future appeared bleak. But like the phoenix, the textile industry has risen each time from the ashes.

With a tremendous growth in the economy along with Government support, the Indian economy is expected to overtake Japan to be the 3<sup>rd</sup> largest economy by 2028. India's exports are also expected to improve in coming years benefitting from the trade war between US and China.

The relative success of the Spinning Industry is dependent on the availability of Raw Cotton at reasonable prices. The Raw cotton is the main Raw material (constituting approx. 60% of the total cost) for the manufacture of cotton yarn and it is dependent on the Nature i.e. Good/Bad Monsoon. So availability of raw cotton at reasonable prices is crucial for the spinning Industry. Any significant change in raw cotton prices can affect the performance of the Industry.

The Textile Industry is also not free from normal business risks and threats. The Outbreak of COVID-19 pandemic severely impacted the Textile industry. The slowdown in the Global Trade affected exports of textile products. Moreover, exports continue to face stiff challenges from the small countries like Bangladesh, Sri Lanka, Taiwan and Pakistan etc., who have got the preferred treatment from the countries of European Union and U.S. The currency fluctuations are also impacting the financial performance of the Textile Industry. The above-mentioned factors have had and will continue to have a significant bearing on the financial performance of the Industry in the coming period too.

## COVID-19 PANDEMIC

The Outbreak of Coronavirus pandemic severely impacted the businesses across all sectors and geographies. The lockdown restrictions imposed by central / state government from 23 March, 2020 to 31 May, 2020 forced the company to temporarily suspend operations in its unit. Thereafter, the Government allowed some essential industries to operate and the company after seeking necessary approvals/permissions from the Government Authorities, commenced its operations partially in May, 2020 with limited workforce. The company gradually increased the capacity utilization and reached the pre COVID-19 manufacturing level shortly.

## RISK & CONCERNS

Textile spinning sector globally seems to be quite unpredictable and uncertain for various reasons including fluctuating demand as against growing supply side, cotton futures, currency fluctuation and above all increasing competition from some countries like Vietnam, Bangladesh, and Cambodia etc. Recently initiatives launched by Govt envisages inviting FDI which may give impetus to growth in textiles, particularly the fabric and processing which will lead to balance out the demand supply position for spinning sector.



Competition from other developing countries, high volatility of cotton, yarn price and the Rupee to US\$ exchange rate are the major concern. The Company is trying to reduce the impact of volatility by reducing open position in respect of above. Labour shortage is another area which is affecting operations. This is being mitigated by increasing worker training programs and strengthening operational efficiency.

### INTERNAL CONTROLS

The Company's financial statements are accurate, sufficient and credible. All assets are safeguarded and protected against losses that may arise from unauthorized use or disposition, incorrect use, any incident of fraud and inappropriate storage. We continuously strive to integrate the entire organization – from strategic support functions like finance, human resources and regulatory affairs to core operations like manufacturing and supply chain management. Such internal control procedures are augmented by an extensive programme of internal and external audits, and regular reviews by the management. The Company has obtained ISO 9001-2015 and adheres to standard operating practices in its manufacturing and operating activities. Reasonable assurance is obtained based on evidence regarding processes followed and their appropriate testing of controls that such systems are adequate, comprehensive and are working effectively.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. 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 regularly reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on Internal Controls.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Beyond Balance Sheet lies Company's singly biggest Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead. Our people own their jobs and not just perform them. The Company also offers attractive compensation packages to retain and

motivate the professionals so that they can give their best.

We would also like to inform you that during the challenging period of COVID-19 pandemic, Company has taken all possible steps to take care of the safety, security and health of the worker/employee. The Company provided masks, hand sanitizers, regular body temperature checkup facility at the factory as well as office premises. The Company has also ensured that Company's factory and offices are sanitized at regular interval to safeguard its worker/ employees. The total permanent employee's strength of the Company was 1861 as on 31st March, 2021. The industrial relation continued to remain cordial during the year.

### FINANCIAL AND OPERATIONAL PERFORMANCE:

The Company is operating in single segment only i.e. Textile. Company faced unprecedented challenges due to global economic slowdown including the domestic markets. Your Company geared itself and took all measures to withstand the challenges. Due to these steps your Company was able to achieve better performance. Though the Company recorded a lower turnover at ₹ 557.06 Crores as against ₹ 580.28 Crores, as the financial year started with the national lockdown. The operating profit of the Company improved significantly due to good market demand that emerged in the second half of the year with the receding Covid19 impact. The Company recorded total profit after tax (including OCI) of ₹ 30.53 Crores in the current financial year against a profit of ₹ 4.34 Crores in the previous year.

(₹ in Lacs)

S. No.	Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
1.	Sales in Quantity (MT)	26,662	28,292
2.	Production (MT )	26,025	28,645
3.	Sales & other Income	56,908	58,899
4.	Total Expenditure	(50,363)	(55,409)
5.	Profit before finance cost, Depreciation, Amortization & Tax	6,545	3,490
6.	Finance Cost	(841)	(1,186)
7.	Depreciation	(1,603)	(1,647)
8.	Profit before Tax	4,101	656

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The SEBI LODR (Listing Obligation and disclosure requirements) (Amendment) Regulations, 2018 has mandated that Company should provide detail of

Significant Changes in Key Sector Financial ratios. We would like to inform you that in the following key financial ratios there have been Significant Change as compared to the last year:

Particulars	F Y 2020-21	F Y 2019-20	Change (%)	Explanation
Debtors Turnover (No. of Days)	5.97	3.21	85.91	–
Inventory Turnover (No. of Days)	88.80	112.17	-20.83	–
Interest Coverage Ratio (Times)	5.87	1.55	278.29	Higher EBIDTA during FY 2020-21 due to increase in price of cotton yarn and lower interest rate due to better credit rating.
Current Ratio (Times)	1.58	1.45	8.86	–
Debt Equity Ratio (Times)	0.90	1.17	-22.99	–
Operating Profit Margin (percent)	10.13	3.94	157.52	Higher Operating profit due to increase in price of cotton yarn and decrease in purchase price of Raw Material.
Net Profit Margin (percent)	5.42	0.74	635.10	Higher Operating profit due to increase in price of cotton yarn and decrease in purchase price of Raw Material.
Return on Net worth (percent)	16.57	2.81	489.70	Higher Profit after Tax ( PAT ) due to increase in price of cotton yarn and decrease in purchase price of Raw Material.

During the year under review, the Profit Before Tax (PBT) increased to ₹ 4,101 Lacs in the financial Year 2020-21 from ₹ 656 Lacs in the previous financial Year 2019-20 on account of higher realization of cotton yarn and lower cotton consumption rate.

### CAUTIONARY NOTE

Statements in the Management Discussion & Analysis report describing the Company'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 Company'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.

# Independent Auditor's Report

## To the Members of DCM Nouvelle Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of DCM Nouvelle Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Initial Audit Engagement - Opening Balances</b> We have been appointed as the Statutory Auditors of Company for financial year ended 31 March 2021. Standard on Auditing 510, Initial Audit Engagements – Opening Balances, in conducting an initial audit engagement, several considerations are involved which are generally not associated with recurring audits. The audit transition, including the audit of the opening balances requires additional planning activities and considerations necessary to establish an appropriate audit plan and strategy. This includes	Our audit work included, but was not limited to, the following procedures: <ul style="list-style-type: none"> <li>• Prepared a detailed transition plan, including ensuring compliance with independence requirements, prior to the start of the audit;</li> <li>• Inspected management's process and control documentation to assist us in obtaining and understanding of the Company's financial reporting and business processes including control environment.</li> <li>• Obtained and read management reports, policies, instructions as well as planning and governing documents, minutes of the board of directors, audit</li> </ul>

<ul style="list-style-type: none"> <li>• Gaining an initial understanding of the Company and its business including its control environment and information systems, sufficient to make an audit assessment and develop the audit strategy and plan;</li> <li>• Obtaining sufficient appropriate audit evidence regarding the opening balances including the selection and application of accounting policies</li> <li>• Communicating with the predecessor auditors, as required and permitted under applicable professional regulations.</li> </ul> <p>The aforesaid activities required involvement of considerable audit efforts, and accordingly, audit of the opening balances was identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>committee and other committees of the board, internal audit reports.</li> <li>• Held discussions with management at various levels of the Company and heads of various departments of the Company, to understand their roles in the business and company's financial reporting process;</li> <li>• Read previous year financial statements to identify material opening balances. Obtained underlying accounting schedules prepared by the management and reviewed unusual items.</li> <li>• Senior members of the audit team visited the plant and observed the manufacturing process.</li> <li>• Traced the account balances from the trial balance for the previous financial year to the audited financial statements, and traced the balance sheet account balances to the opening trial balance of the current year</li> <li>• On a sample basis, tested the opening balances for certain financial statement line items, as considered necessary.</li> </ul> <p>Obtained an understanding of and evaluated appropriateness and consistency of the accounting policies used in prior years in the preparation of the financial statements of the Company for the financial year ended 31 March 2021.</p>
<p><b>Valuation of Inventories</b></p> <p>At the balance sheet date 31 March 2021, the Company holds inventories comprising of raw materials and components, finished goods, work-in-progress aggregating to 13,691.51 lacs as disclosed in note 8 to the accompanying financial statements of the Company. Such inventory is carried at cost, or net realisable value whichever is lower, as per the accounting policy disclosed in note 2(e).</p> <p>Determination of cost of inventory involves allocation of various production and administration overheads incurred to bring the inventory to its present location and condition, which involves management judgement and estimation.</p> <p>Amongst the other overheads, fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities in accordance with the principles of Ind AS -2, Inventories.</p>	<p>Our audit work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Company's accounting policy and valuation method of inventory in accordance with the applicable accounting standards.</li> <li>• Assessed the design and implementation of controls in respect of the inventory valuation, and tested the effectiveness of key inventory controls.</li> <li>• Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation, and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the company.</li> <li>• Verified the expenses considered as cost of conversion including estimates for apportionment of the conversion on the different classes of finished</li> </ul>

The management's judgements and assumptions are dependent upon the internal classification and groupings of the classes of inventory for valuation purpose, which can be difficult to analyse and be influenced by other economic factors including but not limited to uncertainty surrounding industry's trends.

