

August 11, 2022

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400 001
Scrip Code: 542729

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra East
Mumbai, Maharashtra – 400 051
Symbol: DCMNVL

Dear Sir/ Madam,

Sub: Notice of the 6th Annual General Meeting (“AGM”) and Annual Report for the financial year 2021-22

The **Notice convening the 6th Annual General Meeting (“AGM”)** and **Annual Report** for the financial year 2021-22, being sent to the members through electronic mode, is attached.

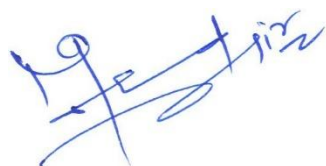
The Notice and Annual Report are also available on the website of the Company and can be accessed using the below given links:

Notice	https://www.dcmnvl.com/downloads/files/n62f3681ea0841.pdf
Annual Report	https://www.dcmnvl.com/downloads/files/n62f3674826981.pdf

This is for your information and records.

Thanking You,

Yours Faithfully,
For DCM Nouvelle Limited



Mohd Sagir
Company Secretary & Compliance Officer
Membership No. F11061

CC:

- 1. National Securities Depository Ltd.**
Trade World, A Wing, 4th Floor,
Kamala Mills Compound,
Lower Parel, Mumbai – 400013

2. Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 2
5th Floor, NM Joshi Marg,
Lower Parel, Mumbai - 400013

3. Skyline Financial Services Private Limited

1st Floor, D-153A, Okhla Industrial Area,
Phase I, New Delhi -110 020, INDIA

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of the DCM Nouvelle Limited (‘the Company’) will be held on Tuesday, September 06, 2022 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:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

Item No. 2- To consider appointment of a director in place of Mr. Hemant Bharat Ram (DIN 00150933) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3- To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2023.

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 reenactment 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 2022-23 on a remuneration of Rs. 60,000/- (Rupees Sixty 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- Re-appointment of Dr. Vinay Bharat Ram (DIN: 00052826) as Whole-time 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 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Dr. Vinay Bharat Ram (DIN: 00052826), in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as Whole-time Director for a period of 2 (two) years effective October 1, 2022 upto September 30, 2024, at a remuneration and upon such terms and conditions as set out in explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall deem to include any Committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the said appointment and/or remuneration, from time to time, as it may deem fit and to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

By order of the Board

Mohd Sagir

Date: 10.08.2022

Company Secretary

Place: New Delhi

Membership No. FCS-11061

NOTES:

- 1. In view of the prevailing locked down situation across the Country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide Circular Nos.14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 5, 2022 respectively, (“MCA Circulars”) and Securities and Exchange Board of India vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated May 12, 2020,

January 15, 2021 and May 13, 2022 respectively, (“SEBI Circular”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without presence of the members at a common venue. In compliance with the above mentioned Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

- 2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3 & 4 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 & 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI 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 are also annexed.
- 3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
- 4. Institutional shareholders/corporate shareholders (i.e., other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to pragnyap.pradhan@gmail.com with a copy marked to evoting@nsdl.co.in.
- 5. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail 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.,

- a) For shares held in electronic form: to their Depository Participants (DPs)
- b) For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/ 655 dated November 3, 2021. The Company has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details.

- 6. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at <https://www.dcmnvl.com/downloads.html> and on the website of the Company’s Registrar and Transfer Agents. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- 7. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
- 8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- 9. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination

- are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company’s website <https://www.dcmnvl.com/downloads.html>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
10. In case of joint holders, 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 during the AGM.
11. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before August 26, 2022 through email on info@dcmnvl.com. The same will be replied by the Company suitably.
12. 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 Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. 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.
14. 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, May 05, 2020, May 5, 2022 (MCA) and May 13, 2022, 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.
15. The Company has fixed Friday, August 26, 2022 as the “Cut-off” date for the purpose of determining shareholders for E-voting for the financial year ended March 31, 2022.
16. 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.
17. 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 info@dcmnvl.com.

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

The remote e-voting period begins on September 03, 2022 at 09: 00 A.M. and ends on September 05, 2022 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., August 26, 2022, 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 August 26, 2022.

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.	<div><div>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div><div>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</div><div>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold 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 company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div><div>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</div><div><div>NSDL Mobile App is available on</div><div><div> App Store</div><div> Google Play</div></div><div><div></div><div></div></div></div></div>
Individual Shareholders holding securities in demat mode with CDSL	<div><div>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</div><div>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</div><div>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</div><div>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.</div></div>

Type of shareholders	Login Method
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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available
4. Your User ID details are given below:

- under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

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 IDFor 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 IDFor 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 companyFor example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at 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).

- 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. 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**.
- Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- 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: -

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

- 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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 info@dcmnvl.com. The same will be replied by the company suitably.

OTHER INFORMATION:

- 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 Chairman or to a person authorized by the Chairman in writing

who shall countersign the same.

- The Chairman or the person authorized by him 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.
- 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., Tuesday, September 06, 2022.

By order of the Board

Mohd Sagir

Date: 10.08.2022

Company Secretary

Place: New Delhi

Membership No. FCS-11061

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 & 4 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 July 23, 2022 has appointed M/s. KG Goyal & Associates, Cost Accountants, Jaipur as Cost Auditors for the financial year to end on March 31, 2023 at a remuneration of Rs. 60,000/- (Rupees sixty 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 2022-23.

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, 2023.

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 Shareholders of the Company, appointed Dr. Vinay Bharat Ram (DIN: 00052826) as Whole-time Director of the Company being liable to retire by rotation for a term of three years upto September 30, 2022, through postal ballot dated September 30, 2019.

The Board of Directors and the Nomination and Remuneration Committee, approved re-appointment of Dr. Vinay Bharat Ram (DIN: 00052826), being liable to retire by rotation, for a period of (2) years from October 1, 2022 upto September 30, 2024, subject to approval of Shareholders at this Annual General Meeting.

Dr. Vinay Bharat Ram has a rich and varied experience in the industry and has been involved in the operations of Textiles Division of the company over a long period of time. Besides in-depth knowledge about the Company, he has strong technical and analytical skills and expertise for leading the Textile Operation of the Company. Dr. Vinay Bharat Ram, is educated from the University of Delhi (BA), Michigan University (MBA) and Harvard Business School (MDP) and holds Ph.D. in Economics from the University of Delhi. He has a wide industry experience of around 60 years. Dr. Vinay Bharat Ram has given the consent for his re-appointment as a whole-time director. Further, as per confirmation received from him, he is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Broad particulars of the terms of re-appointment and remuneration payable to Dr. Vinay Bharat Ram are as under—

Remuneration:

In consideration of the performance of his duties to the Company, Dr. Vinay Bharat Ram shall be entitled to the following remuneration subject to applicable taxes:

- Basic Salary per month: Rs. 2,50,000 /-
- Other Allowances, Reimbursements and Perquisites:
 - Company Leased House / House Rent Allowance upto 50% of the Basic Salary
 - Medical Allowances / expenses for self and family at actuals as per Rules of the Company.
 - Water & Electricity Facility.

- d. 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.

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. Vinay Bharat Ram, Whole Time Director of the company, under the above different heads 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) Commission/ Bonus:

In addition to the Salary and Allowances mentioned in A & B above, Mr. Vinay Bharat Ram, Whole Time Director shall be paid such percentage or amount of commission/bonus as may be fixed by Nomination and Remuneration Committee based on profitability 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 the maximum of 20% of the total Salary & allowances.
- E) Other terms and conditions:

a) Subject to overall superintendence, direction and control of the Board of Directors, Dr. Vinay 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.

b) For the discharge of duties, Dr. Vinay Bharat Ram shall report to and derive his authorities and functional responsibilities from the Board of Directors.

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

d) 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.

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

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

g) 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.

h) 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.

i) For the purposes of retirement benefits like Gratuity, the service of Mr. Vinay Bharat Ram, Whole Time Director of the company will be considered in continuation of service from the date of his joining the Company.

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.

By order of the Board

Date: 10.08.2022
Place: New Delhi

Mohd Sagir
Company Secretary
Membership No. FCS-11061

ANNEXURE TO ITEMS. 2 & 4 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	Mr. Hemant Bharat Ram	Dr. Vinay Bharat Ram
Date of Birth	16.10.1965	18.02.1936
Nationality	India	India
Date of Appointment on the Board	17.10.2016	01.10.2019
Qualifications	B.S. (Math & Comp. Sc.), MS (IA)	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
Expertise in specific functional area	Management	Management
Number of shares held in the Company	93,53,424	Nil
List of the directorships held in other companies*	• DCM Nouvelle Specialty Chemicals Limited • Confederation of Indian Textile Industry	Nil
Number of Board Meetings attended during the year 2021	6	6
Chairman/*Memberin the Committees of the Boards of companies in which he is Director*	N.A	N. A
Relationships between Directors inter-se	Relative of Dr. Vinay Bharat Ram	Relative of Mr. Hemant Bharat Ram
Remuneration details (Including Sitting Fees & Commission)	₹ 838.78 Lacs	₹ 61.20 Lacs

*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: 10.08.2022
Place: New Delhi

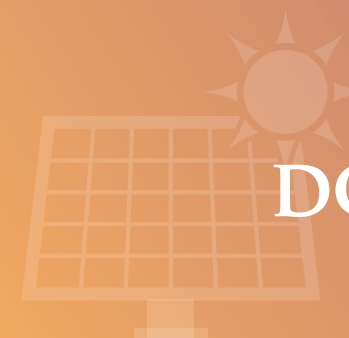
Mohd Sagir
Company Secretary
Membership No. FCS-11061

ANNUAL REPORT
2021-2022



DCM Nouvelle Limited

407, Vikrant Tower, 04, Rajendra Place, New Delhi-110008,
India Tel: 91 1143678490



DCM NOUVELLE LIMITED

Introducing DCM Nouvelle

Introduction

DCM Nouvelle Limited, a leading manufacturer & exporter of 100% cotton carded and combed yarns in single and two-ply forms count range Ne 12s to 40s. The Company has a spindle capacity of 1,14,096 located at Hisar with approx. 2500 MT of monthly production. Our goal is to build a company that upholds the interests of all of our stakeholders. Our expansion plans, manufacturing capabilities, and risk management have all helped us grow steadily over the years. In addition, we have developed enduring relationships with our stakeholders and demonstrated our dedication to environmental protection. For the long-term success of our company, we are committed to creating real value for people and the environment.

Our Products

BCI YARNS

Better Cotton for All

DCM Nouvelle is an active member of the Better Cotton Initiative (BCI). Our BCI membership showcases that we stand at the forefront of the industry—taking an important step to implement the values of sustainability, safety, and socially responsible practices in cotton consumption worldwide.



Organic Yarn

GOTS defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well.



Slub Yarn

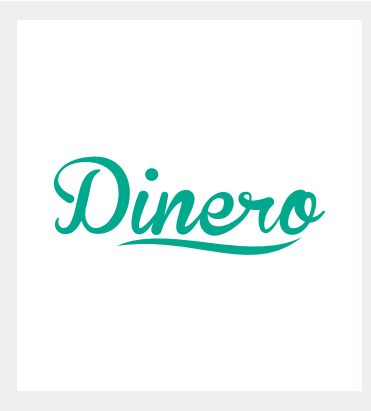
Ensure our products and processes are free of dangerous chemicals including lead & pesticides.



Our Brands



- The fabric knitted with Primero quality yarn have controlled contamination level suitable for bleach & light shades.
- Polypropylene contaminants in dark shade fabric will be subdued to great extent.
- The Primero quality is auto coned by taking additional FFD Cuts.
- Imperfections in 30s CH Primero are restricted to level of 40-45.
- High Strength Primero quality yarn is suitable for knitting after cone dyeing.



- The fabric knitted with Dinero quality yarn has exceptional uniformity i.e., less mass deviation rate (MDR)
- The feel of the finished fabric is smooth & soft.
- The yarn has better tensile properties suitable for knitting after cone dyeing.
- Uniform dye pick up because of best cotton lot management system.
- Excellent performance on high-end knitting machines
- Less variation in the yarn body resulting low classimat faults.



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 contaminant.

FY 2022 in action

Bhoomi Poojan

September 19, 2021

Bhoomi Poojan for the new plant at the proposed site at Hisar (Haryana), was performed on September 19, 2021.

Mr. Hemant Bharat Ram, Managing Director of the Company, performed the Bhoomi Poojan with all the Business heads, suppliers, vendors and employees of the Company.



Civil Construction for the new capacity was commenced on October 04, 2021 and approximately it will be completed in the month of November 2022.

Capacity: 43776 Spindles
Approx. Construction Cost: 160 Cr.
Total Spindle Capacity: 158000 spindles (Post Completion)



Installation of solar plant at Hisar

The Company has completed the instalation of 12.38 MWp solar power plant during financial year 2021-22 and also under process to install 2.1 MWp solar power plant during financial year 2022-23.



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2021-22 Financial highlights

Financial

₹ 917.63 crore
Revenue

⬆️ 61%

₹ 182.86 crore
EBITDA

⬆️ 179%

₹ 122.80 crore
Profit after tax

⬆️ 302%

Earnings per share

₹ 65.75
Basic and diluted

⬆️ 303%

56%
ROCE

⬆️ 107%

₹ 6.17 crore
Finance cost

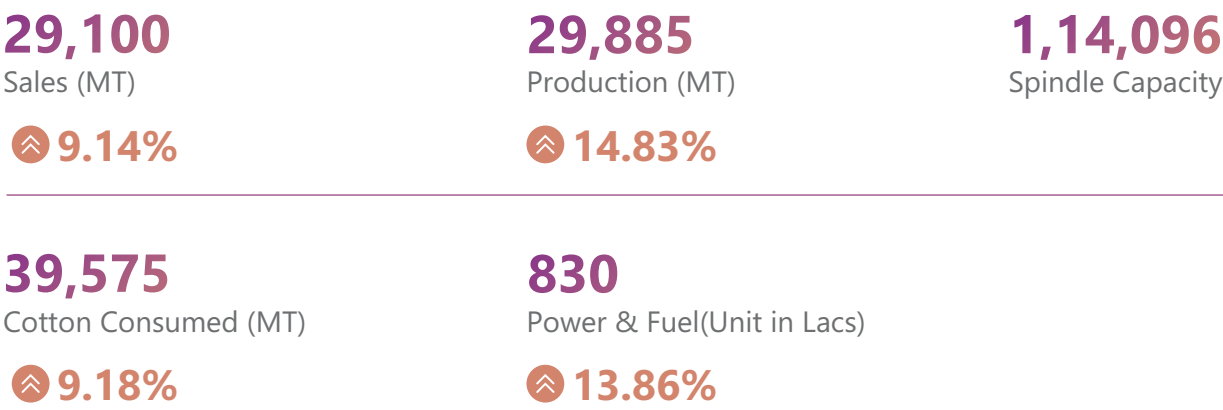
⬆️ 27%

₹ 86.09 crore
Net cash flow

⬆️ 197%



2021-22 Operational highlights



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	MR. VIVEK CHHACHHI Independent Director	MR. JITENDRA TULI Non-Executive Director
MR. KULBIR SINGH Independent Director	MS. SHAHANA BASU (till May 26, 2022) Non-Executive Director	

CHIEF FINANCIAL OFFICER Mr. Sandeep Kumar Jain	COMPANY SECRETARY Mr. Mohd Sagir
--	--

STATUTORY AUDITORS
Walker & Chandio & Co. LLP
Chartered Accountants
21st Floor, DLF Square, Jacaranda Marg,
DLF Phase II, Gurgaon, Haryana 122002
Telephone: +91 124 462 8000

BANKERS
Punjab National Bank
HDFC 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

Message from the Chairperson

My Dear Stakeholders,

The last year we all saw many ups and downs due to the fierce second wave of COVID-19. It destroyed and disrupted our lives as many succumbed to it across the world. The perspective of life changed as we lost some loved ones. It was a tragic time, with seemingly no light at the end of the tunnel.

The situation improved as the year progressed and hope was back across the world. Celebrations happened again, albeit with a limited number of people. People could travel, go out to meet friends and family, and go back to work again. It was a happy time though laced with great caution and fear.

It gives me immense pleasure to inform you that against this very grim backdrop your company has successfully delivered a strong set of financial results once again. I would like to express my appreciation and thank everyone associated with the company who contributed in delivering such a performance.

From an operational perspective, the Company continued to focus on health and safety of its people while maintaining business continuity, meeting customer

needs and profitable growth. Furthermore, with the ongoing expansion project, we anticipate an improved product range and quality in the coming years.

There has been an increasing focus on Environmental, Social and Governance (ESG) parameters across the world. As a part of this global mandate, we endeavor to maximize responsible resource usage and reduce our carbon emission. We have a holistic approach across our initiatives, and efforts are made to curtail adverse environmental impact. We uphold the highest level of governance measures, ensuring complete transparency and conformance to ethical standards.

As I conclude, on behalf of my fellow Board Members, I express sincere thanks to all our partners for their unwavering support, to our employees for their continued passion and commitment, and to all our shareholders for your continued trust and confidence.

Dr. Meenakshi Nayar
Chairperson



“The Company continued to focus on health and safety of its people while maintaining business continuity, meeting customer needs and profitable growth.”

Message from the Managing Director



“I remain excited about our future; we are proceeding with our capacity expansion which will further consolidate our position in the industry. Our investments in solar energy are bearing fruit and has significantly reduced our energy costs and carbon footprints.”

I am happy to report that for the year ended March 31, 2022, revenue grew by 61% and net profit grew by 301% over the previous year. Your team has achieved this in an uncertain and challenging environment and I would like to take this opportunity to thank my team members for their resilience, dedication, and unrivalled efforts in navigating the Company through the unprecedented challenges of the past year.

In the face of widespread change, your company has shown remarkable resilience and adaptability, coming out stronger than ever, after catastrophic events like the global financial crisis or the pandemic.

Against this difficult backdrop, our strong results for financial year 2021-22 demonstrate strategic clarity, brand strength, execution prowess, and agility. FY22 was a game changer for DCM Nouvelle; our annual revenue surpassed 900 crores, the highest ever for our company; the yarn industry was experiencing a commodity upcycle; easy monetary policy; inflation rose significantly; however, this year saw a significant increase in demand, resulting in higher profits.

A YEAR OF ALL-ROUND PERFORMANCE & ACHIEVEMENT

- Your Company achieved highest ever revenue and profits.
- Company announced expansion of 43776 spindle capacity and moving closer to completion.
- Company entered and committed to enter into specialty chemicals through its subsidiary.

- As Green Energy initiatives, Company completed 12.38 Mwp Solar plant, which reduced our power cost by 25%.

LOOKING AHEAD

Given the pandemic’s recurrent waves, our environment outside continues to be unpredictable. We realize the only way forward is to act resiliently and accommodate change. We are prepared to take on this challenge confidently and commit to doing better. We will continue to provide our customers with high-quality products. We have learned many things over the year and will continue applying that expertise to our work.

I remain excited about our future; we are proceeding with our capacity expansion which will further consolidate our position in the industry. Our investments in solar energy are bearing fruit and has significantly reduced our energy costs and carbon footprints.