Further, at the end of each reporting period, the management of the Company also assesses whether there is any objective evidence that net realisable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realisable value in accordance with Ind AS 2, Inventories.

Considering the aforesaid complexities involved in significant management judgements and estimates required with respect to valuation of inventory, this matter has been determined to be a key audit matter for the current year audit.

goods and work in progress and recomputed the arithmetical accuracy thereof for calculating the conversion cost considered as part of the finished goods and work in progress.

- Obtained understanding of management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is consistently applied.
- Recomputed the net realisable value of the finished goods and reviewed the management assessment for carrying inventory at lower of cost and net realisable value.
- Tested ageing of inventory items obtained through system reports, as applicable.

Evaluated the appropriateness and adequacy of disclosures made in the financial statements in accordance with the applicable accounting standards.

#### Information other than the Financial Statements and Auditor's Report thereon

6. The 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 financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been

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

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as



applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 with reference to financial statements 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; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

15. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, BSR & Co. LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 25 June 2020.

#### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - 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;
  - the financial statements dealt with by this report are in agreement with the books of account;
  - in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - on the basis of the written representations

received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

- we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 15 May 2021 as per Annexure II expressed unmodified opinion; and
- 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:
  - the Company, as detailed in note 39 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Place: New Delhi

Membership No.: 504774

Date: 15 May 2021

UDIN: 21504774AAAADW8932

## Annexure I to the Independent Auditor's Report of even date to the members of DCM Nouvelle Limited, on the financial statements for the year ended 31 March 2021

### Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising 'property, plant and equipment' and 'capital work-in-progress'.
- (b) The Company has a regular program of physical verification of its fixed assets comprising 'property, plant and equipment' and 'capital work-in-progress' under which fixed assets are verified in a phased manner over a period of — -3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture-holders.
- ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

- x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

**Place:** New Delhi

Membership No.: 504774

**Date:** 15 May 2021

**UDIN:** 21504774AAAADW8932

## Annexure II to the Independent Auditor's Report of even date to the members of DCM Nouvelle Limited on the financial statements for the year ended 31 March 2021

### Annexure II

#### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of DCM Nouvelle Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and



that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

**Place:** New Delhi

Membership No.: 504774

**Date:** 15 May 2021

**UDIN:** 21504774AAAADW8932

## Balance sheet as at 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	9,550.44	9,470.89
Capital work-in-progress	3	1.31	1,238.35
<b>Financial assets</b>			
Loans	4	11.58	6.22
Deferred tax assets (net)	5	326.65	229.09
Non-current tax assets (net)	6	56.66	9.50
Other non-current assets	7	1,747.19	1,595.60
<b>Total non-current assets</b>		<b>11,693.83</b>	<b>12,549.65</b>
<b>Current assets</b>			
Inventories	8	13,691.51	17,984.30
<b>Financial assets</b>			
(i) Trade receivables	9	9,306.16	5,662.44
(ii) Cash and cash equivalents	10	11.89	22.46
(iii) Bank balances other than (ii) above	11	12.61	79.84
(iv) Loans	12	27.40	31.83
(v) Other financial assets	13	1,047.41	780.51
Other current assets	14	3,138.88	660.43
<b>Total current assets</b>		<b>27,235.86</b>	<b>25,221.81</b>
		<b>38,929.69</b>	<b>37,771.46</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,867.77	1,867.77
Other equity	16	16,547.78	13,494.49
<b>Total equity</b>		<b>18,415.55</b>	<b>15,362.26</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	2,513.86	4,330.77
(ii) Other financial liabilities	18	11.10	11.98
Provisions	19	736.83	674.11
<b>Total non-current liabilities</b>		<b>3,261.79</b>	<b>5,016.86</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	14,016.83	12,496.98
(ii) Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		73.99	80.62
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,091.20	1,407.24
(iii) Other financial liabilities	22	855.70	2,166.46
Other current liabilities	23	104.38	84.32
Contract liabilities	24	75.19	402.76
Provisions	25	786.81	753.96
Current tax liabilities (net)	26	248.25	-
<b>Total current liabilities</b>		<b>17,252.35</b>	<b>17,392.34</b>
<b>Total liabilities</b>		<b>20,514.14</b>	<b>22,409.20</b>
		<b>38,929.69</b>	<b>37,771.46</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

Place: New Delhi

Date: 15 May 2021

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

Hemant Bharat Ram

Managing Director

DIN: 00150933

Sandeep Kumar Jain

Chief Financial Officer

M.No.: 078691

Dr. Meenakshi Nayar

Chairperson and Director

DIN: 06866256

Mohd Sagir

Company Secretary

M.No.: F11061

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

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	27	56,277.87	58,521.74
Other income	28	629.77	376.77
<b>Total income</b>		<b>56,907.64</b>	<b>58,898.51</b>
<b>Expenses</b>			
Cost of materials consumed	29	37,175.16	42,138.79
Changes in inventories of finished goods and work-in-progress	30	762.19	(556.93)
Employee benefits expense	31	4,129.49	4,138.57
Finance costs	32	841.31	1,186.41
Depreciation expense	33	1,602.86	1,647.23
Other expenses	34	8,295.81	9,688.51
<b>Total expenses</b>		<b>52,806.82</b>	<b>58,242.58</b>
<b>Profit before tax</b>		<b>4,100.82</b>	<b>655.93</b>
<b>Tax expense</b>			
Current tax	35	1,148.42	454.47
Deferred tax	35	(98.40)	(230.11)
<b>Total tax expense</b>		<b>1,050.02</b>	<b>224.36</b>
<b>Profit for the year</b>		<b>3,050.80</b>	<b>431.57</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement gain of defined benefit obligations	35	3.33	4.04
Income tax relating to remeasurement of defined benefit obligations		0.84	1.02
<b>Total other comprehensive income, net of tax</b>		<b>2.49</b>	<b>3.02</b>
<b>Total comprehensive income for the year</b>		<b>3,053.29</b>	<b>434.59</b>
<b>Earnings per equity share (face value of ₹ 10 each)</b>			
Basic	37	16.33	2.31
Diluted	37	16.33	2.31

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

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

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

**Hemant Bharat Ram**

Managing Director

DIN: 00150933

**Sandeep Kumar Jain**

Chief Financial Officer

M.No.:078691

**Dr. Meenakshi Nayar**

Chairperson and Director

DIN: 06866256

**Mohd Sagir**

Company Secretary

M.No.: F11061

**Place:** New Delhi

**Date:** 15 May 2021

## Statement of Cash Flow as at 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	4,100.82	655.93
Adjustments for :		
Depreciation expense	1,602.86	1,647.23
Loss/(profit) on sale of property, plant and equipment (net)	0.48	(0.36)
Unrealised foreign exchange loss	18.46	163.78
Interest income including interest subsidy	(78.01)	(95.50)
Miscellaneous balances written back	(5.04)	-
Provision against TUF subsidy	16.13	-
Interest expense	841.31	1,186.41
<b>Operating profit before working capital changes</b>	<b>6,497.01</b>	<b>3,557.49</b>
<b>Movement in working capital:</b>		
Decrease/(increase) in inventories	4,292.79	(1,040.11)
(Increase)/decrease in trade receivables	(3,682.81)	967.79
(Increase)/decrease in loans	(0.93)	318.67
(Increase) in other financial assets	(267.89)	(84.72)
(Increase) in other assets	(2,491.18)	(1,007.11)
(Decrease)/increase in trade payable	(301.27)	686.85
Increase in provisions	81.46	392.49
Increase in financial liabilities	26.27	95.74
(Decrease)/increase in other liabilities	(307.51)	97.80
<b>Cash generated from operations</b>	<b>3,845.94</b>	<b>3,984.89</b>
Income-taxes paid	(951.81)	(463.97)
<b>Net cash flow generated from operating activities (A)</b>	<b>2,894.13</b>	<b>3,520.92</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress, capital advance and capital creditors)	(782.24)	(3,565.94)
Proceeds from sale of property, plant and equipment	2.46	0.38
Interest received	56.58	95.76
Proceeds from redemption of fixed deposit	12.61	79.84
<b>Net cash (used in) investing activities (B)</b>	<b>(710.59)</b>	<b>(3,389.96)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(3,075.06)	(1,332.44)
Proceeds from long-term borrowings	177.70	830.75
Proceeds from short-term borrowings(net)	1,539.27	655.65
Finance charges paid	(903.25)	(1,198.58)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,261.34)</b>	<b>(1,044.62)</b>
<b>D. Net decrease in cash and cash equivalents during the year (A+B+C)</b>	<b>(77.80)</b>	<b>(913.66)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>102.30</b>	<b>1,015.96</b>