As I look towards a buoyant future, I would like to end with a note of thanks for all our stakeholders, especially our employees. The dedication of our people including the support from the government, our business partners, investors, communities, and all other stakeholders, have turned this challenging year into a fulfilling and fruitful one for us. I remain grateful to your continued faith in our Company and we look forward to an exciting, productive, and sustainable FY23 and decades to come.

Mr. Hemant Bharat Ram
Managing Director

Message from the Chief Financial Officer

Dear Shareholders,

Financial Year 2021-22 was a year of significant growth and improved financial performance. In an incredibly dynamic market environment, we stayed on course with disciplined focus on execution.

Being labour incentive industry, hiring and retaining the skilled labour has always been a challenge, coupled with high volatility in exchange rate and price of raw material. In the second half of the year, we made certain investments in renewal energy and also started expansion of existing capacity of the Company. These investments are an integral part of long-term growth of the Company.

Highlights from the performance for FY 2021-22 include the following:

- Our revenue grew by 61% to ₹ 909.32 Crore as against ₹ 562.78 Crore for the previous financial year.
- EBIT grew by 245% to ₹ 170.50 Crore as against ₹ 49.43 Crore in the previous financial year
- Profit After Tax (PAT) grew by 301% to ₹ 122.80 Crore as against ₹ 30.51 Crore in the previous financial year.
- Earning per share grew by 4 times to ₹ 65.75 Crore as against ₹ 16.33 Crore in the previous financial year.

As we expand our business, finance function is playing an increasingly important role in reduction/mitigation of financial risks and achievement of effective corporate governance as well as efficient tax planning.

I hope you will take some time to review Management Discussion and Analysis in conjunction with the audited financial statements. This section offers more details about DCM Nouvelle’s financial strength, when combined with the ongoing efforts of our dedicated employees, these key factors, help us to enhance shareholder value.

We will continue to actively invest in business infrastructure, human resource and other growth areas.

We look forward to FY23 with lot of enthusiasm and confidence to sustain the growth momentum. I would like to thank our employees for their resilience, hard work & dedication to drive our growth.

We will continue to strive to deliver value to our clients and are committed to enhance value for all our stakeholders.

While we are pleased with the strong performance of the business, we also acknowledge the importance of ensuring that we sustain this trend going forward.

Sandeep Kumar Jain
Chief Financial Officer

“We will continue to invest in business infrastructure, human resources actively, and other growth areas, strive to deliver value to our clients and are committed to enhancing value for all our stakeholders.”

Leadership Team



Meenakshi Nayar

Chairperson & 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.

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.



Hemant Bharat Ram



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.



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.

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.



Shahana Basu



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.

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.



Kulbir Singh



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, Nuclear, 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.

Corporate Social Responsibility

DCM Nouvelle seeks to contribute to the well-being of the communities in which it operates and be a responsible corporation and good corporate neighbour

Promoting Education

To boost academic collaboration and promote student employability, DCM Nouvelle maintaining H.T.M High School at Hisar. We also encourage school children to develop a scientific & Vocation temperament and curiosity, encouraging them to pursue vocational courses as part of their further education.



“To build a sustainable society by improving the quality of life through Basic education to whom need the most”

H.T.M High School is maintained under the name of **H.T.M. EDUCATIONAL SOCIETY** having registered office at Hisar. Ministry of Corporate Affairs has allotted CSR Registration No. CSR00015865 to the HTM. HTM is an eligible vehicle for another company that wishes to undertake CSR activities. HTM also provide basic necessities to under privileged sections of society by taking necessary actions and to conduct vocational courses, information Technology related courses and imparting necessary training to enable people to be self-sustainable and enable their economic upliftment.



2021-22 CSR highlights

₹ 1585.54 Lacs
Average Net Profit of the Company

₹ 31.71 Lacs
Two percent of average net profile

₹ 22.27 Lacs
CSR obligation after excess set off for FY 2021-22

₹ 26.49 Lacs
Total amount spent during FY 2021-22

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of the DCM Nouvelle Limited (‘the Company’) will be held on Tuesday, September 06, 2022 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:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

Item No. 2- To consider appointment of a director in place of Mr. Hemant Bharat Ram (DIN 00150933) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3- To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2023.

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 reenactment 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 2022-23 on a remuneration of Rs. 60,000/- (Rupees Sixty 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- Re-appointment of Dr. Vinay Bharat Ram (DIN: 00052826) as Whole-time 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 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Dr. Vinay Bharat Ram (DIN: 00052826), in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as Whole-time Director for a period of 2 (two) years effective October 1, 2022 upto September 30, 2024, at a remuneration and upon such terms and conditions as set out in explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall deem to include any Committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the said appointment and/or remuneration, from time to time, as it may deem fit and to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

By order of the Board

Mohd Sagir

Date: 10.08.2022

Company Secretary

Place: New Delhi

Membership No. FCS-11061

NOTES:

- 1. In view of the prevailing locked down situation across the Country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide Circular Nos.14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 5, 2022 respectively, (“MCA Circulars”) and Securities and Exchange Board of India vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated May 12, 2020,

January 15, 2021 and May 13, 2022 respectively, (“SEBI Circular”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without presence of the members at a common venue. In compliance with the above mentioned Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

- 2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3 & 4 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 & 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI 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 are also annexed.
- 3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
- 4. Institutional shareholders/corporate shareholders (i.e., other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to pragnyap.pradhan@gmail.com with a copy marked to evoting@nsdl.co.in.
- 5. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail 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.,

- a) For shares held in electronic form: to their Depository Participants (DPs)
- b) For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/ 655 dated November 3, 2021. The Company has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details.

- 6. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at <https://www.dcmnvl.com/downloads.html> and on the website of the Company’s Registrar and Transfer Agents. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- 7. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
- 8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- 9. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination

- are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company’s website <https://www.dcmnvl.com/downloads.html>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
10. In case of joint holders, 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 during the AGM.
11. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before August 26, 2022 through email on info@dcmnvl.com. The same will be replied by the Company suitably.
12. 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 Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. 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.
14. 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, May 05, 2020, May 5, 2022 (MCA) and May 13, 2022, 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.
15. The Company has fixed Friday, August 26, 2022 as the “Cut-off” date for the purpose of determining shareholders for E-voting for the financial year ended March 31, 2022.
16. 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.
17. 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 info@dcmnvl.com.

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

The remote e-voting period begins on September 03, 2022 at 09: 00 A.M. and ends on September 05, 2022 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., August 26, 2022, 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 August 26, 2022.

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.	<div><div>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div><div>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</div><div>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold 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 company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div><div>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</div><div><div>NSDL Mobile App is available on</div><div><div> App Store</div><div> Google Play</div></div><div><div></div><div></div></div></div></div>
Individual Shareholders holding securities in demat mode with CDSL	<div><div>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</div><div>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</div><div>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</div><div>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.</div></div>

Type of shareholders	Login Method
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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available
-
- 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 IDFor 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 IDFor 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 companyFor example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- 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.

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at 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).

- 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). 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.**
- Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- 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: -

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

- 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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 (info@dcmnvl.com). The same will be replied by the company suitably.

OTHER INFORMATION:

- 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 Chairman or to a person authorized by the Chairman in writing

who shall countersign the same.

- The Chairman or the person authorized by him 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.
- 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., Tuesday, September 06, 2022.

By order of the Board

Mohd Sagir

Date: 10.08.2022

Place: New Delhi

Company Secretary

Membership No. FCS-11061

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 & 4 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 July 23, 2022 has appointed M/s. KG Goyal & Associates, Cost Accountants, Jaipur as Cost Auditors for the financial year to end on March 31, 2023 at a remuneration of Rs. 60,000/- (Rupees sixty 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 2022-23.

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, 2023.

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 Shareholders of the Company, appointed Dr. Vinay Bharat Ram (DIN: 00052826) as Whole-time Director of the Company being liable to retire by rotation for a term of three years upto September 30, 2022, through postal ballot dated September 30, 2019.

The Board of Directors and the Nomination and Remuneration Committee, approved re-appointment of Dr. Vinay Bharat Ram (DIN: 00052826), being liable to retire by rotation, for a period of (2) years from October 1, 2022 upto September 30, 2024, subject to approval of Shareholders at this Annual General Meeting.

Dr. Vinay Bharat Ram has a rich and varied experience in the industry and has been involved in the operations of Textiles Division of the company over a long period of time. Besides in-depth knowledge about the Company, he has strong technical and analytical skills and expertise for leading the Textile Operation of the Company. Dr. Vinay Bharat Ram, is educated from the University of Delhi (BA), Michigan University (MBA) and Harvard Business School (MDP) and holds Ph.D. in Economics from the University of Delhi. He has a wide industry experience of around 60 years. Dr. Vinay Bharat Ram has given the consent for his re-appointment as a whole-time director. Further, as per confirmation received from him, he is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Broad particulars of the terms of re-appointment and remuneration payable to Dr. Vinay Bharat Ram are as under—

Remuneration:

In consideration of the performance of his duties to the Company, Dr. Vinay Bharat Ram shall be entitled to the following remuneration subject to applicable taxes:

- Basic Salary per month: Rs. 2,50,000 /-
- Other Allowances, Reimbursements and Perquisites:
 - Company Leased House / House Rent Allowance upto 50% of the Basic Salary
 - Medical Allowances / expenses for self and family at actuals as per Rules of the Company.
 - Water & Electricity Facility.

- d. 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.

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. Vinay Bharat Ram, Whole Time Director of the company, under the above different heads 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) **Commission/ Bonus:**

In addition to the Salary and Allowances mentioned in A & B above, Mr. Vinay Bharat Ram, Whole Time Director shall be paid such percentage or amount of commission/bonus as may be fixed by Nomination and Remuneration Committee based on profitability 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 the maximum of 20% of the total Salary & allowances.
- E) **Other terms and conditions:**

a) Subject to overall superintendence, direction and control of the Board of Directors, Dr. Vinay 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.

b) For the discharge of duties, Dr. Vinay Bharat Ram shall report to and derive his authorities and functional responsibilities from the Board of Directors.
- c) Either party may terminate the appointment by giving to the other, three calendar months’ notice in writing.

d) 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.

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

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

g) 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.

h) 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.

i) For the purposes of retirement benefits like Gratuity, the service of Mr. Vinay Bharat Ram, Whole Time Director of the company will be considered in continuation of service from the date of his joining the Company.
- 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.
- By order of the Board
- Mohd Sagir
- Company Secretary
Membership No. FCS-11061
- Date: 10.08.2022
Place: New Delhi
- ANNEXURE TO ITEMS. 2 & 4 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 | Mr. Hemant Bharat Ram | Dr. Vinay Bharat Ram |
| Date of Birth | 16.10.1965 | 18.02.1936 |
| Nationality | India | India |
| Date of Appointment on the Board | 17.10.2016 | 01.10.2019 |
| Qualifications | B.S. (Math & Comp. Sc.), MS (IA) | 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 |
| Expertise in specific functional area | Management | Management |
| Number of shares held in the Company | 93,53,424 | Nil |
| List of the directorships held in other companies* | • DCM Nouvelle Specialty Chemicals Limited
• Confederation of Indian Textile Industry | Nil |
| Number of Board Meetings attended during the year 2021 | 6 | 6 |
| Chairman/*Memberin the Committees of the Boards of companies in which he is Director* | N.A | N. A |
| Relationships between Directors inter-se | Relative of Dr. Vinay Bharat Ram | Relative of Mr. Hemant Bharat Ram |
| Remuneration details (Including Sitting Fees & Commission) | ₹ 838.78 Lacs | ₹ 61.20 Lacs |
- *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
- Mohd Sagir
- Company Secretary
Membership No. FCS-11061
- Date: 10.08.2022
Place: New Delhi
- 28 DCM Nouvelle Limited
- Annual Report 2021-22 29

DIRECTORS’ REPORT

Dear Members,

Your Directors have pleasure in presenting the 06th Board Report on the Company’s business and operations, together with audited financial statements for the financial year ended March 31, 2022.

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 consolidated financial statements as per Indian Accounting Standards (‘Ind AS’) for the FY 2021-22.

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Profit before Interest, Depreciation and Tax	18,286.41	6,544.99
Less: a) Finance Cost	(617.36)	(841.31)
b) Depreciation	(1,236.32)	(1,602.86)
Profit before Tax	16,432.73	4,100.82
Less– a) Provision for tax	(4,153.27)	(1,050.02)
Profit after tax	12,279.46	3,050.80
Other Comprehensive income	(29.31)	2.49
Total Comprehensive income for the year	12,250.15	3,053.29
Add - Profit brought forward	11,029.15	7,975.86
Profit available for appropriation	23,279.30	11,029.15
Balance Profit carried forward	23,279.30	11,029.15

COVID 19 & Ukraine War.

The COVID-19 pandemic remained a global threat, causing global disruption. The second wave of the pandemic overwhelmed India’s medical infrastructure in the first three months of financial year 2022. During this difficult time, the company launched a vaccination drive for its employees and their families to ensure the safety and well-being of the associates and their families.

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

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

The war in Ukraine starting February, 2022 has further escalated uncertainties in the supply chain, causing increase in fuel price, input cost and inflationary trend leading to increae in interest rate by central bank, However, your

Company is confident that it will be able to navigate these new challenges and remain on track to mitigate risks and ensure a consistent and strong performance.

RESERVES AFTER DIVIDEND

The Board of Directors have decided to retain the entire amount of profit under Retained Earnings. Accordingly, your Company has not transferred any amount to General Reserves for the year ended 31 March, 2022.

COMPANY’S PERFORMANCE

On a standalone basis, the revenue for FY 2022 was 880.10 crore, higher by 58 percent over the previous year’s revenue of ₹ 557.06 crore. The profit after tax (“PAT”) attributable to shareholders for FY 2022 was ₹ 122.79 crore registering a growth of 302.50 percent over the PAT of ₹ 30.51 crore in FY 2021.

On a consolidated basis, the revenue for FY 2022 was ₹ 880.10 crore, The profit after tax (“PAT”) attributable to shareholders and non-controlling interests for FY 2022 was ₹ 122.60.

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, 2022.

DIVIDEND

The Board of Directors (“Board”) of your Company have reviewed and approved the Dividend Distribution Policy (“Policy”) in accordance with the terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) at its meetings held on 29 October, 2021. Further, pursuant to the requirement of Regulation 43A of the Listing Regulations, the Dividend Distribution Policy of your Company is made available on the website of your Company. The same can be accessed at <https://www.dcmnvl.com/downloads/files/n617d078a3bb3a.pdf>.

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, 2022.

CAPITAL STRUCTURE

During the year under review, there has been no change in the capital structure of the Company. As on March 31, 2022 the Authorised Share Capital was ₹ 20,05,00,000/- and Paid-up capital was ₹ 18,67,77,490/-.

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting the financial position of your Company between the end of FY 2022 and the date of this report, which could have an impact on your Company’s operation in the future or its status as a “Going Concern”.

SUBSIDIARY COMPANY

The Company has only one Subsidiary “DCM Nouvelle Specialty Chemicals Limited” which was incorporated as wholly owned subsidiary during the financial year and thereafter Company divested 24% Equity of the subsidiary on March 30, 2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”). There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company’s subsidiary in Form No. AOC-1 is appended as “Annexure I” to this Report.

Further, pursuant to the provisions of Section 136 of the

Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, are available on the Company’s website at <https://www.dcmnvl.com>

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 2021-22.

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, 2022, 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, 2022 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the

Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors.

The Board of the Company has 8(Eight) Directors comprising of 1 (One) Managing Director, 2 (Two) Whole Time Director, 2 (Two) Non-Executive Director and 3 (Three) Independent Directors. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of this Annual Report.

During the year under review Mr. Bipin Maira (DIN: 05127804) & Mr. Ravi Vira Gupta (DIN: 00017410) ceased to be a Directors of the Company with effect from 22 June, 2021 and 16 October, 2021 respectively.

Ms. Shahana Basu resigned from the Directorship of the Company w.e.f. 26 May, 2022.

The Board placed on record its appreciation for the contribution made by them during their asscoation with the company.

During the year under review, the Board of Directors of the Company has appointed Mr. Kulbir Singh (DIN: 00204829) as an Independent Director of the Company w.e.f. 22 June, 2021 for a term of 5 years i.e. from 22 June, 2021 to 21 June, 2026. Further, his appointment as an Independent Director was approved by the shareholders in the 05th Annual General meeting of the Company.

During the year under review, the appointment of Mr. Vivek Chhachhi, as an Independent Director of the Company w.e.f. 01 April, 2021 for a term of 5 years i.e., 01 April, 2021 upto 31st March, 2026 was approved by the shareholders in the 05th Annual General meeting of the Company.

Further in opinion of the Board Mr. Kulbir Singh and Mr. Vivek Chhachhi who were appointed as Independent Directors during the financial year 2021-22 are person of integrity and have the relevant expertise, experience and proficiency as required under sub-section (1) of section 150 of the Companies Act, 2013.

Pursuant to the provisions of Section 203 of the Act, Mr. Hemant Bharat Ram, Managing Director, Mr. Sandeep Kumar Jain, Chief Financial Officer and Mr. Mohd Sagir, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2022.

RETIREMENT BY ROTATION

In terms of Section 152 of the Companies Act, 2013, Mr. Hemant Bharat Ram (DIN: 00150933) would retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible for re-appointment has offered

himself for re-appointment till the next Annual general meeting.

Your Directors have recommended his appointment for approval of the shareholders, in the ensuing Annual General Meeting of your Company.

DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors of your Company have submitted their declarations of independence, as required, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence, as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are not disqualified from continuing as Independent Directors of your Company.

None of the Independent Non-Executive Directors held any equity shares of your Company during the financial year ended 31 March, 2022.

Refer Corporate Governance Report for detail of shareholding of directors. Except as mentioned in the Corporate Governance Report, none of the other Directors hold any shares in the Company.

None of the Directors had any relationships inter se.

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.

NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

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 the Nomination and Remuneration Committee (NRC) for performance evaluation 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 meetings 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.

Policy on directors’ appointment and remuneration and other details

APPOINTMENT POLICY

The Company’s policy on appointment of directors is available on the Company’s website at <https://www.dcmnvl.com/downloads/files/n5d120a5dd8c62.pdf>.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, approved a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and for determining their remuneration. 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>

PREVENTION OF SEXUAL HARASSMENT (POSH POLICY)

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.

TRANSACTIONS 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 II** 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>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

DCM Nouvelle’s CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in “**Annexure III**” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. This Policy is available on the Company’s website at <https://www.dcmnvl.com/downloads/files/n609a45c1b9641.pdf>

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR 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 periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on the same.

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.

Audit committee

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

AUDITORS

Statutory Auditors

M/s Walker Chandiok & 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 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022, is annexed as **Annexure-IV** 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 2021-22 pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014.

Cost Auditor

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 cost records are maintained every year.

The Board has appointed, M/s. KG Goyal & Associates Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ended March 31, 2022. The Cost Auditor has given the Cost Audit Report for the financial year ended March 31, 2022, 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, to audit the cost accounts of the Company for the financial year ending March 31 2023 on a remuneration of ₹ 60,000/- 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 for the financial year ending March 31 2023, is proposed in the Notice convening the Annual General Meeting.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The percentage increase in remuneration, ratio of remuneration of each director and Key Managerial Personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given at **Annexure-V** to this Report.