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>F. Cash and cash equivalents at the end of the year</b>	<b>24.50</b>	<b>102.30</b>
<b>Components of cash and cash equivalents</b>		
i. Balances with banks:		
- Current accounts	3.43	7.41
- Deposit accounts	12.61	79.84
ii. Cash on hand	8.46	15.05
<b>Cash and cash equivalents as at the end of the year</b>	<b>24.50</b>	<b>102.30</b>

#### Reconciliation of financial liabilities arising from financing activities for the year ended 31 March 2021

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balances</b>		
Non-current borrowings (including current maturities)	5,429.23	5,930.92
Current borrowings	12,496.98	11,676.87
Interest accrued on borrowings	81.62	93.79
<b>Cash flows during the year</b>		
Repayment of non-current borrowings	(3,075.06)	(1,332.44)
Proceeds from non-current borrowings	177.70	830.75
Proceeds from current borrowings (net)	1,539.27	655.65
Exchange fluctuation (gain)/loss on reinstatement of current borrowings	(19.42)	164.46
Finance charges incurred	841.31	1,186.41
Finance charges paid	(903.25)	(1,198.58)
<b>Closing balances</b>		
Non-current borrowings (including current maturities)	2,531.87	5,429.23
Current borrowings	14,016.83	12,496.98
Interest accrued on borrowings	19.68	81.62

The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

**Place:** New Delhi

**Date:** 15 May 2021

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

**Hemant Bharat Ram**

Managing Director

DIN: 00150933

**Sandeep Kumar Jain**

Chief Financial Officer

M.No.:078691

**Dr. Meenakshi Nayar**

Chairperson and Director

DIN: 06866256

**Mohd Sagir**

Company Secretary

M.No.: F11061



# Statement of Change in Equity for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

## A. Equity share capital

Particulars	Number of shares	Amount
<b>Balance as at 01 April 2019</b>	1,86,77,749	1,867.77
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>1,86,77,749</b>	<b>1,867.77</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>1,86,77,749</b>	<b>1,867.77</b>

## B. Other equity

(₹ in lacs)

Particulars	Reserve and surplus		Total
	Securities premium	Retained earnings	
<b>Balance as at 01 April 2019</b>	<b>5,518.63</b>	<b>7,541.27</b>	<b>13,059.90</b>
Profit for the year	-	431.57	431.57
Other comprehensive income for the year	-	3.02	3.02
<b>Balance as at 31 March 2020</b>	<b>5,518.63</b>	<b>7,975.86</b>	<b>13,494.49</b>
Profit for the year	-	3,050.80	3,050.80
Other comprehensive income for the year	-	2.49	2.49
<b>Balance as at 31 March 2021</b>	<b>5,518.63</b>	<b>11,029.15</b>	<b>16,547.78</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

**Place:** New Delhi

**Date:** 15 May 2021

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

**Hemant Bharat Ram**

Managing Director

DIN: 00150933

**Sandeep Kumar Jain**

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M.No.:078691

**Dr. Meenakshi Nayar**

Chairperson and Director

DIN: 06866256

**Mohd Sagir**

Company Secretary

M.No.: F11061

# Summary of Significant Accounting Policies and Other explanatory Information for the year ended 31st March, 2021

## 1 Company Overview and basis of preparation and presentation

### 1.1 Company overview

DCM Nouvelle Limited (herein after referred to as 'the Company') is domiciled in India with its registered office situated at Vikrant Tower, 4, Rajendra Place, New Delhi-110008, (CIN: L17309DL2016PLC307204). The Company has been incorporated under the provision of Indian Companies Act and its equity shares are listed on the National Stock Exchanges (NSE) and Bombay Stock Exchange (BSE). The Company, primarily, engaged in the business of manufacturing and sale of Cotton Yarn.

### 1.2 General information and statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and notified under Companies Act 2013, and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 15 May 2021.

#### a. Functional and presentation currency

These 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 lacs, unless otherwise indicated and number of shares are mentioned in absolute numbers.

#### b. Basis of measurement

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

Items	Measurement basis
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	Amortised cost

## c. Use of estimates and judgements

In preparing these financial statements, management has made judgments, 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 on-going basis. Revisions to accounting estimates are recognised prospectively.

### Judgements

In the process of applying Company's accounting policies, there are no significant judgments established by the management.

### 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 31 March 2021 is included in the following notes:

Note 2 (b) - measurement of fair values

Note 2 (d) - measurement of useful lives and residual values to property, plant and equipment. Note 2 (e) – Valuation of inventory

Note 2 (f) – Estimated impairment of financial assets. Note 2 (g) – Estimated impairment of non-financial assets Note 2 (h) – Measurement of defined benefit obligations

Note 2 (i) – Recognition and measurement of provisions and contingencies

Note 2 (l) – Recognition of deferred tax assets availability of future taxable profit against which tax losses carried forward can be used.

### 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.

## 2. Significant accounting policies

Following significant accounting policies are used in the preparation of the financial statements.

### 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 non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### b. Measurement of fair values

Company's certain accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

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).

The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the board of directors.

The 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.

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.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which change has occurred.

**c. Business Combination under Common Control**

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind. AS 103. Such transactions are accounted for using the pooling- of interest method.

The assets and liabilities of the acquired entities or businesses are recognised at their carrying amounts with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired entities or businesses are added to the same components within the acquirer's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital held by the transferor is transferred to other equity. The acquirer's shares issued in consideration for the acquired entities or businesses are recognised from the moment the acquired entities or businesses are included in these financial statements and the financial statements are combined under common control, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. Acquisition-related costs are expensed as incurred.

**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. 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.

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 replacing part of an item of property, plant and equipment is recognised in the carrying amount of the cost 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised 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 using straight line method.

On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard. Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year. Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at least at each financial year end and changes, if any, are accounted for prospectively.

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.

**e. Inventories**

Inventories are valued at lower of cost or net realisable value. Cost of raw material comprise cost of purchase and is determined after rebate and discounts. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average cost basis.

Waste material is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. When a decline in the price of materials indicates that the cost of finished products exceeds net realisable value, the materials are written down to net realisable value. Net realisable value of raw material is determined with reference to the replacement cost of the raw materials.

**f. Financial instruments**

A financial instrument is any contract that

gives rise to a financial asset of one entity and a financial liability of equity instrument of another entity.

*Recognition and initial measurement*

**(i) Financial assets**

Financial assets are classified at initially recognised as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL)

With the exception of trade receivable that do not contain a significant financing component, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115, Refer to the accounting policies in section (j) Revenue recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

**Classification and subsequent measurement**

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.

All equity investment in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applied are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Company elected to classify irrevocably its non-listed equity investments under this category. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instruments, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

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 recognises 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 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 amortised 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 recognised 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 the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement 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.

#### *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 expired.

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.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimate used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**h. 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

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.

**Provident Fund and Employees State Insurance:** 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.

**Superannuation Fund:** 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.

Re-measurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI.

#### Other employee benefits plan

**Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefit. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields on Government securities. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise. Past-service costs are recognised immediately in the statement of profit and loss.

#### **i. Provisions, contingent liabilities and contingent assets**

A provision is recognised 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. If the amount of time value of money is material, 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 recognised 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.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is recognised.

#### **j. Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

##### **i Sale of goods**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer. In case of domestic sales, control is transferred on actual delivery of goods and in case of export sales which are secured against letter of credit, control is transferred at the time of bill of lading and in case of other export sales, control is transferred when payment is received. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Company collects Goods and

Services Tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such volume discounts, cash discounts etc. as specified in the contract with the customer.

Contact asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. Contract assets are disclosed in Note 9 as Trade receivables.

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are disclosed in Note 24 as advance received from customers.

##### **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 and is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date

### iii. Duty Drawback and other export benefits

The revenue in respect of duty drawback and similar other export benefits is recognised on accrual (subsequent to recording of export sales) basis at the rate at which the entitlements accrue.

Use of significant judgements in revenue recognition

- a) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration of variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product of service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that 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 consideration to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- b) The Company uses judgement to determine an appropriate selling price for a performance obligation. The Company allocates the transaction price to each performance obligations on the basis of the relative selling price of each distinct product promised in the contract.
- c) The Company's performance obligation under revenue

contracts, is satisfied at a point in time and judgement is exercised in determining point in time.

### iv. Other income

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.

### k. Leases

**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.

#### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the



commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses. If any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payment, that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease

modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the remeasurement of lease liability due to modification as an adjustment to the right-of-use asset and the statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognised any remaining amount of the re-measurement in the statement of profit and loss.

## I. Income taxes

Income tax comprises current and deferred tax. Current tax expenses is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

### i. Current tax

Current tax comprises the expected tax payable 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 rate (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 amount, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred Tax

Deferred tax is recognised 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

recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised 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 recognised 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 recognises a deferred tax assets 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 realised. Deferred tax assets – unrecognised or recognised are reviewed at each reporting date and are recognised/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 assets is realised 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.

#### **m. 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. The Company has only one reportable business segment i.e. manufacture of cotton yarn.

#### **n. 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.

**o. Earnings per share**

Basis earning 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 adjust the figures used in the determination of basis earning per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity share, and
- the weighted average number of additional equity share that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**p. 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.