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 - V** and forms an integral part of this Report.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The Committee is responsible for monitoring and reviewing

the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

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.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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.

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.

EVENT OCCURRED AFTER BALANCE SHEET DATE

No major events have occurred after the date of balance sheet of the Company for the year ended on March 31, 2022.

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.

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 – VI** and forms part of this Report.

BUSINESS RESPONSIBILITY REPORT (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for top 1,000 listed entities based on market capitalisation. In accordance with the Market Capitalisation of the Company as on March 31, 2022. Your Company doesn't fall into top 1000 Listed entities. However, the Risk Management Committee recommended to the board that it voluntarily adopt the BRR disclosures for the financial year 2021–2022; as a result, the BRR was integrated into our Annual Report and annexed as **Annexure-VII**.

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.

INDUSTRIAL RELATIONS

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

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at <https://www.dcmnvl.com/annual-return.html>

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.

CEO AND CFO CERTIFICATION:

As required under Regulation 17(8) of the SEBI Listing Regulations, the CEO and CFO of your Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the financial year ended 31 March, 2022. Their Certificate is annexed to this Directors’ Report.

GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 06th Annual General Meeting of the Company including the Annual Report for FY 2021-22 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

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

Dr Meenakshi Nayar
Chairperson
DIN: 06866256

Place: New Delhi
Date: 23.07.2022

Annexure I

To the Director’s Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Amounts in ₹)		
SL. No.	Particulars	Details
1.	Name of the subsidiary	DCM Nouvelle Specialty Chemicals Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	FY 2021-22
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹
4.	Share capital	10,00,000
5.	Reserves & surplus	-19,70,975
6.	Total assets	1,39,20,851
7.	Total Liabilities	1,39,20,851
8.	Investments	0
9.	Turnover	0
10.	Profit before taxation	-1970975
11.	Provision for taxation	0
12.	Profit after taxation	-1970975
13.	Proposed Dividend	0
14.	% of shareholding	76.00%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- Not Applicable

Annexure II

To the Director’s 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.
- None; During the reporting period ended on 31st March 2022, all transactions were at Arms’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.
- NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL* CONTRACT OR ARRANGEMENT

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, “Material Related Party Transaction” means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.)

- a) Name(s) of the related party and nature of relationship: NA
- b) Nature of contracts / arrangements / transactions: NA
- c) Duration of the contracts / arrangements / transactions: NA
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- e) Date(s) of approval by the Board, if any: NA
- f) Amount paid as advances, if any: NA

For and on behalf of the Board of
DCM Nouvelle Limited

Dr Meenakshi Nayar
Chairperson
DIN: 06866256

Place: New Delhi
Date: 23.07.2022

Annexure III

To the Director’s Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:
- The scope of the CSR Policy would include all/any activities specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Category of Directorship	Attendance
1	Mr. Hemant Bharat Ram	Managing Director	1/1
2	Dr. Meenakshi Nayar	Independent Director	1/1
3	Mr. Rakesh Goel	Whole Time Director	1/1

3. 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.

<http://www.dcmnvl.com/policies-and-code.html>

4. 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.

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	2020-21	Nil	9.44

7. Average net profit of the company as per section 135(5). ₹ 7078.91 Lacs
8. a) Two percent of average net profit of the company as per section 135(5) ₹ 141.58 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 ₹ 4.22 Lacs
- d) Total CSR obligation for the financial year (7a+7b- 7c). ₹ 137.36 Lacs

9. (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	₹ 26.49 Lacs	Direct	HTM High School	CSR00015865

(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): ₹ 26.49 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 persection 135(5)	31.71 Lacs
(ii)	Total amount spent for the Financial Year	26.49 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-5.22 Lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-9.44 Lacs
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	4.22 Lacs

10. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

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 ongoing 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								

11. 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

12. 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.

Place: New Delhi
Date: 05.05.2022

Rakesh Goel
Whole Time Director

Hemant Bharat Ram
Chairman- CSR Committee

Annexure IV

To the Director’s Report

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March 2022

[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 March, 2022 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 31st March, 2022 according to the provisions of:

- I. The Companies Act, 2013 (‘the Act’) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

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

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

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

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the listed entity during the review period)* ;
- VI. We have relied on the systems/mechanism formed by the Company for compliances under other Applicable Acts, laws and regulations applicable to the Company and the management explanation in this regard. The list of major Acts, Laws and Regulations as applicable to the Company is given in Annexure –A

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

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

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

We further report that

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

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

Majority decision is carried through while the dissenting

members’ views, if any, are captured and recorded as part of the minutes.

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

We further report that 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. We further report that during the period under review:

- The Company has incorporated M/s DCM Nouvelle Specialty Chemicals Limited (DCL), as a Wholly-Owned Subsidiary of the Company which is venturing into a Greenfield Project in production of industrial specialty chemical products. The Board of Directors of the Company at its meeting held on 30 March, 2022 has approved to divested it’s minority stake in favour of the promoters.

For Pragnya Pradhan & Associates
Company Secretaries

Pragnya Parimita Pradhan
ACS No. 32778
C P No.: 1203
UDIN: A032778D000277121
Peer Review No.: 1564/2021

Place : New Delhi
Date : 05.05.2022

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. Environment (Protection) Act, 1986;
- r. The Contract labour (Regulation & Abolition) Act, 1970

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.: 12030
UDIN: A032778D000277121
Peer Review No.: 1564/2021

Place : New Delhi
Date : 05.05.2022

Annexure V

To the Director’s Report

i) **DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

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:

Sr. 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
A. Employed throughout the year									
1	Mr. Hemant Bharat Ram	56	Managing Director	B.S. (Math & Comp. Sc.), MS (IA)	31	April 1, 2019	838.78	DCM Ltd.	50.08
2	Mr. Rakesh Goel	65	Whole Time Director	M.B.A.	42	November 23, 1990	177.44	HAFED Spinning Mills	Nil
3	Dr. Vinay Bharat Ram	86	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	60	October 1,2019	61.20	DCM Ltd.	Nil
4	Mr. Sudip Nandy	52	Chief Technical Officer	B. Tech. (Textiles)	29	February 28, 2008	54.55	Arihant Spinning Mill, Malerkotla	Nil
5	Mr. Vivek Kaushal	51	Chief Opertaing Officer	M.B.A.	29	December 8, 1995	54.45	Nahar Export Limited, Ludhiana	Nil
6	Mr. Sandeep Kumar Jain	49	Chief Financial Officer	Chartered Accountant, LLB., M. Com.,	24	January 15, 2007	51.95	S.A.P. Ltd. Meerut.	Nil
7	Mr. Pratap Bahadur Singh	51	Sr. General Manager	BA, MSW, LL. B	27	January 19, 2009	39.22	Maya Export Corporation, Delhi	Nil
8	Mr. Bir Chand Jataiwal	52	General Manager	B. Tech.	30	October 13, 2007	35.99	Rana Polycot Ltd, Punjab	Nil
9	Ms. Poonam Sachdeva	56	Sr. Manager- Corporate	Post Graduate	34	April 1, 2019	32.67	DCM Ltd.	0.001
10	Mr. Harish Kumar Arora	45	Senior Manager	B. Tech	24	November 17, 1999	26.82	Vardhman Group	Nil
B. Employed for Part of the year									
Nil									

Note:

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

ii) THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21 AND THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY DURING THE FINANCIAL YEAR 2021-22, ARE AS UNDER:

Sl. No.	Names	Designation	% Increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ to median remuneration of employees for financial year 2021-22
1	Mr. Hemant Bharat Ram-	Managing Director	208	537.68*
2	Dr Vinay Bharat Ram-	Whole Time Director	0	39.23
3	Mr. Rakesh Goel-	Whole Time Director	35	113.74*
4	Mr. Sandeep Kumar Jain	Chief Financial Officer	33	NA
5	Mr. Mohd Sagir	Company Secretary & Compliance Officer	0	NA

* Including payment of performance bonus.

- i) In the financial year, there was an increase of 3.17 % in the median remuneration of employees.
- ii) There were 1861 permanent employees on the role of Company as on March 31, 2022.
- iii) The mediun remuneration of employees of the Company during the financial year 2021-22 is ₹ 1,56,000/-
- iv) **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 percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2021-22 was 30.26%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.
- v) All the Non-Executive Directors including Independent Directors did not receive any remuneration from the Company except the sitting fees & Commission for attending Board Meetings and Committee Meetings during the year 2021-22. Details of sitting fees are mentioned in the Corporate Governance Report.
- vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management

Annexure VI

To the Director’s 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 lead 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 2021-22 with a view to reduce cost of energy and consequently, the cost of production:

- Installation of supply air fan inverter on Card machines
- IE 4 Motor installed on Ring Frame machine in various units
- Installation of inverter on machine on H Plant
- Installation of inverter on feed ventilator unimax machine

Green Energy – Clean Energy

The Company produced 96.64 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.

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

The Company has completed the installation of 12.38 MWp solar power plant during financial year 2021-22 and also under process to install 2.1 MWp solar power plant during financial year 2022-23

(iii) The capital investment on energy conservation equipment’s- Nil

(B) TECHNOLOGY ABSORPTION

- i. The efforts made towards technology absorption- Nil
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution- 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, 2022
Foreign Exchange Earned	49,756.49
Foreign Exchange Used	395.91

Annexure VII

To the Director’s Report

BUSINESS RESPONSIBILITY REPORT

About DCM Nouvelle Limited

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 1,14,096 located at Hisar with approx. 2500 MT of monthly production.

Overview:

DCM NOUVELLE strives to seek greater alignment between its stakeholders to generate value in the long term by delivering its promise. One Quality for all the Markets is the philosophy under which the Company operates its businesses.

About This Report

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for top 1,000 listed entities based on market capitalisation. In accordance with the Market Capitalisation of the Company as on March 31, 2022, your Company doesn’t fall into top 1000 listed entities. However, the Risk Management Committee recommended to the Board that it voluntarily adopt the BRR disclosures for the financial year 2021–22. Accordingly, the BRR has been integrated into this 6th Annual Report.

Section A: General Information about the Company

1.	Corporate Identity Number:	L17309DL2016PLC307204
2.	Name of the Listed Entity:	DCM NOUVELLE LIMITED
3.	Year of Incorporation:	2016
4.	Registered Office Address:	407, Vikrant Tower 4 Rajendra Place New Delhi, 110 008
5.	Corporate Address:	407, Vikrant Tower 4 Rajendra Place New Delhi 110 008
6.	E-mail:	info@dcmnvl.com
7.	Telephone:	+91 11 4367 8490
8.	Website:	https://www.dcmnvl.com/
9.	Financial year for which reporting is being done:	Financial Year 2021-22
10.	Name of the Stock Exchange(s) where shares are listed:	Scrip Code:BSE: 542729, NSE: DCMNVL ISIN: INE08KP01019
11.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Cotton Yarns, NIC Code: 17121
12.	List of three key products/services that the Company manufactures / provides (as in balance sheet)	Company manufactures different kinds of Cotton Yarn
13.	Total number of locations where business activity is undertaken by the Company	<ul style="list-style-type: none">Manufacturing Plant at Hisar, Haryana.Registered cum corporate office at New Delhi.
14.	Markets served by the Company – Local/state/national/international	The Company, in addition to marketing its products domestically, also market its products globally over 30 countries including Bangladesh, China, Egypt, Latin American and European countries. Around 60 % of sales are generated from international markets

Section B: Financial details of the Company:

1.	Paid-up Capital:	₹ 18.67 crore
2.	Total turnover	Gross turnover of ₹ 909.32 crore on standalone basis.
3.	Total Profit After Tax	₹ 122.80 crore on standalone basis.
4.	Total spending on Corporate Social Responsibility (CSR)	CSR spends during the financial year 2021-22 was ₹ 26.49 Lakh (2.00%) of last three years average Profit After Tax on standalone basis
5.	List of activities in which the expenditure in 4 above has been incurred	Promotion of Education.

Section C: Other Details:

1.	Does the Company have any subsidiary Company/ companies	Yes, the Company has only One Subsidiary with name of DCM Nouvelle Specialty Chemicals Limited located in India. The Company does not have any Associate Company.
2.	Do the subsidiary company/ companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary company is in its initial phase of setting of its plant and it will participate in BR initiatives.
3.	Do any other entity/entities (eg. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities.	The Company encourages all its suppliers, distributors and business partners to participate in the BR initiatives.

Section D: BR Information

1.	Details of Director responsible for BR	DIN Number : 00150933 Name : Mr. Rakesh Goel, Designation : Whole Time Director Telephone No. : +91 11 43678490 E-mail ID : info@dcmnvl.com
2.	Details of the BR head	DIN Number : 00150933 Name : Mr. Rakesh Goel, Designation : Whole Time Director Telephone No. : +91 11 43678490 E-mail ID : info@dcmnvl.com

3. Principle-wise (as per NVGs) BR Policy/policies
List of Principles

S. No.	Principles	Particulars
P1	Ethics, Transparency and Accountability	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Product Life Cycle Sustainability	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Employees' Well-being	Businesses should promote the well-being of all employees
P4	Stakeholder Engagement	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Human Rights	Businesses should respect and promote human rights

S. No.	Principles	Particulars
P6	Environment	Business should respect, protect and make efforts to restore the environment
P7	Policy Advocacy	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Inclusive Growth	Businesses should support inclusive growth and equitable development
P9	Customer Value	Businesses should engage with and provide value to their customers and consumers in a responsible manner

We have adopted the Code of Business Conduct and Ethics, based on the applicable laws, we have established a range of policies, including vigil mechanism and whistle blower policy, Health Safety Environment Policy, Social & Accountability Policy, Sourcing Policy, CSR Policy, Prevention of Sexual Harassment (POSH) Policy and Nomination & Remuneration Policy. We have also established investor related Code and policies, including Dividend Distribution Policy, Code of practices and procedures for fair disclosure of unpublished price sensitive information, Code of conduct to regulate, monitor, and report trading by designated persons, Policy on Criteria for Determining Materiality of Events, Archival Policy, Material Subsidiary Policy and Policy on Related Party Transactions.

Details of Compliance (Reply in Y/N)									
Questions	Ethics	Product Lifestyle Sustainability	Employee Well-being	Stakeholders' engagement	Human Rights	Environment	Policy Advocacy	Community Development (CSR)	Customer Value
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Do you have policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Indicate the link for the policy to be viewed online?	https://www.dcmnvl.com/policies-and-code.html								
Does the policy conform to any national/ international standards? If yes, specify.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	The policies are in line with the principals of national voluntary guidelines (NVG).								
Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Yes, and duly signed by MD/Whole Time Director.								
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the Board has specified Risk management Committee to oversee the implementation of the Policies								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
Does the company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Operational department monitoring the effectiveness of the policies and periodically evaluate its effectiveness. The Company endeavours to do evaluation through external agency in the time to come.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - NOT APPLICABLE

4. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company:

Assessed annually

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes it as a part of the Annual Report.

Section-E: Principle-wise Performance

Principle 1 – ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Business should conduct and govern themselves with ethics, transparency and accountability

We have a legacy of fair and transparent governance practices, and upholding this approach is an integral part of our pursuit to create value for all stakeholders.

Corporate governance

Our Company is committed to the highest standards of corporate governance based on values, fair practices for our stakeholders and creating accountability across the organisation. We have adopted specific guidelines encompassing all aspects of the Company's governance, including the composition and role of the members and senior leaders of the Board, ensuring diversity.

Our Board of Directors is formed with an optimum combination of Executive and Non-Executive Directors, including women Directors. As of March 31, 2022, the Company had eight Directors: three Executive Directors, two Non-Independent Directors, and three Independent Directors, including the Chairperson who is a non-Executive and independent Director. The Board of Directors and its sub-committees provide leadership and guidance to the management team, direct and supervise the performance of the Company, enhancing stakeholder value. The Board Committees currently comprise the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee, and the Corporate Social Responsibility Committee.

The Company adheres to the requirements of corporate governance as stipulated in the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations),

as amended from time to time.

Risk management

Our Company's comprehensive risk management process covers risk identification, assessment, development of mitigation strategies, implementation of action plans, monitoring and reporting. A risk register listing the major risks to our business, is maintained by the Company and periodically reviewed by the Risk Management Committee & Board of Directors.

Our Risk Management Committee is entrusted with the responsibility of assisting the Board in three key areas: (a) providing insights to make our risk management practices more comprehensive; (b) approving the Company's Risk Management Framework; and (c) overseeing all the risks that the organisation faces and taking necessary steps to mitigate these risks. Additionally, the Audit Committee has oversight over the financial risks and controls.

Code of Ethics

Our Company has institutionalised various processes for ensuring fair practices for all stakeholders across our organisation, in line with the Company's Code. The Audit Committee has Board-level oversight of this process.

The Code is communicated on regular intervals and helpline is available for all stakeholders to report their concerns, and these are addressed in a responsible manner.

We evaluate the effectiveness of the implementation of the Code of Conduct through Survey, and many of the Code's practices are benchmark company-wide actions.

We have also developed our Whistle blower & vigil mechanism, and POSH Policy to strengthen our business ethics practices.

Principle 2- PRODUCT LIFE CYCLE SUSTAINABILITY

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company has taken various initiatives to address the environmental concerns and taken appropriate approvals /non objection from various authorities which ensures environmental compliances. Our products are Eco-Friendly and certified by agencies such as, Global Organic Textile Standard (GOTS), BCI, OEKO-TEX, ISO 9001:2015, etc.,

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

We produce cotton based Yarn products, which are eco-friendly and do not pollute environment and saves water and energy. We continuously endeavour to adopt various green initiatives such as conservation of energy, use of alternative source of energy, moving towards water positive in our production process which would enable minimal natural resources utilization.

Initiatives for moving towards green energy

The Company has completed the installation of 12.379 MWp solar power plant during financial year 2021-22 and is also under process to increase it further by 2.1 MW in the financial year 2022-23.

Initiatives for energy conservation

Use of energy efficient LED lighting system for the existing and new units.

Installation of supply air fan inverter on Card machines

- IE-4 Motor installed on Ring Frame machines
- Installation of inverter on machines in Humidification Plant
- Installation of inverter on feed ventilator unimax machines

Initiative for waste water recovery

Recycling of sewage waste water after treatment through in-house sewage treatment plants reducing fresh water requirement for gardening/ solar panel cleaning.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As our products are cotton based, it would enable reduced usage of energy & water by the next value chain consumers also.

c) Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes, The Company has a structured procedure

which is followed before collaborating with any business partners/ associates. The Company is aiming to an efficient logistic model in order to reduce its fuel consumption in transportation by operating through Local suppliers in vicinity of our plant, wherever feasible. This minimizes the distance to transport goods to our stores, thus reducing fuel consumption.

d) Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company.

e) Does the company have a mechanism to recycle products and waste?

Owing to the nature of our business we do not generate any effluent in the process. The Company has installed one sewage treatment plant to recycle sewage water only which is then used for gardening/solar panel cleaning, thereby reducing fresh water requirement.