**q. 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 operating income/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.

**r. Foreign currency transactions and translation**

Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

Transactions in foreign currencies are translated into the 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.

**s. Recent accounting pronouncements.**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act,

2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 3 : Property, plant and equipment and capital work-in-progress:

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work-in-progress
<b>Gross carrying value</b>								
<b>As at 01 April 2019</b>	<b>687.10</b>	<b>3,107.56</b>	<b>10,903.91</b>	<b>19.75</b>	<b>24.95</b>	<b>141.29</b>	<b>14,884.56</b>	<b>20.05</b>
Additions	1,501.25	24.79	102.70	1.24	3.49	42.99	1,676.46	1,392.12
Disposals/adjustments					0.02		0.02	173.82
<b>As at 01 April 2020</b>	<b>2,188.35</b>	<b>3,132.35</b>	<b>11,006.61</b>	<b>20.99</b>	<b>28.42</b>	<b>184.28</b>	<b>16,561.00</b>	<b>1,238.35</b>
Additions	-	92.11	1,578.91	0.05	3.37	11.00	1,685.44	448.40
Disposals/adjustments	-	-	0.98	-	-	10.24	11.22	1,685.44
<b>Balance as at 31 March 2021</b>	<b>2,188.35</b>	<b>3,224.46</b>	<b>12,584.54</b>	<b>21.04</b>	<b>31.79</b>	<b>185.04</b>	<b>18,235.22</b>	<b>1.31</b>
<b>Accumulated depreciation</b>								
<b>As at 01 April 2019</b>	-	<b>336.90</b>	<b>5,017.10</b>	<b>10.41</b>	<b>12.80</b>	<b>65.67</b>	<b>5,442.88</b>	-
Charge for the year	-	112.82	1,499.38	2.51	5.98	26.54	1,647.23	-
Disposals/adjustments	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	-	449.72	6,516.48	12.92	18.78	92.21	7,090.11	-
Charge for the year	-	113.48	1,456.20	1.93	3.43	27.81	1,602.85	-
Disposals/adjustments	-	-	0.23	-	-	7.95	8.18	-
<b>Balance as at 31 March 2021</b>	-	<b>563.20</b>	<b>7,972.45</b>	<b>14.85</b>	<b>22.21</b>	<b>112.07</b>	<b>8,684.78</b>	-
<b>Net carrying value</b>								
<b>As at 31 March 2020</b>	<b>2,188.35</b>	<b>2,682.63</b>	<b>4,490.13</b>	<b>8.07</b>	<b>9.64</b>	<b>92.07</b>	<b>9,470.89</b>	<b>1,238.35</b>
<b>As at 31 March 2021</b>	<b>2,188.35</b>	<b>2,661.26</b>	<b>4,612.09</b>	<b>6.19</b>	<b>9.58</b>	<b>72.97</b>	<b>9,550.44</b>	<b>1.31</b>

- (i) Refer note 17, 20 and 45 for charge created on property, plant and equipment as security against borrowings.
- (ii) Refer note 39 for disclosure on contractual commitments for acquisition of property, plant and equipment.
- (iii) Capital work-in-progress includes borrowing cost capitalised of ₹ 25.75 lacs (31 March 2020 : ₹ 61.81 lacs).
- (iv) Land Amounting to ₹ 2188.35 lacs included land admeasuring to 267.625 acres at Hisar and 1000 sq.mtr. at Gurugram are registered in the name of Company.



## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 4 : Loans

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, considered good</b>		
Security deposits	11.58	6.22
	<b>11.58</b>	<b>6.22</b>

### Note No. 5 : Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for gratuity and compensated absences	218.29	208.89
Provision for bonus	69.76	73.52
Provision against TUF subsidy	81.15	77.09
Provision for trade receivables and other advances	26.86	29.77
Expenses related to business combination	47.49	63.32
Others	14.25	1.52
<b>Deferred tax liabilities</b>		
Difference between accounting base and tax base of property, plant and equipment	(131.15)	(225.02)
<b>Deferred tax assets (net)</b>	<b>326.65</b>	<b>229.09</b>

### Movement in deferred tax assets during year ended 31 March 2021

Particulars	Balance as at 31 March 2020	Recognised in profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2021
<b>Deferred tax assets</b>				
Provision for gratuity and compensated absences	208.89	10.24	(0.84)	218.29
Provision for bonus	73.52	(3.76)	-	69.76
Provision against TUF subsidy	77.09	4.06	-	81.15
Provision for trade receivables and other advances	29.77	(2.91)	-	26.86
Expenses related to business combination	63.32	(15.83)	-	47.49
Others	1.52	12.73	-	14.25
<b>Deferred tax liabilities</b>				
Difference between accounting base and tax base of property, plant and equipment	(225.02)	93.87	-	(131.15)
<b>Deferred tax assets (net)</b>	<b>229.09</b>	<b>98.40</b>	<b>(0.84)</b>	<b>326.65</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Movement in deferred tax assets during year ended 31 March 2020

Particulars	Balance as at 31 March 2019	Recognised in profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2020
<b>Deferred tax assets</b>				
Provision for gratuity and compensated absences	-	209.91	(1.02)	208.89
Provision for bonus	-	73.52	-	73.52
Provision against TUF subsidy	-	77.09	-	77.09
Provision for trade receivables and other advances	-	29.77	-	29.77
Expenses related to business combination	-	63.32	-	63.32
Others	-	1.52	-	1.52
<b>Deferred tax liabilities</b>				
Difference between accounting base and tax base of property, plant and equipment	-	(225.02)	-	(225.02)
<b>Deferred tax assets (net)</b>	-	<b>230.11</b>	<b>(1.02)</b>	<b>229.09</b>

### Note No. 6 : Non-current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax {net of provision of ₹ 454.47 lacs (31 March 2020: ₹ 454.47 lacs)}	56.66	9.50
	<b>56.66</b>	<b>9.50</b>

### Note No. 7 : Other non-current tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, considered good</b>		
Capital advances	951.15	812.83
Security deposits	718.06	723.87
Prepaid expenses	65.43	46.35
Balance with government authorities	12.55	12.55
	<b>1,747.19</b>	<b>1,595.60</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 8 : Inventories#

(valued at lower of cost or net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	9,821.73	13,353.82
Work-in-progress	676.48	651.96
Finished goods*	2,320.72	3,406.41
Stores and spares**	112.93	111.44
Scrap	759.65	460.67
	<b>13,691.51</b>	<b>17,984.30</b>

# Refer note 17, 20 and 45 for charge created on inventories as security against borrowings.

\* Includes finished goods-in-transit amounting to ₹ 1,027.35 lacs (31 March 2020: ₹ 1,450.62 lacs )

\*\* Includes packing materials of ₹ 34.94 lacs (31 March 2020: ₹ 24.41 lacs) and lubricants and oil of ₹ 17.90 lacs (31 March 2020 : ₹ 28.11 lacs)

### Note No. 9 : Trade receivables# other then related party

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good-secured	9,028.95	5,551.47
Considered good-unsecured	277.21	113.98
Credit impaired-unsecured	106.71	115.26
	<b>9,412.87</b>	<b>5,780.71</b>
Less: loss allowance for expected credit loss	(106.71)	(118.27)
	<b>9,306.16</b>	<b>5,662.44</b>

# Represents contract assets.

(i) Refer note 17, 20 and 45 for charge created on trade receivables as security against borrowings.

### Note No. 10 : Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks-in current accounts	3.43	7.41
Cash on hand	8.46	15.05
	<b>11.89</b>	<b>22.46</b>

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting year and prior year.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 11 : Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Margin money*	12.61	79.84
	<b>12.61</b>	<b>79.84</b>

\*Margin Money includes fixed deposits of ₹ 12.61 lacs (31 March 2020: ₹ 79.09 lacs) pledged by the Company against Bank Guarantee to Project Director, NHAI and Inland letter of credit to cotton suppliers facility being availed by the Company.

### Note No. 12 : Loans

(Unsecured-considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans to employees	27.40	31.83
	<b>27.40</b>	<b>31.83</b>

### Note No. 13 : Other current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured-considered doubtful)</b>		
Technology upgradation fund (TUF) subsidy receivable	181.72	137.02
Less: loss allowance (refer note 36)	40.16	24.03
	<b>141.56</b>	<b>112.99</b>
<b>(Unsecured-considered good)</b>		
Balance with government authorities	728.44	532.64
Export incentive receivable	177.41	133.66
Others	-	1.22
	<b>1,047.41</b>	<b>780.51</b>

### Note No. 14 : Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured-considered good)</b>		
Advance to suppliers	2,850.89	41.11
Balance with government authorities	233.52	417.47
Prepaid expenses	32.27	47.53
Prepaid electricity charges	-	153.23
Other advances	22.20	1.09
	<b>3,138.88</b>	<b>660.43</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 15 : Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>a) Authorised share capital</b>		
20,050,000 (31 March 2020: 20,050,000) equity shares of ₹ 10 each	2,005.00	2,005.00
	<b>2,005.00</b>	<b>2,005.00</b>
<b>b) Issued, subscribed and fully paid-up share capital</b>		
18,677,749 (31 March 2020: 18,677,749) equity shares of ₹ 10 each fully paid-up	1,867.77	1,867.77
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,867.77</b>	<b>1,867.77</b>

#### c) Terms and rights attached to equity shares

The Company has issued one class of equity shares having at par value of ₹ 10 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 entitled 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. There is no restriction on distribution of dividend. However, distribution of dividend is subject to the approval of the shareholders in the Annual General Meeting.

#### d) Reconciliation of equity shares outstanding at the beginning and at the end of year:

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount ₹ in lacs	Number of shares	Amount ₹ in lacs
Balance at the beginning of the year	18,677,749	1,867.77	18,677,749	1,867.77
Addition/(deletion) during the year	-	-	-	-
<b>At the end of the year</b>	<b>18,677,749</b>	<b>1,867.77</b>	<b>18,677,749</b>	<b>1,867.77</b>

#### e) Details of equity shareholders holding more than 5% shares in the Company\*

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Mr. Hemant Bharat Ram	9,338,705	50.00%	93,32,705	49.97%
Life Insurance Corporation of India	1,148,512	6.15%	11,48,512	6.15%

\*As per the records of the Company, including its register of shareholder/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

#### (f) Details of shares issued for consideration other than cash :

Issued, subscribed and fully paid up shares includes 1,86,77,749 equity shares issued during the financial year ended 2019-20, pursuant to the Scheme of Arrangement between DCM Limited and DCM Nouvelle Limited, for the demerger of the Textile Division of DCM Limited, on a going concern basis with effect from 1 April 2019 (i.e. the appointed date) to the shareholders holding shares of DCM Limited without any consideration being received in cash. Apart from this, the Company has not issued any bonus shares, shares for consideration other than cash or bought back shares during any year since its inception.



## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 16 : Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Securities premium</b>		
Balance as at the beginning of year	5,518.63	5,518.63
Balance as at the end of year	<b>5,518.63</b>	<b>5,518.63</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	<b>7,975.86</b>	<b>7,541.27</b>
Add: transferred from statement of profit and loss	3,050.80	431.57
Add: other comprehensive income	2.49	3.02
<b>Balance at the end of the year</b>	<b>11,029.15</b>	<b>7,975.86</b>
<b>Total</b>	<b>16,547.78</b>	<b>13,494.49</b>

#### Nature and purpose of other equity:

##### Securities Premium

Securities premium is used to record premium on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.

##### Retained earnings

Retained earnings of the Company are kept aside out of the Company's profits to meet future (known or unknown) obligations.

### Note No. 17 : Non-current financial liabilities-borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Secured loans from banks</b>		
Term loan	2,531.87	5,429.23
<b>Total non-current borrowings</b>	<b>2,531.87</b>	<b>5,429.23</b>
Less: current maturities of non-current borrowings (refer note 22)	18.01	1,098.46
	<b>2,513.86</b>	<b>4,330.77</b>

#### Details of security, terms of repayment and interest rate on the borrowings is provided below:-

- Term loans aggregating to ₹ 2,477.13 lacs (31 March 2020: ₹ 5,370.27 lacs) are secured by first charge created on all fixed assets, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 20, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deeds of land measuring 129.47 and all the immovable assets including building, both present and future. The loans carry an interest rate ranging between 7.65%- 9.25% per annum Also refer note 45 for details of assets pledged as security.
- Term loan aggregating to ₹ 54.74 lacs (31 March 2020: ₹ 58.96 lacs) relates to assets purchased under financing arrangements with banks/finance and are secured by way of hypothecation of the specified assets. Repayable in equated monthly installments. The loans carry an interest rate ranging between 7.40%-8.20% per annum.
- There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 18 : Other non-current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	11.10	11.98
	<b>11.10</b>	<b>11.98</b>

### Note No. 19 : Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (refer note 41)	527.45	479.62
Provision for compensated absences (refer note 41)	209.38	194.49
	<b>736.83</b>	<b>674.11</b>

### Note No. 20 : Current financial liabilities-borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Secured loans</b>		
Loans repayable on demand from banks	14,016.83	12,496.98
	<b>14,016.83</b>	<b>12,496.98</b>

Cash credit, packing credit and bill discounting facilities aggregating to ₹ 14,016.83 lacs (31 March 2020: ₹ 12,496.98 lacs) carries interest rate of 1 year MCLR plus 1.65% p.a. and 1 year MCLR plus 0.40% p.a. respectively. These are secured by first charge created on entire current assets along with the second charge created on entire fixed assets, both present and future. Also secured by an equitable mortgage of land admeasuring 129.47 acres and all immovable assets including building, situated at Hissar and hypothecation of existing as well as future block of movable assets ranking pari-passu with the charge created for availing term loans as described in note 17. Also refer note 45 for details of assets pledged as security.

### Note No. 21 : Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade payables:</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	73.99	80.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,091.20	1,407.24
	<b>1,165.19</b>	<b>1,487.86</b>

Information, as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) The principal amount remaining unpaid to any supplier at the end of the year (including creditor for capital goods);	108.13	231.31
(b) Interest due remaining unpaid to any supplier at the end of the year;	1.79	-
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year;	-	-
(d) 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 year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.79	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	1.79	-

### Note No. 22 : Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 17)	18.01	1,098.46
Interest accrued on borrowings	19.68	81.62
Employee dues payables	649.08	622.06
Creditors for capital goods		
Payable to micro enterprises and small enterprises*	35.93	150.69
Payable to other than micro enterprises and small enterprises	132.45	213.07
Security deposits received	0.55	0.56
	<b>855.70</b>	<b>2,166.46</b>

\* Refer note 21

### Note No. 23 : Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payables	104.38	84.32
	<b>104.38</b>	<b>84.32</b>

### Note No. 24 : Contract liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	75.19	402.76
	<b>75.19</b>	<b>402.76</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 25 : Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 41)	113.79	130.91
Provision for compensated absences	24.09	28.50
Provision against TUF Scheme (refer note 36)	282.28	282.27
Provision against electricity duty on open access power (refer note 40)	366.65	312.28
	<b>786.81</b>	<b>753.96</b>

### Note No. 26 : Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax {net of advance tax ₹ 951.81 lacs (31 March 2020: ₹ 463.97 lacs)}	248.25	-
	<b>248.25</b>	<b>-</b>

### Note No. 27 : Revenue from operations

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Sale of product (Cotton yarn)</b>		
Domestic sales	23,207.53	26,270.94
Export sales	28,807.71	27,296.65
	<b>52,015.24</b>	<b>53,567.59</b>
<b>Other operating revenues</b>		
Process waste sale	3,691.23	4,460.19
Duty drawback and other export incentives	529.76	474.72
Other scrap sales	41.64	19.24
	<b>4,262.63</b>	<b>4,954.15</b>
<b>Revenue from operations</b>	<b>56,277.87</b>	<b>58,521.74</b>

### Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(a) Contract Balances</b>		
Receivables- trade receivables (refer note 9)	9,306.16	5,662.44
Contract liabilities- advances from customers (refer note 24)	75.19	402.76

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### (b) Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contracted price	52,202.65	58,744.99
Reduction towards variable consideration components*	(187.41)	(223.25)
<b>Sale of products</b>	<b>52,015.24</b>	<b>53,567.59</b>

\*The adjustments are made to the contract price comprises of cash discounts and credit.

### (c) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue by geography</b>		
Domestic	23,207.53	26,270.94
Export	28,807.71	27,296.65
<b>Total</b>	<b>52,015.24</b>	<b>53,567.59</b>

### Significant changes in contract assets and liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>	402.76	248.09
Add: addition during the year	75.19	402.76
Less: revenue recognised during the year from opening liability	402.76	248.09
<b>Closing balance</b>	<b>75.19</b>	<b>402.76</b>

### Note No. 28 : Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets at amortised cost		
- Other interest income	49.44	31.82
Net gain on foreign currency transactions	483.88	230.14
Interest subsidy (TUFS) on borrowings (refer note 36)	28.57	63.94
Profit on sale of property, plant and equipment (net)	-	0.36
Provision for doubtful debt recovered	11.56	-
Miscellaneous income	56.32	50.51
	<b>629.77</b>	<b>376.77</b>



## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 29 : Cost of raw materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	13,353.82	12,864.73
Add: purchases during the year	33,643.07	42,627.88
	<b>46,996.89</b>	<b>55,492.61</b>
Less: inventories at the end of the year	9,821.73	13,353.82
<b>Cost of raw materials consumed</b>	<b>37,175.16</b>	<b>42,138.79</b>

### Note No. 30 : Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventories at the end of the year:</b>		
Finished goods- cotton yarn	2,320.72	3,406.41
Work-in-progress	1,436.13	1,112.63
<b>Total</b>	<b>3,756.85</b>	<b>4,519.04</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods- cotton yarn	3,406.41	3,006.37
Work-in-progress	1,112.63	955.74
<b>Total</b>	<b>4,519.04</b>	<b>3,962.11</b>
<b>Decrease/(increase) in inventory</b>	<b>762.19</b>	<b>(556.93)</b>

### Note No. 31 : Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	3,678.16	3,647.55
Contribution to provident and other funds	284.70	316.19
Gratuity expense (refer note 41)	99.71	89.43
Staff welfare expenses	66.92	85.40
<b>Total</b>	<b>4,129.49</b>	<b>4,138.57</b>

### Note No. 32 : Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses	623.64	820.05
Other borrowing costs	217.67	366.36
<b>Total</b>	<b>841.31</b>	<b>1,186.41</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 33 : Depreciation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	1,602.86	1,647.23
<b>Total</b>	<b>1,602.86</b>	<b>1,647.23</b>

### Note No. 34 : Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spare parts	1,307.63	1,257.39
Power, fuel and water	4,784.29	5,450.93
Rent	21.62	21.62
Repairs and maintenance		
- Building	25.78	22.32
- Plant and machinery	57.89	52.54
- Others	10.37	11.99
Freight and forwarding	1,305.78	1,093.73
Insurance	72.99	65.34
Rates and taxes	18.06	53.58
Directors' sitting fees (refer note 42)	7.10	5.80
Legal and professional	128.44	323.21
Payment to Auditor (refer note (i) below)	18.52	23.48
Travelling and conveyance	56.66	108.46
Commission to selling agents	253.12	279.45
Security expenses	90.33	87.40
Expenses related to business combination*	-	314.50
Corporate social responsibility expenses (refer note 43)	13.88	12.09
Provision against TUF subsidy (refer note 36)	16.13	306.30
Allowance for bad trade and other receivables	-	3.01
Loss on sale of property, plant and equipment (net)	0.48	-
Business support service expenses	-	72.90
Miscellaneous expenses	106.74	122.47
<b>Total</b>	<b>8,295.81</b>	<b>9,688.51</b>

\*Includes ₹ nil (31 March 2020: ₹ 239.29 lacs) related to stamp duty expense on transfer of land at Hisar.