Principle 3: EMPLOYEES’ WELL-BEING

Businesses should promote the well-being of all employees

1. Please indicate the total number of employees: 1861
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.

The total number of employees hired on contractual basis is 275

3. Please indicate the number of permanent women employees.

Total number of permanent women employees is 541

4. Please indicate the number of permanent employees with disabilities.

Total number of permanent employees with disability is Nil

5. Do you have an employee association that is recognised by management?

The Company does not have any recognised employee association.

6. What percentage of your permanent employees are a member of this recognised employee association?

Not Applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company has stringent policies & procedures which are in line with local laws to prevent any kind of forced labour, child labour and sexual harassment at our locations of operations. Some of these processes are:

- We collect valid documents related to age proof and employment is confirmed only after submission of valid documents which are verified.
- The Company maintains a safe working environment for women employees. We create awareness among our employees that sexual harassment is a serious misconduct and there are formal mechanisms available for raising the complaints.

The details of the no. of complaints received during the financial year 2021-22 are as follows:

Category	No. of complaints received during financial year	No. of complaints pending at the end of the financial year
Child Labour/ Forced Labour/ Involuntary Labour	0	0
Sexual Harassment	0	0
Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

The Company organizes several training programs for its employees through functional modules. The training content is based on the roles and responsibilities performed by the employees in different grades and departments.

The details of trainings conducted during the financial year 2021-22 are as follows:

Employee category	% of employees that were given safety training	No. of complaints pending at the end of the financial year
Permanent employees	26	0
Permanent women employees	31	0
Casual/ Temporary/ Contractual Employees	30	0
Employees with disability	0	0

Principle 4: STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

As a responsible organisation, we are concerned and sensitive towards the stakeholders’ issues. Depending on a direct relationship of impact, influence and proximity, or relevance, we have identified various stakeholder groups (customers, employees, investors, suppliers, other value chain partners, local communities, and NGOs) for engagement. We believe in building and maintaining long-term cordial relationships with all the stakeholders in a congenial manner through organisational processes.

We regularly communicate our policies and processes to our stakeholders and have provided avenues to raise concerns or queries in good faith. By these same channels, the stakeholders can report instances of actual or perceived violations of our Code.

Our Human Resource initiative, like awareness camps in various interior villages, providing welfare schemes of the Company to attract the unemployed/under employed youths. We provide employee welfare facilities, subsidised quality food, round the clock medical facilities, creche facilities for women employees, hygienic comfortable living & working conditions, sports facilities, cultural activities, health and physical fitness awareness programme, schooling facilities etc. In order to add value to their livelihood, the Company is providing vocational training facilities to them. The employees are also making best use of them. These initiatives help them in a big way to make them independent both economically and socially.

Principle 5: HUMAN RIGHTS

Businesses should respect and promote human rights

We respect and uphold the highest principles of human rights.

Gender diversity

of our 1861 employees across all operations, including our corporate functions, 29.07% are female employees.

Child and forced labour

Our Company strictly prohibits child labour. We do not tolerate forced labour of any form in our operations, and we encourage our suppliers, vendors, contractors, and other business partners to adhere to these same ideals. We voluntarily conduct HR audits/survey on regular intervals in this regard.

During the financial year 2021-22, the Company has not received any complaints from stakeholders in this respect.

POSH Policy

We have zero tolerance for sexual harassment in the workplace and have adopted a policy to ensure the prevention, prohibition, and redressal of sexual harassment. This policy aims to provide protection to employees in the workplace and redress complaints of sexual harassment and any connected or incidental matters, with the objective of providing a safe and secure working environment. We have conducted communication and awareness sessions across our operations through external subject matter experts. We have also formed an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action.

Sexual harassment concerns for FY 2021 22: Nil

Principle 6: ENVIRONMENT

Business should respect, protect and make efforts to restore the environment

The Company has implemented stringent standards and policies for Environment, Health and Safety in its manufacturing plant. We consistently make our stakeholders aware about the changes in climatic conditions, issues like global warming and degradation of environment owing to over exploitation of resources, are threats to existence of life on the planet. These challenges, however, are seen as opportunities to create sustainable products and manufacturing mechanisms. In our endeavor to protect and restore environment, following steps have been initiated;

- Sewage Treatment Plant has been installed for the treatment of sewage.

- Optimum utilization of resources as a principle is ingrained in all the processes at Company level.
- Energy conservation initiatives for reduction in power consumption and increasing efficiency of the existing one.
- Maintaining the natural flora and fauna in the vicinity of our plant.

Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs /others?

The Company has adopted Health, Safety and Environment Policy & Social Accountability policy which are guidance document for its Employees, Business Partners/ Associates and other relevant stakeholders to encourage them to adopt more environment friendly and safe business practices.

Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

YES, the Company’s initiatives towards making the production process ‘eco-friendly’, wherever possible and has secured certification such as BCI, OEKO-TEX - for environment friendly operations Global Organic Textile Standard (GOTS) - for organic cotton products.

Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company believes in clean energy from renewable resources and has been investing in renewable energy and improving energy efficiency as detailed below:

Yes, we have taken following initiatives under this certification to follow environment friendly practices;

- Towards augmenting green cover, the company has planted saplings in the Plant area.
- To reduce fresh water requirements, Company developed Sewage Treatment Plant in Hisar Plant.
- Energy efficient lightings: For conservation of energy, we use LED lighting fixtures.
- The Company produced 96.64 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.

Does the company identify and assess potential environmental risks?

Yes, as a part of our Risk assessment process, we access our potential environmental risks and the mitigation plans from time to time.

Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company emits negligible pollution and as a matter of policy focusses on environmental efficiency and green energy and did not undertake any project related to clean development mechanism.

Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions are negligible and well below the permissible limits.

Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.

There are no show cause/ legal notices received from CPCB/ SPCB as on end of FY 2021-22.

Principle 7: POLICY ADVOCACY

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

We have empowered, authorised, and appropriately trained individuals to interact with our stakeholder groups. Prior internal approval is required for the initiation of any contact between our Company or its representatives and any officials for the purpose of influencing regulation or legislation.

The Company appreciates the importance of trade associations. Trade associations provide a forum for

information sharing and discussion with both trade association officials and representatives of various sectors. We actively participate in various forums relevant to the industry, our Company, and our stakeholders. Our leadership team is also engaged with industry association being part of the governing body of the associations. We are associated with the following industry bodies in different capacities:

- Confederation of Indian Textiles Industry (CITI)
- Northern India Textile Mills’ Association (NITMA)
- Faridabad Industries Association

- Confederation of Indian Industry (CII)
- Indian Cotton Association LTD
- National Safety Council (NSC)

Principle 8: INCLUSIVE GROWTH

Businesses should support inclusive growth and equitable development

We believe in inclusive growth; therefore, community care and development form an integral part of our agenda. We promote equitable development by working for the socio-economic and environmental well-being of the communities in which we operate.

Our approach

Our programmes are aligned with the most critical needs of the communities where we operate. We primarily focus on education, health and skill development as key focus areas for our CSR programmes.

All our programmes are implemented through partnerships with credible and competent implementing agencies.

Education and health play a vital role in progressing the social welfare and economic prosperity of the Country, the Company concentrates primarily on the Promotion of education under its CSR activities. Our education facilities that have tie-up with local school. It would also have positive impact on their family and the village they belong that would support the inclusive growth and equitable development. Extensive coverage on this is furnished in the CSR Report.

During the year, the Company has spent ₹ 26.49 lakhs towards CSR activities. The details are furnished in the CSR Report.

Principle 9: CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

One of the operational pillars of our Company is customer excellence. We utilise a range of mechanisms to build relationships with our customers and continuously engage with them to understand their requirements and become more responsive to their needs. We monitor our progress in this area by gathering information through customer meetings, transactional feedback, and customer satisfaction surveys.

Our Company has a robust customer complaint management system that facilitates our processes for registering complaints, tracking issues, and resolving grievances to the customer’s satisfaction.

What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

No Case is pending. (No of cases, average period of disposal of cases, pending cases)

Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N A /Remarks

The Company deals with the industrial customers and retail packing is not applicable to the Company since major portion of its sale are exports the company complies with the specification importing country.

Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof,

The Company respects a competitive environment and desist from any anti competitive unfair trade practices. And no such case was reported relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company in the last five years.

Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, Company carries out consumers survey from time to time.

REPORT ON CORPORATE GOVERNANCE

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices provide a solid foundation on which long-term commercial enterprises can be built. The Corporate Governance philosophy of your company is based on transparency, accountability, values, and ethics, all of which are important components of management’s pursuit of excellence, growth, and value creation. To ensure that its affairs are managed in the best interest of all stakeholders, your company is committed to the highest standards of Corporate Governance and disclosure practices. Your company has a long history of sound governance practises that are fair, transparent, and ethical.

DCMNVL is dedicated to doing things the right way, which means making business decisions and acting ethically and in accordance with all applicable laws. Our Code of Business reflects our continued commitment to ethical business practices across our operations and is an extension of our values. We recognise our individual and collective responsibilities for conducting business in a trustworthy manner. Our Code motivates us to set high governance standards that not only comply with the law but also go above and beyond in many areas of our operations. 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 appropriate 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 systems 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).

THE BOARD OF DIRECTORS

DCMNVL is a professionally managed company that operates under the direction of the Board of Directors. The Board of Directors is ultimately responsible for the company’s management, general affairs, direction, performance, and long-term success. The Company’s operational management has been delegated by the Board to the Managing Director.

Composition

The Board of your Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors including Independent Women Directors. The Board composition is in conformity with the applicable provisions of Companies Act, 2013 (‘the Act’) and Securities and Exchange Board of India (‘SEBI’) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended from time to time. The Board of Directors as at the end of March 31, 2022, 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 represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long- term needs of the Company.

Composition of Board of Directors as on 31 March, 2022:

Category of Directors	No. of Directors
Independent Directors	3
Non-Executive Directors	2
Executive Director	2
Executive Director & Managing Director	1
Total	8

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

Mr. Hemant Bharat Ram is Managing Director of the Company. Dr. Vinay Bharat Ram is relative of Mr. Hemant Bharat Ram. None of the other Directors are related to Promoter group, or the to each other than as stated above.

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.

None of the Independent Directors have any other material

pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ("Listing Regulations) w.e.f. 01 October, 2018 and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended.

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, 2022 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 have been considered as per Regulation 26(1)(b) of the Listing Regulations.

Composition and Directorship(s)/ Committee Membership(s)/Chairmanship(s) and number of other Board and Committees as on 31st March, 2022:

Name and Category	Date of joining the Board	Number of shares held in the Company	Directorship(s) in other Companies#	Membership(s) of Committees of other Companies##	Chairmanship(s) of Committees of other Companies##
Non-Executive, Independent Director & Chairperson Meenakshi Nayar	23.04.2019	-	-	-	-
Managing Director Hemant Bharat Ram	17.10.2016	93,53,424	-	-	-
Whole Time Director Rakesh Goel	23.04.2019	-	-	-	-
Whole Time Director Vinay Bharat Ram	01.10.2019	-	-	-	-
Non-Executive Director Jitendra Tuli	23.04.2019	-	1	1	-
Shahana Basu	23.04.2019	-	1	1	-

Name and Category	Date of joining the Board	Number of shares held in the Company	Directorship(s) in other Companies#	Membership(s) of Committees of other Companies##	Chairmanship(s) of Committees of other Companies##
Independent Directors Vivek Chhachhi	01.04.2021	-	-	-	-
Kulbir Singh	01.04.2021	-	-	-	-

#Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

##Includes only Audit Committee and Stakeholders' Relationship Committee.

The number of Directorship(s), Committee Membership(s)/ Chairmanship(s) of all Directors is within the respective limits prescribed under the Act and Listing Regulations as amended from time to time.

The 05th Annual General Meeting was held on 27 July, 2021 and all directors of the Company attended the Annual General Meeting.

Details of the Director seeking re-appointment at the Annual General Meeting ('AGM') have been mentioned in the Notice of the AGM

a) Other directorship positions held in listed entities by Directors:

S. No.	Name of the Director	Names of listed entities in which Directorship held
1	Dr. Vinay Bharat Ram	None
2	Mr. Hemant Bharat Ram	None
3	Mr. Rakesh Goel	None
4	Dr. Meenakshi Nayar	None
5	Mr. Vivek Chhachhi	None
6	Mr. Kulbir Singh	None
7	Mr. Jitendra Tuli	DCM Limited Executive/Managing Director
8	Ms. Shahana Basu	Voith Paper Fabrics India Limited Non-Executive/ Independent Director

Board Meetings

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and

Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The Board business generally includes consideration of important corporate actions and events including: -

- a) quarterly and annual results announcements;
- b) oversight of the performance of the business;
- c) development and approval of overall business strategy;
- d) Monitoring corporate performance against such strategic and business plans;
- e) review of the functioning of the Committees; and

other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations. The notice of Board/Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in New Delhi. The Agenda of the Board/ Committee Meetings is set by the Company Secretary in consultation with the Chairperson, Managing Director & CFO of the Company. The agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. Video/audio-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information. During the financial year 2021-22, most of the Board and Committee meetings were conducted through audio visual means as per the circulars/rules issued by Ministry of Corporate Affairs (MCA) and SEBI from time to time, for conducting meetings during the pandemic. Six (6)

Board meetings were held during the financial year ended March 31, 2022. The dates of the meetings are as follows: May 15, 2021, June 22, 2021, August 05, 2021, October 29, 2021, January 15, 2022 and March 30, 2022. 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.

During the year, the Board also transacted some of the business under its terms of reference by passing resolutions by circulation.

Attendance for the Board

Name of the Directors	Category of Directorship	Attendance
Hemant Bharat Ram	Executive Director	6/6
Dr. Vinay Bharat Ram	Executive Director	6/6
Rakesh Goel	Executive Director	6/6
Dr. Meenakshi Nayar	Independent Director	5/6
Vivek Chhachhi	Independent Director	6/6
Kulbir Singh*	Independent Director	6/6
Ravi Vira Gupta*	Independent Director	3/3
Bipin Maira*	Independent Director	1/1
Jitendra Tuli	Non-Executive Director	6/6
Shahana Basu	Non-Executive Director	5/6

*Mr. Bipin Maira, Independent Director of the Company resigned from the Board due to his preoccupation w.e.f 21.06.2021

*Mr. Ravi Vira Gupta, Independent Director resigned from the Board due to his preoccupations w.e.f 21.10.2021

*Mr. Kulbir Singh was appointed as independent director with effect from 21st June 2021.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee Meetings. The Company Secretary attends Meetings of the Board and its Committees in the capacity of Secretary of the Board/ Committees. The Company Secretary advises/assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings. With a view to leverage technology and

reducing paper consumption, the Company has adopted the eco friendly way of transmitting Board/Committee Agenda via. e-mail.

Confirmation and Certification

The Company annually obtains from each Director, details of the Board and Board Committee positions he/ she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. Pragnya Pradhan & Associates, Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and MCA or any such authority and the same forms part of this Annual Report.

Board Independence

Our definition of ‘Independence’ of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. Pragnya Pradhan & Associates, Company Secretaries, as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management. The Board includes three Independent Directors.

Separate Independent Directors’ Meetings

The Independent Directors meet once in a financial year, without the presence of Executive Directors or Management representatives. The Independent Directors met one time during the financial year ended 31st March, 2022 on June 21, 2021. The Independent Directors inter alia discuss the issues arising out of Committee meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairperson and the Independent Directors.

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 2021-22 is disclosed on the Company’s website at the web link: <http://www.dcmnvl.com/downloads/files/n5e9fd530b46cd.pdf>

Board Evaluation

The Nomination and Remuneration Policy of your Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole. The Board of Directors formally assess their own performance based on parameters which, inter alia, include performance of the Board on deciding long term strategies, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters for performance evaluation of the Directors include contributions made at the Board meeting, attendance, instances of sharing best and next practices,

domain knowledge, vision, strategy, engagement with senior management etc.

The Chairperson(s) of the respective Committees based on feedback received from the Committee members on the outcome of performance evaluation exercise of the Committee(s), share their report to the Board of Directors. The Independent Directors, at their separate meeting, review the performance of non-independent directors and the Board as a whole. Based on the outcome of the performance evaluation exercise, areas for further development are identified for the Board to engage itself with; and the same would be acted upon.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as part of good governance practices. The Chairperson of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. During the year, all recommendations of the Committees of the Board have been accepted by the Board. The Board has constituted the following Committees:



Audit Committee

The Company’s Audit Committee comprises 4 (four) members and majority of the members are Independent Directors. Audit Committee is chaired by Mr. Kulbir Singh and Dr. Meenakshi Nayar, Mr. Vivek Chhachhi and Mr. Rakesh Goel, Directors of the Company act as members of

the Committee. Mr. Kulbir Singh was appointed as Chairman of the Committee with effect from June 22, 2021 and Mr. Vivek Chhachhi was appointed as a member of the Committee with effect from March 30, 2022. Mr. Bipin Maira and Mr. Ravi Vira Gupta ceased to be the Chairman and member of the Committee w.e.f 22nd June 2021 and 21st

October 2021 respectively. All the members of the Committee have relevant experience in financial matters.

Terms of Reference of Audit Committee

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The scope of the activities of the Audit Committee is as set out in Regulation 18 of the listing Regulations read with Section 177 of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto.

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Overseeing the Company’s financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;	Q
Reviewing and examining with management the quarterly and annual financial results and the auditors’ report thereon before submission to the Board for approval;	Q
Reviewing management discussion and analysis of financial condition and results of operations;	A
Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;	A
Reviewing and monitoring the Statutory Auditor’s independence and performance and effectiveness of audit process;	P
Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;	P
Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;	Q
Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors;	P

Activities of the Committee during the year	Frequency
Evaluating internal financial controls and risk management systems;	P
Verifying that the systems for internal controls in relation to SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively;	A
Reviewing the functioning of the Code of Business Principles and Vigil Mechanism;	Q
Recommending the appointment and the remuneration to be paid to the Cost Auditor.	A

Q=Quarterly, A= Annually, P=Periodically

The meetings of Audit Committee are also attended by the 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 as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee met seven times during the financial year ended 31st March, 2022. The dates of the meetings are as follows: May 15, 2021, June 22, 2021, August 05, 2021, October 29, 2021, January 15, 2022, March 21, 2022 and March 30, 2022

Attendance for the Committee meetings

Name of the Directors	Category of Directorship	Attendance
Mr. Kulbir Singh	Independent Director	6/6
Dr. Meenakshi Nayar	Independent Director	6/7
Mr. Vivek Chhachhi	Independent Director	1/1
Mr. Rakesh Goel	Independent Director	7/7
Mr. Bipin Maira	Independent Director	1/1

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Mr. Vivek Chhachhi, Independent Director as the Chairman, Dr. Meenakshi Nayar and Mr. Jitendra Tuli as members of the Committee. Mr. Vivek Chhachhi, was appointed as Chairman of the Committee w.e.f 22nd June 2021 and Mr. Jitendra Tuli was appointed as member of the Committee w.e.f 21st October 2021. Mr. Bipin Maira and Mr. Ravi Vira Gupta ceased to be the Chairman and member of the Committee w.e.f 22nd June 2021 and 21st October 2021

respectively. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments.

Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Determine/recommend the criteria for appointment of Directors, Members of Management Committee and Key Managerial Personnel;	P
Identify candidates who are qualified to become Directors and who may be appointed on the Management Committee, or as a Key Managerial Personnel;	P
Evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required for Independent Director(s);	P
Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;	P
Formulate criteria and carry out evaluation of each Director’s performance and performance of the Board as a whole;	P
Ensure succession planning (including the development of a diverse pipeline for succession) to the Board and the leadership development plans to enhance such succession planning;	P
Recommend to the Board, all remunerations, in whatever form, payable to Senior Management;	P
Review and recommend to the Board candidates for election as members to the Board Committees and for the election as chairman for each Board Committee from the appointed members of the Board Committee	P

Q=Quarterly, A= Annually, P=Periodically

The Nomination and Remuneration Committee met two times during the financial year ended 31st March, 2022 on May 15, 2021 and October 29, 2021.

Attendance for the Committee meetings

Name of the Directors	Category of Directorship	Attendance
Mr. Vivek Chhachhi	Independent Director	1/1
Dr. Meenakshi Nayar	Independent Director	2/2
Mr. Jitendra Tuli	Non-Executive Director	1/1
Mr. Ravi Vira Gupta	Independent Director	1/1
Mr. Bipin Maira	Independent Director	1/1

Board Membership Criteria and list of core skills/ expertise/competencies identified in the context of the business:

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company’s values, such as integrity, honesty, transparency, pioneering mindset.

In terms of requirement of Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors as given below: -

Skills and its description	Dr. Vinay Bharat Ram	Mr. Hemant Bharat Ram	Dr. Meenakshi Nayar	Mr. Rakesh Goel	Mr. Jitendra Tuli	Mr. Kulbir Singh	Mr. Vivek Chhachhi	Ms. Shahana Basu
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).		✓		✓		✓	✓	

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](#)

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission.

The details of remuneration paid to Executive and Non-Executive Directors for the financial year ended 31st March, 2022 are provided hereinafter:

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

Details of sitting fees paid to Non-Executive Directors

Amount (₹ in Lacs)	
Name of the Director	Sitting Fee Paid
Dr. Meenakshi Nayar	2.10
Mr. Bipin Maira	0.40
Mr. Ravi Vira Gupta	0.80
Mr. Jitendra Tuli	1.40
Mr. Vivek Chhachhi	1.60
Mr. Kulbir Singh	1.90
Ms. Shahana Basu	1.00

Apart from receiving director's 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, 2022. The Company does not have any stock option scheme.

Details of Remuneration paid to Executive Directors

Amount (₹ in Lacs)			
	Hemant Bharat Ram	Vinay Bharat Ram	Rakesh Goel
Salary	141.24	30.00	72.89
Allowances	205.60	31.20	54.70
Bonus	475.00	-	30.00
Perquisites*	-	-	11.10
Contribution to Provident Fund	16.95	-	8.75
Contribution to pension	-	-	-
Total	838.78	61.20	177.44

*Inclusive of perquisites on account of Housing, Medical, Club Fee, Car etc.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee comprises Mr. Hemant Bharat Ram, Independent Director as the Chairperson, Dr. Meenakshi Nayar, and Mr. Rakesh Goel as the members of the Committee. The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR.

Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Formulate and recommend to the Board the CSR Policy and activities to be undertaken;	A
Recommend the amount of expenditure to be incurred on CSR activities;	A
Formulate and review the Annual Action Plan in pursuance of the CSR Policy;	P
Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects/programmes;	P
Impact assessment, monitoring and reporting mechanism for the projects/ programmes.	P

Q=Quarterly, A= Annually, P=Periodically

During the financial year ended 31st March, 2022, the Committee met once on May 15, 2021.

Attendance for the Committee meetings

Name of the Directors	Category of Directorship	Attendance
Mr. Hemant Bharat Ram	Executive Director	1/1
Dr. Meenakshi Nayar	Independent Director	1/1
Mr. Rakesh Goel	Executive Director	1/1

Stakeholder's & Finance Facilitation Committee

The Stakeholder's & Finance Facilitation Committee comprises Mr. Jitendra Tuli, Non-Executive Director as the Chairperson and Mr. Vivek Chhachhi, Dr. Meenakshi Nayar, Mr. Rakesh Goel, as Members of the Committee. Mr. Vivek Chhachhi was appointed as a member of the Committee succeeding Mr. Hemant Bharat Ram with effect from October 18, 2021. The role of Stakeholder's & Finance Facilitation Committee includes resolving the grievances of shareholders, ensuring expeditious share transfer process in line, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. SEBI, the capital market regulator had issued guidelines and undertook a number of measures for raising industry standards for Registrar and Share Transfer Agent to facilitate effective shareholder service. In order to ensure compliance with various guidelines and measures issued by SEBI to improve investor services.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Consider and resolve the grievances of shareholders;	P
Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent;	P
Recommend to improve service levels for the investors;	P
Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders.	P

Q=Quarterly, A= Annually, P=Periodically

Attendance for the Committee meetings

Name of the Directors	Category of Directorship	Attendance
Mr. Jitendra Tuli	Non Executive Director	1/1
Mr. Vivek Chhachhi	Independent Director	1/1
Mr. Rakesh Goel	Executive Director	1/1
Dr. Meenakshi Nayar	Independent Director	1/1

Details of Shareholders’/Investors’ Complaints

Mr. Mohd Sagir, Company Secretary is the Compliance Officer of the Company. The Stakeholders Relationship Committee ensures the grievances of security holders are resolved in a timely and efficient manner.

The Company Secretary acts as the Secretary of the Committee.

During the year under review, the Committee was reconstituted on October 18, 2021.

The Committee normally meets once in a year. During the year 2021-22, one meeting was held on October 29, 2021.

Other details: -

- a) **Name of the Non-Executive Director heading the Committee:** Mr. Jitendra Tuli
- b) **Name and Designation of the Compliance Officer:** Mr. Mohd Sagir, Company Secretary

- c) **Number of Shareholders Complaints:** The Company has received Two (2) complaints during the year.
- d) **Numbers not resolved to the satisfaction of shareholders:** All the complaints have been resolved during the year.
- e) **Number of pending complaints as on March 31, 2022:** Nil

Risk Management Committee

As per Regulation 21 of (Listing Obligations and Disclosure Requirement) regulations, 2015, top 1000 listed companies as per the market capitalisation as at the end of the immediate previous financial year, were required to constitute the Risk Management Committee. Knowing the importance of managing and pre-empting risks effectively for having a sustainable business, the Company has constituted a Risk Management Committee on voluntary basis in alignment with the amended provisions of the SEBI (LODR) regulations w.e.f January 15, 2022, The Risk Management Committee of the Company comprises Mr. Rakesh Goel as the Chairperson cum Chief Risk Officer, Mr. Vivek Chhachhi, and Mr. Hemant Bharat Ram, as the members of the Committee.

the role of the Committee shall, inter alia, includes the following:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
To identify the internal and external risks, inter alia, financial, operational, sectoral, sustainability/ESG, information, cyber security risks, legal and regulatory risks;	P
Oversee the implementation of the risk management policy and the adequacy of risk management systems;	P
Ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks.	P

Q=Quarterly, A= Annually, P=Periodically

GOVERNANCE OF SUBSIDIARY COMPANY

The minutes of the Board Meetings of the subsidiary company along with the details of significant transactions and arrangements entered into by the subsidiary company is shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary company are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Annual Report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company.

COMPANY POLICIES

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, 2022. The declaration regarding compliance with the code of conduct is appended to this report.

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 at <https://www.dcmnvl.com/downloads/files/n604afd614d953.pdf>.

POLICY ON RELATED PARTY TRANSACTIONS

In line with requirements of the Act and Listing Regulations, your Company has formulated a ‘Policy on Related Party Transactions’, which is available on the website of the Company at <https://www.dcmnvl.com/downloads/files/n5d120c0ea49d0.pdf>.

The Policy intends to ensure that proper reporting, disclosure and approval processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at arm’s length. All Related Party Transactions entered during the year were in ordinary course of business and on arm’s length basis. No Material Related Party Transactions as defined in the Listing Regulations were entered during the financial year by your Company.

POLICY ON MATERIAL SUBSIDIARY

The Company has adopted a policy on Material Subsidiary in line with the requirements of the Listing Regulations. The

objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The Policy on Material Subsidiary is available on the website of the Company at <https://www.dcmnvl.com/downloads/files/n5d120c1d16885.pdf>.

POLICY ON DIVIDEND DISTRIBUTION

The Board of Directors has adopted Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company at <https://www.dcmnvl.com/downloads/files/n617d078a3bb3a.pdf>

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, 2022, are as follows:

Number of complaints filed during the financial year 2021-22	Nil
Number of complaints disposed off during the financial year 2021-22	Nil
Number of complaints pending as on end of the financial year	Nil

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 and ethics policies and 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 Chairperson of the Audit Committee.

During the year ended March 31, 2022, 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.

AFFIRMATION AND DISCLOSURE

All the members of the Board have affirmed their compliance with the Code of Conduct as on 31st March, 2022 and a declaration to that effect, signed by the Managing Director, is attached and forms part of this Annual Report. There was no material, financial or commercial transaction, between the Company and Members of the board that may have a potential conflict with the interest of the Company at large. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters. The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations. No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

a) 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 31 March 2022	As at 31 March 2021
As Statutory Auditor	11.00	10.00
For taxation matters	1.00	1.00
Other Services	10.00	8.50
Reimbursement of Expenses	2.12	1.52
Total	24.12	21.02

Disclosure of Pending Cases/Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

Commodity price risk or foreign exchange risk and hedging activities:

Risk Management Policy of the Company with respect to the Commodities and Forex:

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 2021 - 22. 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 2022-23.

During the year 2021-22, 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. 46 to the standalone financial statement.

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: ₹ 64,590.39 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	₹ 64,590.39 Lacs	38811.56 MT	Nil	Nil	Nil	Nil	Nil

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.

Compliance with the Discretionary Requirements under the Listing Regulations

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.

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, the half-yearly declaration of financial performance is not sent separately to each household of the shareholders of the Company.

Modified Opinion in audit report

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

Reporting of Internal Auditors

M/s. A. Gandhi & Associates, Chartered Accountants, the Internal Auditor reports directly to the Audit Committee based on the inputs provided by the Management on their observations on a quarterly basis. The Company has complied, to the extent applicable to it, and unless otherwise stated, with all the corporate governance requirements specified in Regulation 17 to 27 and Regulation 46(2) of the Listing Regulations as amended, covering the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Vigil Mechanism, Related Party Transactions, obligations with respect to the Directors, Independent Directors and senior management, other Corporate Governance requirements and disclosures on the website of the Company.

Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2021-22 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

SHAREHOLDER INFORMATION
GENERAL BODY MEETING

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Financial Year ended	Date & Time	Venue	Special Resolution Passed
31 st March 2019	April 27, 2019 01:15 PM	601, 6th floor, Vikrant tower, 4, Rajendra place, New Delhi 110008	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. 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. 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.
31 st March 2020	September 25, 2020 11:00 PM	407, Vikrant Tower, 04, Rajendra place, New Delhi, 110008 (meeting held through Video Conferencing (VC)/other Audio Video Means (OAVM))	As per Regulation 17 of th Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Re-appointment of Mr. Jitendra Tuli (DIN: 00272930), as a Non-Executive Director of the Company who is of more than 75 years of age.
31 st March 2021	July 27, 2021* 11:00 AM	407, Vikrant Tower, 04, Rajendra place, New Delhi, 110008 (meeting held through Video Conferencing (VC)/other Audio Video Means (OAVM))	As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Appointment of Mr. Kulbir Singh (DIN: 00204829), as an Independent Director. To approve increase in remuneration of Mr. Hemant Bharat Ram, Managing Director of the Company. To approve increase in remuneration of Mr. Rakesh Goel, Whole Time Director of the Company.

*All the Members of the Board of Directors as on the date of AGM, had attended the meeting.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

Postal Ballot

No Special Resolution was required to be passed through postal ballot during the financial year 2021-22. No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Annual Report.

Annual General Meeting for the financial year 2021-22

Date	September 06, 2022
Venue	Annual General Meeting through Video Conferencing/ Other Audio-Visual Means facility Deemed venue for Meeting: Registered Office: 407, Vikrant Tower, 04, Rajendra place, New Delhi, 110008)
Time	11:00 am
Cut-off date for E-voting	August 26, 2022
Dividend Payment Date	Not Applicable

Calendar of financial Results for the financial year ended 31st March, 2022

The Company follows April-March as the financial year. The

meetings of Board of Directors for approval of quarterly financial results during the financial year 2021-22 were held on the following dates:

First Quarter Results	August 05, 2021
Second Quarter and Half yearly Results	October 29, 2021
Third Quarter Results	January 15, 2022
Fourth Quarter and Annual Results	May 05, 2022

Tentative Calendar for financial year ending 31st March, 2023

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year 2022-23 are as follows:

First Quarter Results	August 05, 2022
Second Quarter and Half yearly Results	October 29, 2022
Third Quarter Results	January 15, 2023
Fourth Quarter and Annual Results	May 15, 2023

Details of Demat/Unclaimed Suspense Account

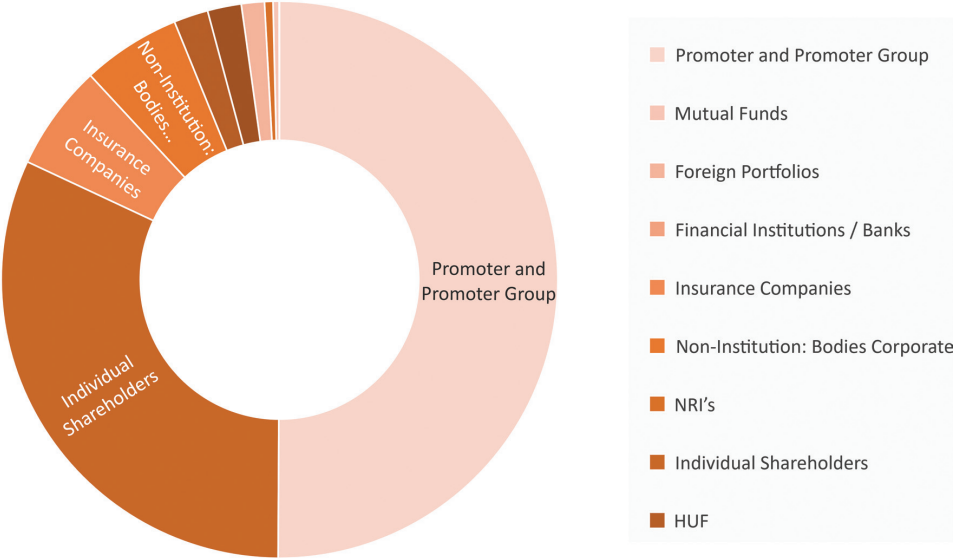
The Company does not have any shares in the demat suspense account or unclaimed suspense account.

Distribution of Shareholding as on 31st March, 2022

Share or Debenture holding Nominal Value	Number of Shareholders/ folios	% to Total Numbers of shareholders	Equity Shares Amount	% to Total Amount of shares
(₹)			(₹)	
Up To 5,000	32521	95.22	17136500.00	9.17
5001 To 10,000	792	2.32	6221380.00	3.33
10001 To 20,000	427	1.25	6304530.00	3.38
20001 To 30,000	150	0.44	3924320.00	2.10
30001 To 40,000	56	0.16	1957120.00	1.05
40001 To 50,000	47	0.14	2184540.00	1.17
50001 To 1,00,000	82	0.24	5847740.00	3.13
1,00,000 and above	79	0.23	143201360.00	76.67
Total	34154	100.00	186777490.00	100.00

Shareholding Category as on March 31, 2022.

Category	No. of Equity Shares held	% to total shareholding
Promoter and Promoter Group	93,53,442	50.08
Mutual Funds	65,283	0.35
Foreign Portfolios	2,49,557	1.34
Financial Institutions / Banks	4,623	0.02
Insurance Companies	11,48,512	6.15
Non-Institution: Bodies Corporate	10,71,287	5.74
NRI's	91,718	0.49
Individual Shareholders	59,53,640	31.88
HUF	3,72,666	2.00
Others (NBFCs, trust, Clearing members, Firmsand IEPF)	3,67,021	1.97
Grand Total	1,86,77,749	100.00



Bifurcation of shares held in physical and demat form as on 31st March, 2022

Particulars	No of Shares	%
Physical Segment	531200	2.84
Demat Segment		
NSDL (A)	15111505	80.91
CDSL (B)	3035044	16.25
Total (A+B)	18146549	97.16
Total	18677749	100.00

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

Not applicable as the Company has not made any such issue.

Listing Details

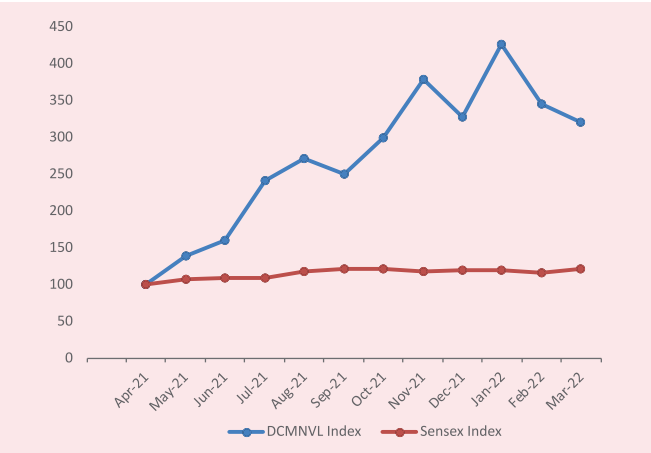
Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	542729
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	DCMNVL
ISIN	INE08KP01019

The listing fee for the financial year 2021-22 has been paid to the above Stock Exchanges.

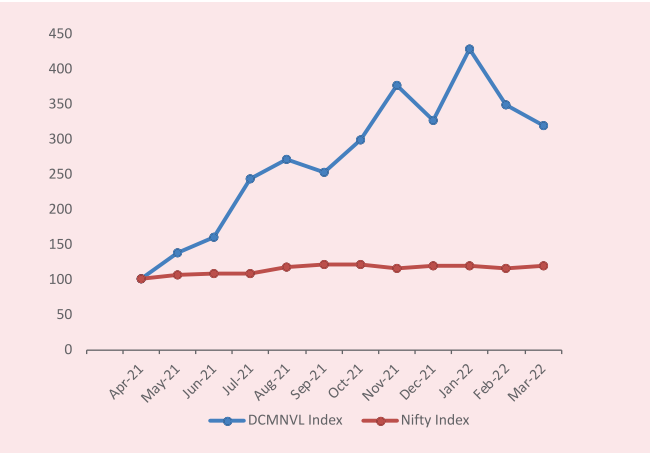
The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2022 are as under:

Month	National Stock Exchange			BSE Ltd.		
	Highest (₹)	Lowest (₹)	Volume (Nos.)	Highest (₹)	Lowest (₹)	Volume (Nos.)
Apr, 2021	90.20	76.80	262647	90.3	77.2	33995
May, 2021	124.50	81.00	2008283	125.1	80	259287
June, 2021	144.05	123.20	1758675	144.15	124	426521
July, 2021	219	127.15	2480477	216.65	126.3	859480
Aug, 2021	244	191.35	2717259	244	190.75	737879
Sep, 2021	227	200	944352	224.7	200	139425
Oct, 2021	269.90	212.00	1692513	269.8	215	246288
Nov, 2021	339.55	260.20	2607748	340.75	260	452150
Dec, 2021	294.95	250.00	1395033	294.55	250	194779
Jan, 2022	386.10	273.60	2734947	385.1	270.3	557372
Feb, 2022	313.90	227.70	1063201	310.5	229.3	153203
Mar, 2022	288.25	222.65	1349303	288.8	223	257706

BSE SENSEX Vs DCMNVL share price (Index)



NSE NIFTY Vs DCMNVL share price (Index)



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

Plant Location:
Textile Division,
Near Mela Ground, Hisar, Haryana-125 001

Credit Ratings:

During the year ended March 31, 2022, CRISIL Limited, a renowned credit rating agency has reaffirmed and improved rating as CRISIL BBB/Positive (outlook revised from Stable and rating reaffirmed) and CRISIL A3+ (Reaffirmed) to the long-term rating and short term respectively on borrowings availed by the Company.

Registrar and Transfer Agents:

M/s. Skyline Financial Services Pvt Ltd, continues to be the Registrar & Transfer Agents of the Company.

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 lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialization. Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Simplified Norms for processing Investor Service Request SEBI, vide its Circular dated 3rd November, 2021, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above-mentioned details are not registered by 1st April, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by email from their registered email id to email: info@skylinerta.com or by sending a physical copy of the prescribed forms as annexed in this annual report, duly filled and signed by the registered holders to M/s. Skyline

Financial Services Pvt Ltd, D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Tel: 011-41044923,

OTHER DISCLOSURES

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. 44. of the Financial Statements, forming part of the Annual Report.

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.

The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation Particulars of Regulations Compliance Status Yes/No

17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes

26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46 (2) (b) to (i)	Functional Website	Yes

Web link where policy for determining 'material' subsidiaries is disclosed

<https://www.dcmnvl.com/downloads/files/n5d120c1d16885.pdf>

Web link where policy on dealing with related party transactions

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

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

Not Applicable

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.

ACCEPTANCE OF RECOMMENDATIONS MADE BY THE COMMITTEES

During the financial year 2021-22, the Board has accepted all the recommendations of its committees.

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.

COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as:

Results Announcements	The quarterly, half yearly and annual results of the Company's performance are published in leading newspaper such as Financial Express and Jansatta.
Annual Report and AGM	Annual Report containing audited standalone and consolidated financial statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditors Report and other important information are circulated to the Members. In the AGM, the shareholders also interact with the Board and the Management
Company's Website	The Company's website contains a dedicated section for Investors where Annual Reports, quarterly and annual results, stock exchange filings, Newspaper Advertisements, quarterly reports, and all statutory policies are available, apart from the details about the Company, Board of Directors and Management. The website also displays vital information relating to the Company.
Designated Email Ids	Investor Grievance - info@dcmnvl.com Nodal Officer under IEPF - info@dcmnvl.com
Stock Exchanges	All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange platform and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at https://www.dcmnvl.com/2021-22.html

Grievance Redressal System	SCORES platform of SEBI facilitates online filing of investor grievance and online view of the status. The Company endeavors to redress the grievance of the Investors as soon as it receives it from the SCORES platform
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Address for Correspondence

All Members correspondence should be forwarded to M/s. Skyline Financial Services Pvt Ltd, the Registrar and Share Transfer Agent of the Company or to the Compliance Officer at the Registered Office of the Company at the addresses DCM Nouvelle Limited, 407, Vikrant Tower, 04, Rajendra Place, New Delhi-110008, India Tel: 011-43678490

The Company’s dedicated e-mail address for Investors’ Complaints and other communications is info@dcmnvl.com

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	Compliance Officer Mr. Mohd Sagir, Company Secretary & Compliance Officer E-mail: info@dcmnvl.com Phone: +91 11-43678490
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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, 2022.

Date : 05.05.2022
Place : New Delhi

Hemant Bharat Ram
Managing Director

PRACTICING COMPANY SECRETARIES’ CERTIFICATE
ON CORPORATE GOVERNANCE

To the Members of
DCM Nouvelle Limited

1. I have examined the compliance of conditions of Corporate Governance by DCM Nouvelle Limited ('the Company') for the year ended March 31, 2022, 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 of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations issued by the Securities and Exchange Board of India.
4. My 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 not an expression of opinion on the financial statements of the Company.
5. I conducted my examination in accordance with the Guidance Note on Corporate Governance Certificate, ("the Guidance Note"), issued by the Institute of Company Secretaries of India ("ICSI").

6. In my opinion, and to the best of my information and according to explanations given to, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations
7. I 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.
8. 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 Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, I 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 my prior consent in writing. I have no responsibility to update this report for events and circumstances occurring after the date of report.

For Pragnya Pradhan & Associates

Pragnya Parimita Pradhan
(Company Secretary)
Membership No.: 32778
CP No: 12030
UDIN : A032778D000637657

Place : New Delhi
Date : 18.07.2022

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 M/s 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 (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] 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, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority:

S. No.	DIN	Name of Director
1.	00052826	Vinay Bharat Ram
2.	00150933	Hemant Bharat Ram
3.	00226058	Rakesh Goel
4.	00204829	Kulbir Singh
5.	00272930	Jitendra Tuli
6.	00496620	Vivek Chhachhi
7.	06866256	Meenakshi Nayar
8.	*05127804	Bipin Maira
9.	*00017410	Ravi Vira Gupta
10.	*07137715	Shahana Basu

**Mr. Ravi Vira Gupta (DIN: 00017410) resigned from Directorship of the Company with effect from October 16, 2021 ,Mr. Bipin Maira (DIN : 05127804) resigned from Directorship of the Company with effect from June 22, 2021 and Mrs. Shahana Basu (DIN : 07137715) resigned from Directorship of the Company with effect from May 26, 2022.*

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.

Thanking you,

For Pragnya Pradhan & Associates

Pragnya Parimita Pradhan
(Company Secretary)
Membership No: 32778
CP No: 12030
UDIN : A032778D000637635

Place: New Delhi
Date: 18-07-2022

CEO /CFO Certification in respect of Financial Statements and Cash Flow Statement
(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022

To,
The Board of Directors
DCM Nouvelle Limited

We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2022 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a) The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations;
- c) There are no transactions entered in to by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of Company’s Code of Conduct;
- d) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same;
- e) There have been no significant changes in the above-mentioned internal controls over financial reporting during the financial year 2021-22;
- f) That there have been no significant changes in the accounting policies during the financial year 2021-22.
- g) We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company’s internal control system over Financial Reporting.

Place : New Delhi
Date : 26.05.2022

Sandeep Kumar Jain
Chief Financial Officer

Hemant Bharat Ram
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL TEXTILE INDUSTRY

The global textile & clothing trade was at USD 777 billion in 2020. With companies rearranging their operations and recovering from the COVID-19 impact, the market is expected to reach USD 1000 billion in 2025.

INDIAN TEXTILE INDUSTRY

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India’s textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.



Exports of textiles & clothing (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excluding handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 28 billion for 2020. In the year 2020-21, 980 million kgs of cotton yarn was exported from India.

India is the second largest producer of fibre in the world and the major fibre produced is cotton. 60% of Indian textile industry is cotton based. Other fibres produced in India include man-made fibres, silk, jute and wool.

The labor-intensive nature of the textile industry makes it the second largest employer, after agriculture, contributing 10 per cent to the country’s manufacturing. The industry contributes 7 per cent to the nation’s total industry output and 2.3 per cent of the GDP. It also makes up 5 per cent of the global trade in textiles and apparel.

Many foreign textile companies have invested or working in India some of which are Rieter, Trutzschler, Saurer, Soktas, Zambiat, Bilsar, Monti, CMT, E-land, Nisshinbo, Marks & Spencer, Zara, Promod, Benetton and Levi’s.

Despite the slowdown due to the pandemic, sales in the online textile and apparel industry witnessed a jump in various cities and states of India. The post-COVID-19 era provided a big opportunity for the industry to move online. In fact, e-retail may be the big game-changer with e-retailers expected to play a pivotal role in the recovery of the Indian economy in 2022.

Spinning is concentrated in few states of India like Tamil Nadu, Maharashtra, Gujarat, Punjab, Rajasthan Telangana, Andhra Pradesh, Haryana and Madhya Pradesh. Few states are trying to expand textile manufacturing with in their states prominent of which are Uttar Pradesh and Orissa.

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\$ 3.93 billion from April 2000-December 2021.

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. The Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

Spinning Industry Overview

In 2021 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 (FY19-20) of all types of spun yarn.

For FY 20-21, China is the largest importer of cotton yarn (28% share) from India, followed by Bangladesh with 23% share. The top five importers form 66% of India’s total cotton yarn exports.



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.

COMPANY OVERVIEW

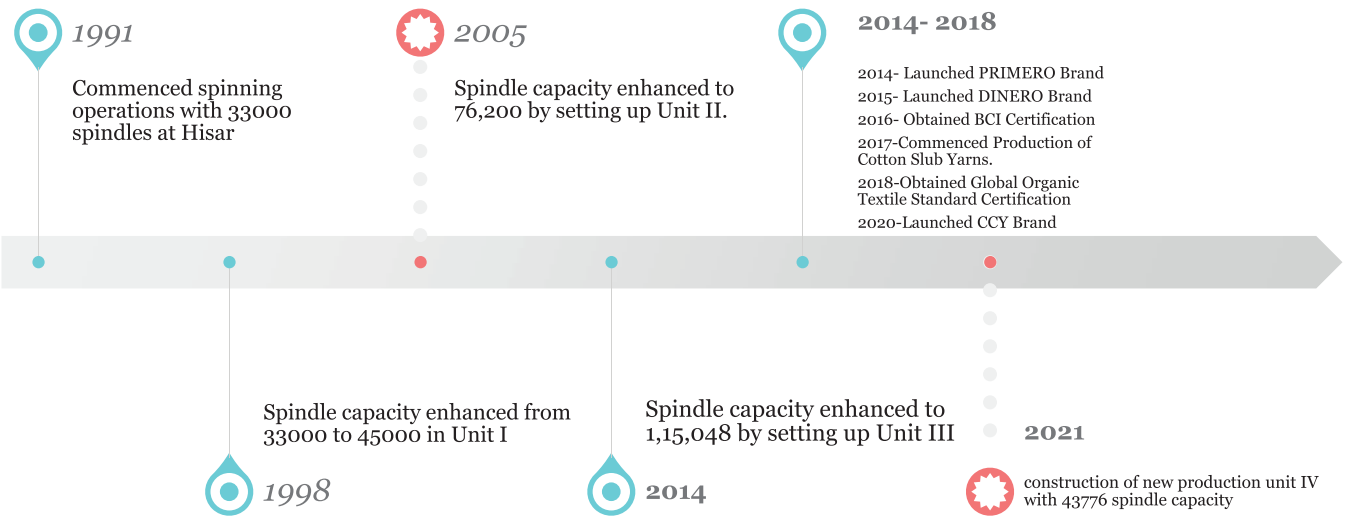
DCM Nouvelle Limited is a leading manufacturer & exporter of 100% cotton carded and combed yarns in single and two-ply forms of count range Ne 12s to 40s. The Company has spindle capacity of 1,15,048 located at Hisar with approx

2500 MT of monthly production at present & is under expansion with spindle capacity of 43776 for producing 100% Compact Cotton Yarn. After the expansion, production capacity will go up to about 3400 MT/month. 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 the finest clothing. The company had successfully engraved its name in domestic markets and have exported to more than 30 countries. The company has also installed 14.255 MWp capacity of Roof top and ground mounted Solar Power Plants which is helping company to generate and self-consume solar power and also reducing carbon footprints on earth. Moving on the path of Total Quality Management (TQM), its improved processes & products aim to achieve the ultimate goal of “CUSTOMER DELIGHT”.

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 bleached & light shades. The feel of fabric made from primero quality is rich & luxurious having excellent appearance
	From the 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 perform 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. The combination of these two control systems results in Contamination Controlled Yarn.

Milestones

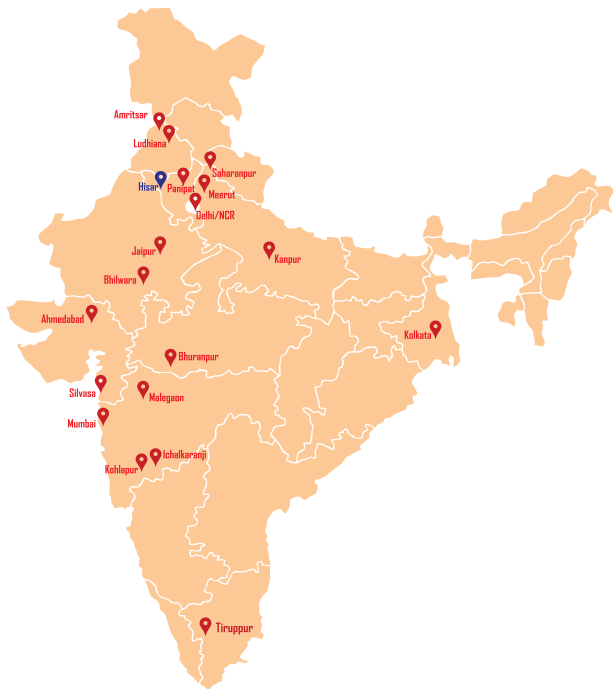


Sustainability

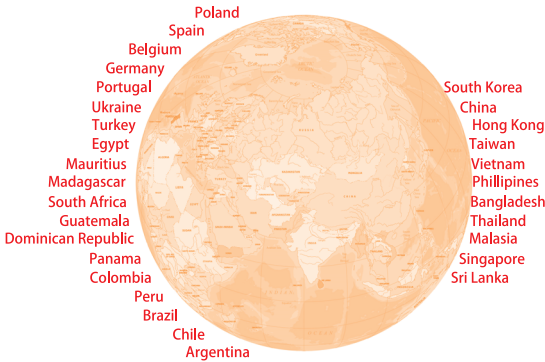
The company is certified as per Global Organic Textile Standard (GOTS). GOTS defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well.	
As a Proud Member of BCI, we stand at the forefront to achieve BCI objective to 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.	

Market Presence of the Company

Domestic Markets



Export Markets



OPPORTUNITIES AND 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 textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 220 (220+70) billion by 2025. 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 textile sector is among the largest contributors to India’s exports, and has the potential to reach US\$ 500 billion in size according to a study of many research firms.

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 3rdlargest economy by 2028.

RISKS & CONCERNS

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

Competition from other developing countries, high volatility of cotton, yarn price and the Rupee to US\$ exchange rate are the major area of concern. The Company is trying to

reduce the impact of volatility by reducing open position in respect of the above. Labour shortage is another area which is affecting operations. This is being mitigated by increasing worker training programs and strengthening operational efficiency.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems have been designed to effectively and efficiently handle the dynamic and complex nature of the business operations of the Company. The internal control systems and environment are commensurate to the scale and volumes of the business with adequate segregation of roles, responsibilities and redundancies. The executives of the Company keep themselves abreast with the detailed documentation of its policies and SOPs, which are regularly reviewed and updated by the management. The statutory auditors of the Company critically review the internal control environment within the ambit of the Internal Control over Financial Reporting (ICFR) requirements to arrive at their opinion about the financial performance of the Company. The Company also has a strong internal audit framework as approved by the Audit Committee which ensures detailed coverage of the processes and systems needed to safeguard its assets, prevention and detection of errors and frauds, ensure accuracy and completeness of accounting transactions thus enabling timely preparation of reliable financial information. The various committees of the board, including the Audit Committee, periodically review the observations and recommendations of the internal auditors to further improve the systems and processes.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Employees have always played an extremely pivotal role in all strategic decisions taken by the Company. In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest, most valuable asset. At DCM Nouvelle, we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. Our people own their jobs and not just perform them. We continuously strive to improve quality of work-life balance for total job satisfaction and social harmony for the employees. The total number of people on the rolls of the company is 1807. 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. On a standalone basis, the revenue for FY 2022 was ₹ 880.10

crore, higher by 58 percent over the previous year’s revenue of ₹ 557.06 crore. The profit after tax (“PAT”) attributable to shareholders for FY 2022 was ₹ 122.79 crore registering a growth of ₹ 302.50 percent over the PAT of ₹ 30.51 crore in FY 2021.

On a consolidated basis, the revenue for FY 2022 was ₹ 880.10 crore. The profit after tax (“PAT”) attributable to shareholders and non-controlling interests for FY 2022 was ₹ 122.60.

The operating profit of the Company improved significantly due to good market demand and higher realisation

Summarised Profit and Loss Account

(₹ in Lacs)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Profit before Interest, Depreciation and Tax	18,286.41	6,544.99
Less: a) Finance Cost	(617.36)	(841.31)
b) Depreciation	(1,236.32)	(1,602.86)
Profit before Tax	16,432.73	4,100.82
Less: a) Provision for tax	(4,153.27)	(1,050.02)
Profit after tax	12,279.46	3,050.80
Other Comprehensive income	(29.31)	2.49
Total Comprehensive income for the year	12,250.15	3,053.29
Add - Profit brought forward	11,029.15	7,975.86
Profit available for appropriation	23,279.30	11,029.15
Balance Profit carried forward	23,279.30	11,029.15

(₹ in Lacs)

S. No.	Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
1.	Sales in Quantity (MT)	29100	26,662
2.	Production (MT)	29886	26,025
3.	Sales & other Income	91,764	56,908
4.	Total Expenditure	(73,478)	(50,363)
5.	Profit before finance cost, Depreciation, Amortization & Tax	18,286	6,545
6.	Finance Cost	(617)	(841)
7.	Depreciation	(1236)	(1,603)
8.	Profit before Tax	16,433	4,101

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 2021-22	F Y 2020-21	Change (%)	Explanation
Current Ratio (Times)	2.08	1.58	32	Better operating profits in current year.
Debt Equity Ratio (Times)	0.51	0.90	-43	Repayment of term loans and better profit in current year.
Debt service coverage ratio (Times)	7.39	1.67	342	Better operating profits in current year.
Return on equity ratio (Percentage)	50.04	18.06	177	Better operating profits in current year.
Inventory turnover ratio(Times)	3.15	2.40	32	Increase of cost of goods sold in current year.
Trade receivable turnover ratio (Times) compared to previous year	10.37	7.52	38	Better realisation in current year as
Trade payable turnover ratio (Times)	62.34	34.27	82	Increase of cost of goods sold in current year.
Net capital turnover ratio (Times)	6.65	6.32	5	-
Net profit ratio (Percentage)	13.50	5.42	149	Better operating profits in current year.
Return on capital employed (Percentage)	55.60	26.84	107	Better operating profits in current year.
Return on investments (Percentage)	32.56	10.53	209	Better operating profits in current year.