#### (i) Payment to Auditor\*

Statutory audit fee	10.00	12.00
Tax audit fee	1.00	2.00
Other services	6.00	8.00
Re-imbursement of expenses	1.52	1.48
<b>Total</b>	<b>18.52</b>	<b>23.48</b>

\*Auditor remuneration for the year ended 31 March 2021 doesn't include the remuneration paid by Company to the erstwhile auditors amounting to ₹ 2.50 lacs which has been classified under "Legal and Professional"

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 35 : Income tax expense

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

#### Statement of profit and loss:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(a) Profit and loss</b>		
<b>Current tax</b>		
Current income tax charge	1,199.31	454.47
Tax relating to earlier years	(50.89)	-
	<b>1,148.42</b>	<b>454.47</b>
<b>Deferred tax:</b>		
In respect of current year	(98.40)	(230.11)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,050.02</b>	<b>224.36</b>
<b>(b) Other comprehensive income (OCI)</b>		
<b>Deferred tax related to items recognised in OCI during the year</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurement gain of defined benefit obligations	3.33	4.04
Income tax relating to remeasurement of defined benefit obligations	(0.84)	(1.02)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss, net of income tax</b>	<b>2.49</b>	<b>3.02</b>
<b>(c) Reconciliation of effective tax rate</b>		
Profit before income-tax expense	4,100.82	655.93
Amount of tax at statutory income tax rate @ 25.17% (31 March 2020: 25.17%)	1,032.09	165.08
<b>Non deductible expenses for tax purposes:</b>		
Expenditure on corporate social responsibility	3.49	3.04
Donations	0.12	0.08
<b>Adjustments</b>		
Adjustment in respect of deferred tax expense	-	55.13
Others	14.32	1.03
At the effective income tax rate	1,050.02	224.36
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>1,050.02</b>	<b>224.36</b>

### Note No. 36 : Government grants

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	246.65	184.30
Government grant received during the year	445.85	452.28
Released to the statement of profit and loss*	558.33	538.66
Impairment allowance**	(40.16)	(24.03)
<b>Closing balance</b>	<b>318.97</b>	<b>246.65</b>
<b>Current portion</b>	<b>318.97</b>	<b>246.65</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Nature of Government grants (refer note 13)

Particulars	As at 31 March 2021	As at 31 March 2020
TUF scheme	141.56	112.99
Export incentives (duty drawback)	177.41	133.66
<b>Total</b>	<b>318.97</b>	<b>246.65</b>

\* Includes export incentives of ₹ 529.76 lacs (31 March 2020: ₹ 474.72 lacs) and Interest subsidy (TUF Scheme) of ₹ 28.57 lacs (31 March 2020: ₹ 63.94 lacs)

\*\* The Company has been accruing interest subsidy on the term loan taken for installation of plant and machinery, eligible under Technology Upgradation Fund ("TUF") schemes issued by the Ministry of Textiles. During the financial year 2019-20, inspections have been carried out by authorities and had shared their draft observations with the Company, in respect of the certain interpretations made in the earlier years for computation of TUF subsidy. Basis such discussions with the authorities and draft observations received, the management has recorded a provision of ₹ Nil (31 March 2020: ₹ 282.27 lacs including interest) (refer note 25) in respect of the amounts which had already been received in the prior years by the Company and have, also, recognised an impairment allowance of ₹ 40.16 lacs (31 March 2020: ₹ 24.03 lacs against receivables from the authorities in respect of TUF subsidy. Cumulatively, this has led to recognition of expense of ₹ 16.13 lacs (31 March 2020: ₹ 306.30 lacs (refer note 34) in the statement of profit and loss.

### Note No. 37 : Earnings per share (EPS)

Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity holders	3,050.80	431.57
Weighted average number of equity shares for basic and diluted earning per share	18,677,749	18,677,749
Basic and diluted earnings per share (Face value per equity share ₹ 10 each) (in ₹ )	16.33	2.31

### Note No. 38 : Segment Information

#### Description of segments and principal activities

The Company is primarily engaged in the business of manufacturing and sale of cotton yarn.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### A. Disaggregated revenue information

#### i) Revenue from external customers

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India (a)	27,470.16	31,225.09
Outside India		
China	15,446.36	14,507.23
Bangladesh	3,723.84	4,467.47
Other countries	9,637.51	8,321.96
Outside India (b)	28,807.71	27,296.65
<b>Total (a+b)</b>	<b>56,277.87</b>	<b>58,521.74</b>

#### ii) Segment Assets

Total of non-current assets other than financial instruments and deferred tax assets broken down by location of the assets, is shown below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	11,310.52	12,311.06
Outside India	-	-
<b>Total</b>	<b>11,310.52</b>	<b>12,311.06</b>

### Note No. 39 : Contingent liabilities and commitments

#### A. Contingent liabilities in respect of:

Particulars	As at 31 March 2021	As at 31 March 2020
Claim against the Company not acknowledged as debts		
- Claim by employees	11.14	11.14
- Demand raised by Market Committee, Hisar	12.55	12.55
- Demand raised by ESIC Department	0.79	0.79

All the above matters are subject to legal proceedings in the ordinary course of business. The Company, based on discussions with the solicitors believes that it has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

#### B. Commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2823.78	324.30

### Note 40: Provision against electricity duty on open access power

The Company has filed writ petition in 2014 before Punjab And Haryana High Court challenging the charge of electricity duty on the power purchased through inter-state short term open access. Dakshin Haryana Bijli Vitran Nigam (DHBVN) issued a sales circular no. 7/2010 clarifying the levy of electricity duty @ ₹ 0.10/KWH chargeable to the open access consumers on the power contracted and drawn. This has been challenged by the Company in



## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

front of “High Court of Punjab and Haryana” at Chandigarh and order is pending. Further, on a prudent basis, the Company is carrying provision of ₹ 366.65 lacs (31 March 2020: ₹ 312.28 lacs) (refer note 25) in the books of accounts equivalent to the amount under dispute.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	312.28	257.24
Addition during the year	54.37	55.04
<b>Balance at the end of the year</b>	<b>366.65</b>	<b>312.28</b>

### Note No. 41 : Employee benefits

#### A Defined contribution plans

The Company deposits an amount determined at a fixed percentage of basic pay every month to the provident fund and employee state insurance (ESI) for the benefit of the employees.

Amount recognised in the statement of profit and loss is as follows (refer note 31):

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to provident fund	188.42	192.80
Contribution to superannuation fund	29.08	50.20
Contribution to Employee's state insurance	67.20	73.19
<b>Total</b>	<b>284.70</b>	<b>316.19</b>

#### B Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. Gratuity liability is accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

##### i) Reconciliation of present value of defined benefit obligation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Obligations at the beginning of year</b>	<b>610.53</b>	<b>563.92</b>
Current service cost	58.28	56.68
Interest cost	41.43	32.75
<b>Amount recognised in statement of profit and loss</b>	<b>99.71</b>	<b>89.43</b>
<b>Remeasurements</b>		
Actuarial (gains) recognised in other comprehensive income	(3.33)	(4.04)
<b>Benefits paid</b>	<b>(65.67)</b>	<b>(38.78)</b>
<b>Obligation at the end year</b>	<b>641.24</b>	<b>610.53</b>
Non current	527.45	479.62
Current	113.79	130.91

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### ii) Liabilities recognised in the balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit liability-Gratuity	641.24	610.53
Non current	527.45	479.62
Current	113.79	130.91
<b>Total</b>	<b>641.24</b>	<b>610.53</b>

### iii) Defined benefit obligations cost for the year :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	58.28	56.68
Interest cost	41.43	32.75
Actuarial (gains) recognised in other comprehensive income	(3.33)	(4.04)
<b>Net cost</b>	<b>96.38</b>	<b>85.39</b>

### iv) Actuarial assumptions :

The Principal assumptions used at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Financial assumptions</b>		
Discount rate per annum	6.79%	6.79%
Future salary growth rate	5.00%	5.00%
<b>Demographic assumptions</b>		
Retirement age (years)	58 years	58 years
Mortality rates inclusive of provision for disability	"IALM( 2012-14) ultimate"	"IALM( 2012-14) ultimate"
Attrition rate		
Upto 30 years	5.84%	5.84%
31 to 44 years	2.19%	2.19%
Above 44 years	0.73%	0.73%

**Note:** As at 31 March 2021, the weighted average duration of the defined benefit obligation was 16.37 years (31 March 2020: 16.50 years)

### v) Bifurcation of actuarial gain/loss on obligation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gain)/loss on arising from change in demographic assumption	-	0.22
Actuarial (gain)/loss on arising from change in financial assumption	-	(13.64)
Actuarial (gain)/loss on arising from change in experience assumption	(3.33)	9.38

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### vi) Expected contributions to the Fund in next year :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gratuity	108.63	100.91

### vii) Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	As at 31 March 2021		As at 31 March 2020	
	Increase in obligation	Decrease in obligation	Increase in obligation	Decrease in obligation
Discount rate per annum (0.50 %)	(21.67)	23.44	(21.06)	22.79
Future salary growth rate (0.50 %)	23.74	(22.13)	23.08	(21.50)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in balance sheet.