*The calculation for above ratios (including restatement of prior year ratios, wherever necessary) is in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

CAUTIONARY NOTE

Certain statements in this report describing the Company’s objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities, laws and regulations. Although the expectations are based on reasonable assumptions, actual results in the future could materially differ from those expressed or implied

INDEPENDENT AUDITOR’S REPORT

To the Members of DCM Nouvelle Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1.

We have audited the accompanying standalone financial statements of DCM Nouvelle Limited (‘the Company’), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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 standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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 matter described below to be the key audit matter 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘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 Matter

4.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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
<p>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.</p> <p>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.</p> <p>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.</p>	<p>progress and recomputed the arithmetical accuracy thereof for calculating the conversion cost considered as part of the finished goods and work in progress.</p> <ul style="list-style-type: none">• 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. <p>Evaluated the appropriateness and adequacy of disclosures made in the financial statements in accordance with the applicable accounting standards.</p>

Information other than the Financial Statements and Auditor’s Report thereon

6.

The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone 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 standalone 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 standalone 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 standalone 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 Standalone Financial Statements

7.

The accompanying standalone financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors are

responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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, specified under section 143(10) of the Act 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 system 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;

- 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;
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.
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.

Report on Other Legal and Regulatory Requirements

15. 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.

16. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.
17. 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 standalone 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone 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 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an 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 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022.

- the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
- 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 2022.
- The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
UDIN: 22504774AILRYT4653

Place: New Delhi

Date: 05 May 2022

Annexure I referred to in Paragraph 16 of the Independent Auditor’s Report of even date to the members of DCM Nouvelle Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i)

(a)

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

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b)

The Company has a regular program of physical verification of its property, plant and equipment and investment property under which the assets are physically verified in a phased manner over a period of three 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 property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c)

The title deeds of all the immovable properties including investment properties held by the Company are held in the name of the Company.
- (d)

The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.
- (e)

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii)

(a)

The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b)

The Company has a working capital limit in excess
- (iii)

(a)

The Company has not provided any loans or provided any advances in the nature of loans or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(b)

The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in one entity amounting to ₹ 7.60 lakhs (year-end balance: ₹ 7.60 lakhs) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

(c)

The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv)

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.

(v)

In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
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- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance,

income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays 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.

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax act, 1961	Demand raised u/s 143(1)	43.48	Nil	AY 2020-21	Centralised processing centre (Income tax department)
Employee state insurance act, 1948	Demand raised by ESIC Department	0.80	Nil	2014	Punjab and Haryana High Court
Ministry of textiles	Refund of TUFS Subsidy	190.82	190.82	2018-19	Delhi High Court

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the
- Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly,

- reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner

Place: New Delhi
Date: 05 May 2022

Membership No.: 504774
UDIN: 22504774AILRYT4653

Annexure II to the Independent Auditor’s Report of even date to the members of DCM Nouvelle Limited on the standalone financial statements for the year ended 31 March 2022

Independent Auditor’s Report on the internal financial controls with reference to the standalone 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 standalone financial statements of DCM Nouvelle Limited (‘the Company’) as at and for the year ended 31 March 2022, 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 2022, 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 the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm’s Registration No.: 001076N/N500013

Rohit Arora

Partner

Place: New Delhi

Date: 05 May 2022

Membership No.: 504774

UDIN: 22504774AILRYT4653

Standalone Balance sheet as at 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,367.30	9,550.44
Capital work-in-progress	3	1,540.20	1.31
Investment property	4	826.39	-
Financial assets			
(i) Investments	5	7.60	-
(ii) Loans	6	16.78	11.58
Deferred tax assets (net)	7	82.59	326.65
Non-current tax assets (net)	8	251.85	56.66
Other non-current assets	9	1,934.20	1,747.19
Total non-current assets		17,026.91	11,693.83
Current assets			
Inventories	10	22,041.88	13,691.51
Financial assets			
(i) Trade receivables	11	8,235.81	9,306.16
(ii) Cash and cash equivalents	12	415.82	11.89
(iii) Bank balances other than (ii) above	13	144.36	12.61
(iv) Loans	14	32.00	27.40
(v) Other financial assets	15	1,592.70	1,047.41
Other current assets	16	979.10	3,138.88
Total current assets		33,441.67	27,235.86
Total assets		50,468.58	38,929.69
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,867.77	1,867.77
Others equity	18	28,797.93	16,547.78
Total equity		30,665.70	18,415.55
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	2,856.11	2,513.86
(ii) Other financial liabilities	20	15.60	11.10
Provisions	21	837.10	736.83
Total non-current liabilities		3,708.81	3,261.79
Current liabilities			
Financial liabilities			
(i) Borrowings	22	12,720.42	14,034.84
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		97.36	73.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,036.01	1,091.20
(iii) Other financial liabilities	24	1,218.20	837.69
Other current liabilities	25	121.83	104.38
Contract liabilities	26	51.67	75.19
Provisions	27	848.58	786.81
Current tax liabilities (net)	28	-	248.25
Total current liabilities		16,094.07	17,252.35
Total liabilities		19,802.88	20,514.14
Total equity and liabilities		50,468.58	38,929.69

The accompanying notes form an integral part of these standalone 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

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

Place: New Delhi
Date: 05 May 2022

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256
Mohd Sagir
Company Secretary
M. No. : F11061

Standalone Statement of Profit and Loss for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	29	90,932.14	56,277.87
Other income	30	831.41	629.77
Total income		91,763.55	56,907.64
Expenses			
Cost of materials consumed	31	60,001.89	37,175.16
Changes in inventories of finished goods, work-in-progress and scrap	32	(3,671.42)	762.19
Employee benefits expense	33	5,476.42	4,129.49
Finance costs	34	617.36	841.31
Depreciation expense	35	1,236.32	1,602.86
Other expenses	36	11,670.25	8,295.81
Total expenses		75,330.82	52,806.82
Profit before tax		16,432.73	4,100.82
Tax expense			
Current tax	37	3,899.35	1,148.42
Deferred tax	37	253.92	(98.40)
Total tax expense		4,153.27	1,050.02
Profit for the year		12,279.46	3,050.80
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain of defined benefit obligations	37	(39.17)	3.33
Income tax relating to remeasurement of defined benefit obligations		(9.86)	0.84
Total other comprehensive income, net of tax		(29.31)	2.49
Total comprehensive income for the year		12,250.15	3,053.29
Earnings per equity share (face value of ₹ 10 each)			
Basic	39	65.75	16.33
Diluted	39	65.75	16.33

The accompanying notes form an integral part of these standalone 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

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

Place: New Delhi
Date: 05 May 2022

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256

Mohd Sagir
Company Secretary
M. No. : F11061

Standalone Cash flow statements for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	16,432.73	4,100.82
Adjustments for :		
Depreciation expense	1,236.32	1,602.86
(Profit)/loss on sale of property, plant and equipment (net)	(5.32)	0.48
Unrealised foreign exchange (gain)/loss	(20.51)	18.46
Interest income including interest subsidy	(31.68)	(78.01)
Miscellaneous balances written back	(6.63)	(5.04)
Provision against TUF subsidy	1.85	16.13
Provision against doubtful advances	12.55	-
Interest expense	617.36	841.31
Operating profit before working capital changes	18,236.67	6,497.01
Movements in working capital:		
(Increase)/decrease in inventories	(8,350.37)	4,292.79
Decrease/(increase) in trade receivables	1,119.41	(3,682.21)
(Increase) in loans	(9.80)	(0.93)
(Increase) in other financial assets	(543.76)	(267.89)
Decrease/(increase) in other assets	2,169.31	(2,491.18)
(Decrease) in trade payable	(25.21)	(301.27)
Increase in provisions	162.04	81.46
Increase in financial liabilities	236.28	26.27
(Decrease) in other liabilities	(6.07)	(307.51)
Cash generated from operations	12,988.50	3,845.94
Income-taxes paid (net of refunds)	(4,379.90)	(951.81)
Net cash flow generated from operating activities (A)	8,608.60	2,894.13
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress, capital advance and capital creditors)	(6,480.75)	(782.24)
Proceeds from sale of property, plant and equipment	7.35	2.46
Investment in subsidiary	(7.60)	-
Interest received	47.70	56.58
Proceeds from redemption of fixed deposit	(132.50)	-
Net cash (used in) investing activities (B)	(6,565.80)	(723.20)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(1,858.05)	(3,075.06)
Proceeds from long-term borrowings	2,200.03	177.70
(Repayment of)/proceeds from short-term borrowings (net)	(1,359.13)	1,539.27
Finance charges paid	(621.72)	(903.25)
Net cash (used in) financing activities (C)	(1,638.87)	(2,261.34)
D. Net Increase/(decrease) in cash and cash equivalents during the year (A+B+C)	403.93	(90.41)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
E. Cash and cash equivalents at the beginning of the year	11.89	102.30
F. Cash and cash equivalents at the end of the year	415.82	11.89
G. Components of cash and cash equivalents		
i. Balances with banks:		
- Current accounts	0.26	3.43
- Cash credit accounts	409.02	-
ii. Cash on hand	6.54	8.46
Cash and cash equivalents as at the end of the year	415.82	11.89

Reconciliation of financial liabilities arising from financing activities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balances		
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
Cash flows during the year		
Repayment of non-current borrowings	(1,858.05)	(3,075.06)
Proceeds from non-current borrowings	2,200.03	177.70
(Repayment of)/proceeds from short-term borrowings (net)	(1,359.13)	1,539.27
Exchange fluctuation loss/(gain) on reinstatement of current borrowings	44.98	(19.42)
Finance charges incurred	617.36	841.31
Finance charges paid	(621.72)	(903.25)
Closing balances		
Non-current borrowings (including current maturities)	2,873.85	2,531.87
Current borrowings	12,702.68	14,016.83
Interest accrued on borrowings	15.32	19.68

The above standalone 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 standalone 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: 05 May 2022

Place: New Delhi
Date: 05 May 2022

Standalone Statement of changes in equity for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

A. EQUITY SHARES CAPITAL

Particulars	Number of shares	Amount
Balance as at 01 April 2020	1,86,77,749	1,867.77
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	1,86,77,749	1,867.77
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	1,86,77,749	1,867.77

B. OTHER EQUITY

Particulars	Reserve and surplus		Total
	Securities Premium	Retained earnings	
Balance as at 01 April 2020	5,518.63	7,975.86	13,494.49
Profit for the year	-	3,050.80	3,050.80
Other comprehensive income for the year	-	2.49	2.49
Balance as at 31 March 2021	5,518.63	11,029.15	16,547.78
Profit for the year	-	12,279.46	12,279.46
Other comprehensive income for the year	-	(29.31)	(29.31)
Balance as at 31 March 2022	5,518.63	23,279.30	28,797.93

The accompanying notes form an integral part of these standalone 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

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

Place: New Delhi

Date: 05 May 2022

Place: New Delhi

Date: 05 May 2022

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

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 is 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 and the guidelines issued by Securities and Exchange Board of India, to the extent applicable.

The financial statements were authorised for issue by the Company's Board of Directors on 05 May 2022.

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 2022 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 and there are no unfulfilled obligations. 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 re-measurement 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 is 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the

uncertainty.

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. Investment properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and loss during the period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment property consists of building, building is depreciated using the straight-line method over their estimated useful life of 60 years.

t. Recent accounting pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

- a) **Ind AS 103** –The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the

Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) **Ind AS 16** – The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) **Ind AS 37** – Onerous Contracts - the amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) **Ind AS 109** – The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE- 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
Gross carrying value								
As at 1 April 2020	2,188.35	3,132.35	11,006.61	20.99	28.42	184.28	16,561.00	1,238.35
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
As at 1 April 2021	2,188.35	3,224.46	12,584.54	21.04	31.79	185.04	18,235.22	1.31
Additions	-	45.31	3,967.93	0.77	12.21	28.99	4,055.21	5,591.64
Disposals/adjustments	-	-	36.24	0.03	0.23	4.47	40.97	4,052.75
Balance as at 31 March 2022	2,188.35	3,269.77	16,516.23	21.78	43.77	209.56	22,249.46	1,540.20
Accumulated depreciation								
As at 1 April 2020	-	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	-
Balance as at 31 March 2021	-	563.20	7,972.45	14.85	22.21	112.07	8,684.78	-
Charge for the period	-	114.78	1,089.26	1.54	5.24	25.50	1,236.32	-
Disposals/adjustments	-	-	34.43	0.03	0.23	4.25	38.94	-
Balance as at 31 March 2022	-	677.98	9,027.28	16.36	27.22	133.32	9,882.16	-
Net carrying value								
As at 31 March 2021	2,188.35	2,661.26	4,612.09	6.19	9.58	72.97	9,550.44	1.31
As at 31 March 2022	2,188.35	2,591.79	7,488.95	5.42	16.55	76.24	12,367.30	1,540.20

- (i) Refer note 19, 22 and 47 for charge created on property, plant and equipment as security against borrowings.
- (ii) Refer note 41 for disclosure on contractual commitments for acquisition of property, plant and equipment.
- (iii) Capital work-in-progress includes borrowing cost (net) capitalised of ₹ 9.55 lacs (31 March 2021: ₹ 25.75 lacs). The rate used to determine amount of borrowing costs eligible for capitalisation is 8%, which is the EIR of specific borrowing.
- (iv) Land amounting to ₹ 2,188.35 lacs includes land admeasuring 267.625 acres at Hisar and 1000 square metres at Gurugram are registered in the name of Company.

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows :

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,540.20	-	-	-	1,540.20
	1,540.20	-	-	-	1,540.20

Ageing for capital work-in-progress as at March 31, 2021 is as follows :

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.31	-	-	-	1.31
	1.31	-	-	-	1.31

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 4 : INVESTMENT PROPERTY

Particulars	As at 31 March 2022	As at 31 March 2021
Residential flats	826.39	-
	826.39	-
Fair value of investment property		
Residential flats	833.56	-
Movement in investment property:-		
Cost		
Balance as at the beginning of the year	-	-
Additions	826.39	-
Disposals	-	-
Balance as at the end of the year	826.39	-
Accumulated depreciation		
Balance as at the beginning of the year	-	-
Additions	-	-
Disposals	-	-
Balance as at the end of the year	-	-
Carrying amount		
Balance as at the beginning of the year	-	-
Balance as at the end of the year	826.39	-

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Capitalised income projections based upon a property’s estimated net market income, and a capitalisation rate derived from an analysis of market evidence

NOTE - 5 : INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in subsidiary (fully paid up), valued at cost		
Unquoted		
76,000 (31 March 2021: ₹ nil) equity shares of DCM Nouvelle Specialty Chemicals Limited of ₹ 10 each	7.60	-
	7.60	-

NOTE - 6 : LOANS

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Security deposits	16.78	11.58
Total	16.78	11.58

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 7 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting deferred tax assets		
Provision for gratuity and compensated absences	263.32	218.29
Provision for bonus	77.49	69.76
Provision against TUF subsidy	81.62	81.15
Provision for trade receivables and other advances	26.86	26.86
Expenses related to business combination	31.66	47.49
Others	21.15	14.25
Deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	(419.51)	(131.15)
Deferred tax assets (net)	82.59	326.65

Movement in deferred tax assets during year ended 31 March 2022

Particulars	Balance as at 31 March 2021	Recognised in profit and loss	Recognised in other compreh- ensive income	Balance as at 31 March 2022
Deferred tax assets				
Provision for gratuity and compensated absences	218.29	35.17	9.86	263.32
Provision for bonus	69.76	7.73	-	77.49
Provision against TUF subsidy	81.15	0.47	-	81.62
Provision for trade receivables and other advances	26.86	-	-	26.86
Expenses related to business combination	47.49	(15.83)	-	31.66
Others	14.25	6.90	-	21.15
Deferred tax liabilities				
Difference between accounting base and tax base of property, plant and equipment	(131.15)	(288.36)	-	(419.51)
Deferred tax assets (net)	326.65	(253.92)	9.86	82.59

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 compreh- ensive income	Balance as at 31 March 2021
Deferred tax assets				
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
Deferred tax liabilities				
Difference between accounting base and tax base of property, plant and equipment	(225.02)	93.87	-	(131.15)
Deferred tax assets (net)	229.09	98.40	(0.84)	326.65

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 8 : NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax {net of provision for income-tax of ₹ 3,956.20 lacs (31 March 2021: ₹ 454.47 lacs)}	251.85	56.66
	251.85	56.66

NOTE - 9 : OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Capital advances (refer note 44)	1,164.50	951.15
Security deposits	718.06	718.06
Prepaid expenses	51.64	65.43
(Unsecured, considered doubtful)		
Balance with government authorities	12.55	12.55
	1,946.75	1,747.19
Less: provision for doubtful advances	12.55	-
	1,934.20	1,747.19

NOTE - 10 : INVENTORIES#

Particulars	As at 31 March 2022	As at 31 March 2021
<i>(valued at lower of cost or net realisable value)</i>		
Raw materials	14,410.23	9,821.73
Work-in-progress	1,137.47	676.48
Finished goods*	5,769.93	2,320.72
Stores and spares**	203.38	112.93
Scrap	520.87	759.65
Total	22,041.88	13,691.51

Refer note 19, 22 and 47 for charge created on inventories as security against borrowings.

* Includes finished goods-in-transit amounting to ₹ 3,380.98 lacs (31 March 2021: ₹ 1,027.35 lacs).

** Includes packing materials of ₹ 42.68 lacs (31 March 2021: ₹ 34.94 lacs) and lubricants and oil of ₹ 32.96 lacs (31 March 2021 : ₹ 17.90 lacs).

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 11 : TRADE RECEIVABLE# (OTHER THAN RELATED PARTY)

Particulars	As at 31 March 2022	As at 31 March 2021
Considered good-secured	7,160.64	9,028.95
Considered good-unsecured	1,075.17	277.21
Credit impaired-unsecured	106.71	106.71
	8,342.52	9,412.87
Less: loss allowance for expected credit loss	(106.71)	(106.71)
	8,235.81	9,306.16

Refer note 19, 22 and 47 for charge created on trade receivables as security against borrowings.

Represents contract assets.

Ageing for trade receivables as at March 31, 2022:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	759.42	7,475.83	0.56	-	-	-	8,235.81
Disputed trade receivables - credit impaired	-	-	-	-	-	106.71	106.71
	759.42	7,475.83	0.56	-	-	106.71	8,342.52
Less: allowance for expected credit loss							106.71
Total							8,235.81

Ageing for trade receivables as at March 31, 2021:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	183.05	9,117.93	5.18	-	-	-	9,306.16
Disputed trade receivables - credit impaired	-	-	-	-	-	106.71	106.71
	183.05	9,117.93	5.18	-	-	106.71	9,412.87
Less: allowance for expected credit loss							106.71
Total							9,306.16

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 12 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- in current accounts	0.26	3.43
- in cash credit accounts	409.02	-
Cash on hand	6.54	8.46
	415.82	11.89

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

NOTE - 13 : OTHER BANK BALANCES

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money*	144.36	12.61
	144.36	12.61

*Margin Money as at 31 March 2022 includes fixed deposits of ₹ 144.36 lacs pledged against FLC for import of machines.