### viii) 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:

Particulars	31 March 2021	31 March 2020
Year 1	113.79	130.91
Year 2	22.29	10.32
Year 3	166.30	20.62
Year 4	16.50	155.07
Year 5	10.15	13.66
Year 6	18.94	8.86
Next to 6 years	293.27	270.74

### ix) Description of Risk Exposures:

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase
- Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 42 : Related party disclosures

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

#### List of related parties and nature of relationship where control exists

Key management personnel	Relationship
1. Mr. Hemant Bharat Ram	Managing Director
2. Mr. Rakesh Goel	Whole Time Director
3. Dr. Vinay Bharat Ram	Whole Time Director
4. Mr. Jitendra Tuli	Non-Executive Director
5. Dr. Meenakshi Nayar	Chairperson and Independent Director
6. Ms. Shahana Basu	Non-Executive Director
7. Mr. Ravi Vira Gupta	Independent Director
8. Mr. Bipin Maira	Independent Director
9. Mr. Sandeep Kumar Jain	Chief Financial Officer
10. Mr. Vikas Singhal	Company Secretary (Uptil 19 July 2019)
11. Mr. Kunal Agrawal	Company Secretary (From 07 August 2019-uptil 20 November 2020)
12. Mr. Mohd. Sagir	Company Secretary (w.e.f. 05 February 2021)

#### Enterprise over which directors and KMPs are interested

The Delhi Golf Club  
Candle Techserv Private Limited  
DCM Limited

#### Post employment benefit entity

DCM Nouvelle Limited Superannuation Trust

#### Transactions with related parties

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Purchase of property, plant and equipment</b>		
DCM Limited	-	1,400.00
<b>Amount paid for acquisition of rights in property</b>		
DCM Limited	-	801.50
<b>Business support services</b>		
DCM Limited	-	72.90
<b>Transfer of net assets under the scheme of arrangement</b>		
DCM Limited	-	14,924.08
<b>Share capital cancelled under scheme of arrangement</b>		
DCM Limited	-	5.00
<b>Issue of equity share under the scheme of arrangement</b>		
Dr. Vinay Bharat Ram	-	904.31
<b>Advertisement services</b>		
The Delhi Golf Club	32.50	42.50
<b>Professional fee</b>		
Candle Techserv Private Limited	4.37	-

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Transactions with key management personnel

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Remuneration paid to key managerial personnel</b>		
<b>Salary, allowance and contribution to provident fund</b>		
Dr. Vinay Bharat Ram	61.20	30.60
Mr. Hemant Bharat Ram	272.26	255.32
Mr. Rakesh Kumar Goel	123.05	123.36
Mr. Sandeep Kumar Jain- Chief Financial Officer	39.17	33.92
Mr. Kunal Agrawal - Company Secretary	4.09	4.40
Mr. Vikas Singhal - Company Secretary	-	1.99
Mr. Mohd. Sagir - Company Secretary	0.82	-
<b>Director sitting fees</b>		
Mr. Jitendra Tuli	1.10	0.90
Dr. Meenakshi Nayar	1.90	1.60
Ms. Shahana Basu	1.00	0.40
Mr. Ravi Vira Gupta	1.30	1.20
Mr. Bipin Maira	1.80	1.70
<b>Post-employment defined benefit plan</b>		
<b>Gratuity</b>		
Dr. Vinay Bharat Ram	1.44	0.72
Mr. Hemant Bharat Ram	156.54	151.33
Mr. Rakesh Kumar Goel	96.76	93.57
Mr. Sandeep Kumar Jain- Chief Financial Officer	8.92	7.40
Mr. Kunal Agrawal - Company Secretary	-	0.06
Mr. Mohd. Sagir - Company Secretary	0.01	-
<b>Other long term defined benefit plan</b>		
<b>Compensated absences</b>		
Mr. Hemant Bharat Ram	28.64	28.64
Mr. Rakesh Kumar Goel	17.49	16.47
Mr. Sandeep Kumar Jain- Chief Financial Officer	3.44	2.99
Mr. Kunal Agrawal - Company Secretary	0.09	0.06
Mr. Mohd. Sagir - Company Secretary	0.02	0.00
<b>Total compensation paid/payable to key management personnel</b>	<b>821.05</b>	<b>756.64</b>



## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Year end balances

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Receivable *</b>		
DCM Limited	673.81	673.81
<b>Payables</b>		
Candle Techserv Private Limited	0.88	-
<b>Director sitting fee payable</b>		
Mr. Jitendra Tuli	0.28	-
Dr. Meenakshi Nayar	0.37	-
Ms. Shahana Basu	0.19	-
Mr. Ravi Vira Gupta	0.28	-
Mr. Bipin Maira	0.37	-
<b>Salary payable</b>		
Dr. Vinay Bharat Ram	-	2.24
Mr. Hemant Bharat Ram	-	0.21
Mr. Rakesh Goel	4.66	3.89
Mr. Mohd. Sagir	0.37	-
Mr. Sandeep Kumar Jain	1.50	1.26

\*Includes capital advance amount paid to DCM Limited in previous year for acquisition of four flats being developed jointly by Purearth Infrastructure Limited and Basant Projects Limited.

### Note No. 43 : Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Gross amount required to be spent by the Company during the year</b>	4.44	-
<b>Amount spent during the year:</b>		
Promotion of education	13.88	12.09
<b>Total</b>	<b>13.88</b>	<b>12.09</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 44 : Fair value measurement of 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 31 March 2021 (₹ in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Loans *	-	-	11.58	11.58	-	-	11.58
Other financial assets *	-	-	-	-	-	-	-
<b>Current</b>							
Trade receivables *	-	-	9,306.16	9,306.16	-	-	-
Cash and cash equivalents *	-	-	11.89	11.89	-	-	-
Bank balances other than Cash and cash equivalents*	-	-	12.61	12.61	-	-	-
Loans *	-	-	27.40	27.40	-	-	-
Other financial assets *	-	-	1,047.41	1,047.41	-	-	-
<b>Total</b>	-	-	10,417.05	10,417.05	-	-	11.58
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	2,513.86	2,513.86	-	-	2,513.86
Other financial liabilities *	-	-	11.10	11.10	-	-	-
<b>Current</b>							
Borrowings #	-	-	14,016.83	14,016.83	-	-	-
Trade payables *	-	-	1,165.19	1,165.19	-	-	-
Other current financial liabilities *	-	-	855.70	855.70	-	-	-
<b>Total</b>	-	-	18,562.68	18,562.68	-	-	2,513.86

#### ii. As on 31 March 2020 (₹ in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Loans *	-	-	6.22	6.22	-	-	6.22
Other financial assets *	-	-	-	-	-	-	-
<b>Current</b>							
Trade receivables *	-	-	5,662.44	5,662.44	-	-	-
Cash and cash equivalents *	-	-	22.46	22.46	-	-	-
Balances other than above *	-	-	79.84	79.84	-	-	-
Loans *	-	-	31.83	31.83	-	-	-
Other financial assets *	-	-	780.51	780.51	-	-	-
<b>Total</b>	-	-	6,583.30	6,583.30	-	-	6.22

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

(₹ in lacs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings #	-	-	4,330.77	<b>4,330.77</b>	-	-	4,330.77
Other financial liabilities *	-	-	11.98	<b>11.98</b>	-	-	-
<b>Current</b>							
Borrowings #	-	-	12,496.98	<b>12,496.98</b>	-	-	-
Trade payables *	-	-	1,487.86	<b>1,487.86</b>	-	-	-
Other current financial liabilities *	-	-	2,166.46	<b>2,166.46</b>	-	-	-
<b>Total</b>	-	-	<b>20,494.05</b>	<b>20,494.05</b>	-	-	<b>4,330.77</b>

# 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) approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The carrying value of loans and other non-current financial assets and other non-current financial liabilities 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 31 March 2021 and 31 March 2020.

### Valuation technique used to determine fair value

The fair values of Long term interest-bearing borrowings and loans are determined by using Discounted Cash Flow (DCF) method using risk free rate, adjusted for risk premium and other factors that market participants would take into account in the circumstances, as discount rate at the end of the reporting period. The own nonperformance risk was assessed to be insignificant.

Other non-current assets and liabilities are evaluated by the Company based on parameters such as interest rate, risk factors, risk characteristics and individual credit-worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses.

### 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 authorised 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 analyse 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.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables (net of allowances for expected credit loss)	9,306.16	5,662.44
Cash and cash equivalents	11.89	22.46
Balances other than cash and cash equivalents	12.61	79.84
Loans	38.98	38.05
Other financial assets	1,047.41	780.51

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 domestic trade receivables as export receivables are secured through letter of credit and are derived from revenue earned from customers primarily located to China and Bangladesh. Domestic 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.

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 has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience (including of the period prior to acquisition of the related business) and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and are not expected to be recoverable. Ageing matrix is disclosed below:

The Company's exposure to credit risk for trade receivables are as follows:

#### Gross carrying amount

Particulars	As at 31 March 2021	As at 31 March 2020
0-30 days due	2,678.72	1,357.45
31-90 days past due	5,000.59	3,736.95
91 to 180 days past due	1,624.49	570.40
More than 180 days past due	109.07	115.91
<b>Total</b>	<b>9,412.87</b>	<b>5,780.71</b>

The credit risk for cash and cash equivalents, balances other than cash and cash equivalents, loans and Other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Movement in the allowance for impairment in respect of trade receivables:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning	118.27	115.26
Add: impairment loss recognised	-	3.01
Less: loss allowance reversed	11.56	-
Balance at the end	<b>106.71</b>	<b>118.27</b>

### (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 fall 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, 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 maximise liquidity and supplement cash requirements as necessary.

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. Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2021	As at 31 March 2020
From banks	5,183.17	3,373.02

### II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the 31 March 2021. The amounts are gross and undiscounted:

Particulars	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	2,513.86	243.05	2,712.52	33.75	2,989.32
Other financial liabilities	11.10	0.93	12.96	-	13.89
<b>Current liabilities</b>					
Borrowings	14,016.83	14,016.83	-	-	14,016.83
Trade payables	1,165.19	1,165.19	-	-	1,165.19
Other financial liabilities *	855.70	855.70	-	-	855.70
<b>Total</b>	<b>18,562.68</b>	<b>16,281.70</b>	<b>2,725.48</b>	<b>33.75</b>	<b>19,040.93</b>



## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

The following are the remaining contractual maturities of financial liabilities at the 31 March 2020. The amounts are gross and undiscounted:

Particulars	Carrying amount	Contractual cash flows			
		Less than one year	Between one year and five years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings *	4,330.77	1,611.33	4,871.38	256.17	6,738.88
Other financial liabilities	11.98	0.93	13.46	-	14.39
<b>Current liabilities</b>					
Borrowings	12,496.98	12,496.98	-	-	12,496.98
Trade payables	1,487.86	1,487.86	-	-	1,487.86
Other financial liabilities *	2,166.46	2,166.46	-	-	2,166.46
<b>Total</b>	<b>20,494.05</b>	<b>17,763.56</b>	<b>4,884.84</b>	<b>256.17</b>	<b>22,904.57</b>

\* Contractual cash flow includes the interest to be incurred and paid in subsequent periods.

### 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 optimizing 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 31 March 2021 and 31 March 2020 are as below:

Particulars	As at 31 March 2021	As at 31 March 2020
	Exposure in USD	Exposure in USD
<b>Financial assets</b>		
Trade receivables	9,028.95	5,551.47
Advance to suppliers	36.62	8.05
<b>Total</b>	<b>9,065.57</b>	<b>5,559.52</b>
<b>Financial liabilities</b>		
Borrowings	13,389.11	7,710.65
Trade payables	115.18	62.94
Advance from customers	42.49	359.85
<b>Total</b>	<b>13,546.78</b>	<b>8,133.44</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2021 (previous year ended as on 31 March 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.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
1% depreciation/appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31 March 2021</b>				
USD	(44.81)	44.81	(33.53)	33.53
<b>Total</b>	<b>(44.81)</b>	<b>44.81</b>	<b>(33.53)</b>	<b>33.53</b>
<b>For the year ended 31 March 2020</b>				
USD	(25.74)	25.74	(19.26)	19.26
<b>Total</b>	<b>(25.74)</b>	<b>25.74</b>	<b>(19.26)</b>	<b>19.26</b>

USD: United States Dollar

### Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 1 to 12 months for hedges of forecasted sales and purchases. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding contracts	No. of Deals		Contract value of foreign currency (USD in lacs)		Maturity upto 12 months (₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
USD/INR sell forward	6	-	31.72	-	2,338.55	-

The following table demonstrates the Company's sensitivity to 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
1% depreciation/appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31 March 2021</b>				
USD	(23.39)	23.39	(17.50)	17.50
<b>Total</b>	<b>(23.39)</b>	<b>23.39</b>	<b>(17.50)</b>	<b>17.50</b>
<b>For the year ended 31 March 2020</b>				
USD				
<b>Total</b>	-	-	-	-

### 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 exposes 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 expose 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:

Variable-rate instruments	As at 31 March 2021	As at 31 March 2020
Term loans from banks	2,531.87	5,429.23
Loans repayable on demand from banks	14,016.83	12,496.98
<b>Total</b>	<b>16,548.70</b>	<b>17,926.21</b>

### 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.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	increase	decrease	increase	decrease
<b>Interest on term loans from banks</b>				
For the year ended 31 March 2021	(131.32)	131.32	(98.27)	98.27
For the year ended 31 March 2020	(119.28)	119.28	(89.26)	(89.26)

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 45 : Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
<b>Financial assets</b>		
i) Trade receivables	9,306.16	5,662.44
ii) Cash and cash equivalent	11.89	22.46
iii) Bank balances other than (ii) above	12.61	79.84
iv) Loans	27.40	31.83
v) Other financial assets	1,047.41	780.51
<b>Non-financial assets</b>		
i) Inventories	13,691.51	17,984.30
ii) Other current assets	3,138.88	660.43
<b>Total current assets pledged as security</b>	<b>27,235.86</b>	<b>25,221.81</b>
<b>Non-current</b>		
<b>Non-financial assets</b>		
i) Property, plant and equipment	9,551.75	10,709.24
<b>Total non-current assets pledged as security</b>	<b>9,551.75</b>	<b>10,709.24</b>
<b>Total assets pledged as security</b>	<b>36,787.61</b>	<b>35,931.05</b>

### Note No. 46 : 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 Company. 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 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 Company).

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	16,548.70	17,926.21
Less: cash and bank balances	24.50	102.30
<b>Adjusted net debt (A)</b>	<b>16,524.20</b>	<b>17,823.91</b>
<b>Total equity (B)</b>	<b>18,415.55</b>	<b>15,362.26</b>
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>0.90</b>	<b>1.16</b>

## Notes for the year ended 31st March, 2021

(All amounts in ₹ lacs, unless stated otherwise)

### Note No. 47 : Impact of Covid-19

The Company has considered the possible effects that may result from the Covid 19 pandemic on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the management, as at the date of approval of these financial statements, has used internal and external sources on the expected future performance of the Company. The management has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects that the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainties of the pandemic, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor any material changes to future economic conditions.

### Note No. 48 : Scheme of Arrangement (Demerger of Textile Division)

The National Company Law Tribunal ("NCLT"), vide its order dated 1 May 2019, approved the Scheme of Arrangement ('the Scheme') between DCM Limited and DCM Nouvelle Limited, for the demerger of the Textile Division of DCM Limited, on a going concern basis with effect from 1 April 2019 (i.e. the appointed date). Consequently, the assets and liabilities aggregating ₹ 35,758 lacs and ₹ 20,833 lacs respectively, of the Textile Division of DCM Limited have been transferred with effect from the aforesaid appointed date to DCM Nouvelle Limited at their carrying values, determined in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Company has also taken over securities premium of ₹ 5,518 lacs and free reserves of ₹ 7,544 lacs and issued equity shares of ₹ 1,868 lacs after cancelling the entire share capital held by the DCM Limited as on effective date (1 April 2019) in DCM Nouvelle Limited amounting to ₹ 5 lacs, pursuant to the aforesaid scheme.

**As per our report of even date attached**

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

**Place:** New Delhi

**Date:** 15 May 2021

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

**DCM Nouvelle Limited**

**Hemant Bharat Ram**

Managing Director

DIN: 00150933

**Sandeep Kumar Jain**

Chief Financial Officer

M.No.:078691

**Dr. Meenakshi Nayar**

Chairperson and Director

DIN: 06866256

**Mohd Sagir**

Company Secretary

M.No.: F11061



To,  
M/s. Skyline Financial Services Private Limited  
D-153 A, First Floor, Okhla Industrial Area,  
Phase -I, New Delhi-110020,  
Tel: 011-41044923,  
Email: info@skylinerta.com

### Updation of Shareholder Information

I/ We request you to record the following information against our Folio No.:

#### General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: #	
CIN/ Registration No.: # (Applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

# Self attested copy of the document(s) is/are enclosed

#### Bank Details:

IFSC Code: (11 digit)		MICR Code: (9 digit)
Bank A/c Type:		Bank A/c No.: *
Name of the Bank:		
Name of the Branch & Address:		

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that, the above details shall be maintained by you till I/We hold the securities under the above-mentioned Folio No./ beneficiary account.

Place :  
Date :



Signature of Sole/ First holder







NOUVELLE

**DCM Nouvelle Limited**

407, Vikrant Tower, 04,  
Rajendra Place, New Delhi-110008,  
India Tel: 91 1143678490