*Margin Money as at 31 March 2021 includes fixed deposits of ₹ 12.61 lacs pledged against Bank Guarantee to Project Director, NHAI and ILC for cotton purchase.

NOTE - 14 : LOANS

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured-considered good)		
Loans to employees	32.00	27.40
	32.00	27.40

NOTE - 15 : OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured-considered doubtful)		
Technology upgradation fund (TUF) subsidy receivable	165.59	181.72
Less: loss allowance (refer note 38)	42.01	40.16
	123.58	141.56
(Unsecured-considered good)		
Balance with government authorities	319.69	728.44
Advances recoverable in cash or in kind (refer note 44)	148.06	-
Export incentive receivable	985.36	177.41
Forward gain receivables	15.93	-
Others	0.08	-
	1,592.70	1,047.41

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 16 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to suppliers	213.53	2,850.89
Balance with government authorities	703.08	233.52
Prepaid expenses	57.21	32.27
Other advances	5.28	22.20
	979.10	3,138.88

NOTE - 17 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022	As at 31 March 2021
a) Authorised share capital		
20,050,000 (31 March 2021: 20,050,000) equity shares of ₹ 10 each	2,005.00	2,005.00
	2,005.00	2,005.00
b) Issued, subscribed and fully paid-up share capital		
18,677,749 (31 March 2021: 18,677,749) equity shares of ₹ 10 each fully paid-up	1,867.77	1,867.77
Total issued, subscribed and fully paid-up share capital	1,867.77	1,867.77

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 entitle to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder. 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 2022		As at 31 March 2021	
	Number of shares	Amount Rs. in lacs	Number of shares	Amount Rs. in lacs
Balance at the beginning of the year	1,86,77,749	1,867.77	1,86,77,749	1,867.77
Addition/(deletion) during the year	-	-	-	-
At the end of the year	1,86,77,749	1,867.77	1,86,77,749	1,867.77

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Mr. Hemant Bharat Ram	93,53,424	50.08%	93,38,705	50.00%
Life Insurance Corporation of India	11,48,512	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.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

f) Details of promoters shareholders holding in the Company

	As at 31 March 2022		As at 31 March 2021		As at 31 March 2022	As at 31 March 2021
	Number of shares	% Holding	Number of shares	% Holding	% Change during the year	% Change during the year
Mr. Hemant Bharat Ram	93,53,424	50.08%	93,38,705	50.00%	0.08%	0.03%
Mr. Sumant Bharat Ram	6	0.00%	13,806	0.07%	-0.07%	0.00%
Mr. Rahil Bharat Ram	2	0.00%	4,852	0.03%	-0.03%	0.00%
Mr. Yuv Bharat Ram	10	0.00%	4,800	0.03%	-0.03%	0.00%

(g) 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.

NOTE - 18 : OTHER EQUITY

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium		
Balance as at the beginning of year	5,518.63	5,518.63
Balance as at the end of year	5,518.63	5,518.63
Retained earnings		
Balance at the beginning of the year	11,029.15	7,975.86
Add: transferred from statement of profit and loss	12,279.46	3,050.80
Add: other comprehensive income	(29.31)	2.49
Balance at the end of the year	23,279.30	11,029.15
Total	28,797.93	16,547.78

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.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 19 : NON-CURRENT FINANCIAL LIABILITIES-BORROWINGS

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans from banks		
Term loan	2,873.85	2,531.87
Total non-current borrowings	2,873.85	2,531.87
Less: current maturities of non-current borrowings (refer note 22)	17.74	18.01
	2,856.11	2,513.86

Details of security, terms of repayment and interest rate on the borrowings is provided below:

- (a) Term loan aggregating to nil (31 March 2021: ₹ 1,586.25 lacs) is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 22, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate ranging between 9.25%-9.45% per annum (31 March 2021: 9.25%-11.40% per annum). Also, refer note 47 for details of assets pledged as security.
- (b) Term loan aggregating to ₹ 123.35 lacs (31 March 2021: ₹ 164.67 lacs) is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 22, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate ranging between 7.60%-7.65% per annum (31 March 2021: 7.65%-8.60% per annum). Also, refer note 47 for details of assets pledged as security.
- (c) Term loan aggregating to ₹ 509.33 lacs (31 March 2021: ₹ 726.21 lacs) is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 22, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate ranging between 7.90%-9.50% per annum (31 March 2021: 9.00%-11.00% per annum). Also, refer note 47 for details of assets pledged as security.
- (d) Term loan aggregating to ₹ 2,177.99 lacs (31 March 2021: ₹ Nil) is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 22, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate of 8.00% per annum (31 March 2021: nil). Also, refer note 47 for details of assets pledged as security.
- (e) Vehicle loans aggregating to ₹ 63.18 lacs (31 March 2021: ₹ 54.74 lacs) relate to vehicles purchased under financing arrangements with banks/finance institutions 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. (31 March 2021: 7.40%-8.20% per annum)
- (f) There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 20 : OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	15.60	11.10
	15.60	11.10

NOTE - 21 : NON-CURRENT PROVISIONS

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (refer note 43)	592.13	527.45
Provision for compensated absences (refer note 43)	244.97	209.38
	837.10	736.83

NOTE - 22 : CURRENT FINANCIAL LIABILITIES-BORROWINGS

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans		
Loans repayable on demand from banks	12,702.68	14,016.83
Current maturities of long-term borrowings (refer note 19)	17.74	18.01
Total	12,720.42	14,034.84

Cash credit, Cash credit pledge, packing credit and bill discounting facilities aggregating to ₹ 12,702.68 lacs (31 March 2021: ₹ 14,016.83 lacs) carries interest rate ranging from 8% - 9.45% p.a. for Cash Credit/Pledge facilities and LIBOR/SOFR + 1.10%-1.40% p.a. for Packing Credit (PCFC) and Bill Discounting (EBR) Facilities. 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 267.625 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 19. Also, refer note 47 for details of assets pledged as security.

The quarterly returns or statements of current assets filed by the Company with the banks or financial institutions are in agreement with the books of accounts except for the following:

Name of the Bank	Working capital limit sanctioned (in lakhs)	Nature of current assets offered as security	Quarter	Amount disclosed as per return (A) (INR in lakhs)	Amount as per books of accounts (B) (INR in lakhs)	Difference (B-A)	Reason
PNB Bank	15,200	Entire current assets	Quarter 1	14,242.32	13,223.74	1,018.58	Figures given in statement were for Textile Divisions only.
			Quarter 2	13,900.84	12,120.70	1,780.14	
			Quarter 3	14,854.29	14,030.32	823.97	
			Quarter 4	17,884.61	17,347.60	537.01	

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 23 : TRADE PAYABLES

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	97.36	73.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,036.01	1,091.20
	1,133.37	1,165.19

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	70.40	26.96	-	-	-	-	97.36
Othes	17.07	990.42	26.28	1.83	0.06	0.35	1036.01
Total	87.47	1017.38	26.28	1.83	0.06	0.35	1133.37

Ageing for trade payables outstanding as at March 31, 2021 is as follows

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	56.66	17.33	-	-	-	-	73.99
Othes	44.00	866.45	178.86	1.03	0.86	-	1091.20
Total	100.66	883.78	178.86	1.03	0.86	-	1165.19

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 2022 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.

Particulars	As at 31 March 2022	As at 31 March 2021
(a) The principal amount remaining unpaid to any supplier at the end of the year (including creditor for capital goods);	129.23	108.13
(b) Interest due remaining unpaid to any supplier at the end of the year;	1.79	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	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	1.79

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 24 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on borrowings	15.32	19.68
Employee dues payables	880.86	649.08
Creditors for capital goods		
Payable to micro enterprises and small enterprises*	33.66	35.93
Payable to other than micro enterprises and small enterprises	287.81	132.45
Security deposits received	0.55	0.55
Total	1,218.20	837.69

* Refer note 23

NOTE - 25 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payables	121.83	104.38
Total	121.83	104.38

NOTE - 26 : CONTRACT LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue received in advance	51.67	75.19
Total	51.67	75.19

NOTE - 27 : CURRENT PROVISION

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits		
Provision for gratuity (refer note 43)	141.68	113.79
Provision for compensated absences (refer note 43)	28.29	24.09
Provision against TUF Scheme (refer note 38)	282.28	282.28
Provision against electricity duty on open access power (refer note 42)	396.33	366.65
Total	848.58	786.81

NOTE - 28 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax [net of advance tax ₹ 4,131.27 lacs (31 March 2021: ₹ 951.81 lacs)]	-	248.25
Total	-	248.25

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 29 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of product (Cotton yarn)		
Domestic sales	32,458.61	23,207.53
Export sales	49,756.49	28,807.71
	82,215.10	52,015.24
Other operating revenues		
Process waste sale	5,795.02	3,691.23
Duty drawback and other export incentives	2,872.32	529.76
Other scrap sales	49.70	41.64
	8,717.04	4,262.63
Revenue from operations	90,932.14	56,277.87

Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Contract Balances		
Receivables- trade receivables (refer note 11)	8,235.81	9,306.16
Contract liabilities- advances from customers (refer note 26)	51.67	75.19

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.

(b) Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Reconciliation of revenue from sale of products with the contracted price		
Contracted price	82,495.15	52,202.65
Reduction towards variable consideration components*	(280.05)	(187.41)
Sale of products	82,215.10	52,015.24

*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 2022	For the year ended 31 March 2021
Revenue by geography		
Domestic	32,458.61	23,207.53
Export	49,756.49	28,807.71
Total	82,215.10	52,015.24

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

(d) Significant changes in contract assets and liabilities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	75.19	402.76
Add: addition during the year	51.67	75.19
Less: revenue recognised during the year from opening liability	75.19	402.76
Closing balance	51.67	75.19

NOTE - 30 : OTHER INCOME

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial assets at amortised cost		
- Other interest income	31.68	49.44
Net gain on foreign currency transactions	722.95	483.88
Interest subsidy (TUFS) on borrowings (refer note 38)	-	28.57
Profit on sale of property, plant and equipment (net)	5.32	-
Provision for doubtful debt recovered	-	11.56
Miscellaneous balances written back	6.63	-
Profit on sale of investments	1.90	-
Miscellaneous income	62.93	56.32
Total	831.41	629.77

NOTE - 31 : COST OF RAW MATERIAL CONSUMED

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year	9,821.73	13,353.82
Add: purchases during the year	64,590.39	33,643.07
	74,412.12	46,996.89
Less: inventories at the end of the year	14,410.23	9,821.73
Cost of raw materials consumed	60,001.89	37,175.16

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 32 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year:		
Finished goods- cotton yarn	5,769.93	2,320.72
Work-in-progress and scrap	1,658.34	1,436.13
Total	7,428.27	3,756.85
Inventories at the beginning of the year:		
Finished goods- cotton yarn	2,320.72	3,406.41
Work-in-progress and scrap	1,436.13	1,112.63
Total	3,756.85	4,519.04
(Increase)/decrease in inventory	(3,671.42)	762.19

NOTE - 33 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	4,929.73	3,678.16
Contribution to provident and other funds	337.16	284.70
Gratuity expense (refer note 43)	106.12	99.71
Staff welfare expenses	103.41	66.92
Total	5,476.42	4,129.49

NOTE - 34 : FINANCE COSTS

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses	355.31	623.64
Other borrowing costs*	262.05	217.67
Total	617.36	841.31

*primarily includes interest expense on late payment of income-tax, bank charges on discounting of Letter of credit.

NOTE - 35 : DEPRECIATION EXPENSE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	1,236.32	1,602.86
Total	1,236.32	1,602.86

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 36 : OTHER EXPENSES

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	1,789.99	1,307.63
Power, fuel and water	5,364.46	4,784.29
Rent	12.72	21.62
Repairs and maintenance		
- Building	108.59	25.78
- Plant and machinery	75.70	57.89
- Others	18.08	10.37
Freight and forwarding	2,814.98	1,305.78
Insurance	83.87	72.99
Rates and taxes	18.62	18.06
Directors' sitting fees (refer note 44)	9.20	7.10
Legal and professional	204.43	128.44
Payment to Auditor (refer note (i) below)	24.12	18.52
Travelling and conveyance	118.19	56.66
Commission to selling agents	712.81	253.12
Security expenses	102.15	90.33
Corporate social responsibility expenses (refer note 45)	26.49	13.88
Provision against TUF subsidy (refer note 38)	1.85	16.13
Allowance for doubtful advances	12.55	-
Loss on sale of property, plant and equipment (net)	-	0.48
Miscellaneous expenses	171.45	106.74
Total	11,670.25	8,295.81
(i) Payment to Auditor		
Statutory audit fee	11.00	10.00
Tax audit fee	1.00	1.00
Other services	10.00	6.00
Re-imbursement of expenses	2.12	1.52
Total	24.12	18.52

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 37 : INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:
Statement of Profit and loss:

(a) Profit and loss		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax		
Current income tax charge	3956.20	1,199.31
Tax relating to earlier years	(56.85)	(50.89)
	3,899.35	1,148.42
Deferred tax:		
In respect of current year	253.92	(98.40)
Income tax expense reported in the statement of profit and loss	4,153.27	1,050.02
(b) Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Re-measurement (loss)/gain of defined benefit obligations	(39.17)	3.33
Income tax relating to remeasurement of defined benefit obligations	(9.86)	0.84
Net other comprehensive income not to be reclassified subsequently to profit or loss, net of income tax	(29.31)	2.49
(c) Reconciliation of effective tax rate		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before income-tax expense	16,432.73	4,100.82
Amount of tax at statutory income tax rate @ 25.17% (31 March 2021: 25.17%)	4,135.78	1,032.09
Non deductible expenses for tax purposes:		
Impact of non deductible expenses	25.16	3.61
Others	(7.67)	14.32
At the effective income tax rate	4,153.27	1,050.02
Income tax expenses reported in the statement of profit and loss	4,153.27	1,050.02

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 38 : GOVERNMENT GRANTS

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	318.97	246.65
Government grant received during the year	2,040.34	445.85
Released to the statement of profit and loss*	2,872.32	558.33
Impairment allowance**	(42.01)	(40.16)
Closing balance	1,108.94	318.97
Current portion	1,108.94	318.97

Nature of Government grants (refer note 15)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance		
TUF scheme	123.58	141.56
Export incentives (RoDTEP/duty drawback)	985.36	177.41
Total	1,108.94	318.97

* Includes export incentives of ₹ 2,872.32 lacs (31 March 2021: ₹ 529.76 lacs) and Interest subsidy (TUF Scheme) of Nil (31 March 2021: ₹ 28.57 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, inspection had 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 had recorded a provision of ₹ 282.27 lacs including interest during the financial year 2019-20 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 ₹ 42.01 lacs (31 March 2021: ₹ 40.16 lacs against receivables from the authorities in respect of TUF subsidy in the current year. This has led to recognition of expense of ₹ 1.86 lacs (31 March 2021: ₹ 16.13 lacs) in the statement of profit and loss. The Company has filed writ petition in 2020 before High Court of Delhi challenging the recovery of the interest subsidy. The respondents have filed reply and arguments are pending before the High Court. The Company, as an interim measure has deposited ₹ 190.82 lacs with the Registrar General of High Court of Delhi.

NOTE - 39 : 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 2022	For the year ended 31 March 2021
Profit attributable to equity holders	12,279.46	3,050.80
Weighted average number of equity shares for basic and diluted earning per share	1,86,77,749	1,86,77,749
Basic and diluted earnings per share (Face value per equity share ₹ 10 each) (in)	65.75	16.33

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 40 : 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". The measurement principles of segments are consistent with those used in significant accounting policies.

A. Disaggregated revenue information

i) Revenue from external customers

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India (a)	41,175.65	27,470.16
Outside India		
China	11,974.54	15,446.36
Bangladesh	22,287.21	3,723.84
Other countries	15,494.74	9,637.51
Outside India (b)	49,756.49	28,807.71
Total (a+b)	90,932.14	56,277.87

During the year ended 31 March 2022 and 31 March 2021, there is no single customer who contributes 10% or more to the Company's revenue.

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 2022	For the year ended 31 March 2021
India	16,668.09	11,298.94
Outside India	-	-
Total	16,668.09	11,298.94

NOTE - 41 : CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities in respect of:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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
- Demand raised by income tax authorities*	43.48	-

*The same pertains to the demand being received by the Company for the assessment year 2020-21. The Company has filed for appeal at the CIT(A) against the said demand.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10,106.24	2,823.78

NOTE - 42 : 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 @ Rs. 0.10/KWH chargeable to the open access consumers on the power contracted and drawn. This has been challenged by the Company in 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 ₹ 396.33 lacs (31 March 2021: ₹ 366.65 lacs) (refer note 27) in the financial statements equivalent to the amount under dispute.

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	366.65	312.28
Addition during the year	29.68	54.37
Balance at the end of the year	396.33	366.65

NOTE - 43 : 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 33):

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution to provident fund	229.78	188.42
Contribution to superannuation fund	31.37	29.08
Contribution to Employee's state insurance	76.01	67.20
Total	337.16	284.70

B Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, 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:

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

i) Reconciliation of present value of defined benefit obligation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Obligations at the beginning of year	641.24	610.53
Current service cost	62.57	58.28
Interest cost	43.55	41.43
Amount recognised in statement of profit and loss	106.12	99.71
Remeasurements		
Actuarial loss/(gain) recognised in other comprehensive income	39.16	(3.33)
Benefits paid	(52.71)	(65.67)
Obligation at the end of year	733.81	641.24
Non-current	592.13	527.45
Current	141.68	113.79

ii) Liabilities recognised in the balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit liability- Gratuity	733.81	641.24
Non current	592.13	527.45
Current	141.68	113.79
Total	733.81	641.24

iii) Defined benefit obligations cost for the year :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	62.57	58.28
Interest cost	43.55	41.43
Actuarial loss/(gain) recognised in other comprehensive income	39.16	(3.33)
Net cost	145.28	96.38

iv) Actuarial assumptions :

The Principal assumptions used at the reporting date (expressed as weighted averages):

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Financial assumptions		
Discount rate per annum	7.18%	6.79%
Future salary growth rate	5.00%	5.00%
Demographic assumptions		
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 2022, the weighted average duration of the defined benefit obligation was 19.29 years (31 March 2021: 16.37 years)

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

v) Bifurcation of actuarial gain/loss on obligation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(17.16)	-
Actuarial (gain)/loss on arising from change in experience assumption	56.32	(3.33)

vi) Expected contributions to the fund in next year :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gratuity	120.78	108.63

vii) Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	As at 31 March 2022		As at 31 March 2021	
	Increase in obligation	Decrease in obligation	Increase in obligation	Decrease in obligation
Discount rate per annum (0.50 %)	(20.97)	22.63	(21.67)	23.44
Future salary growth rate (0.50 %)	23.00	(21.48)	23.74	(22.13)

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 recognised 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 2022	31 March 2021
Year 1	141.68	113.79
Year 2	224.26	22.29
Year 3	17.95	166.30
Year 4	11.18	16.50
Year 5	19.93	10.15
Year 6	29.32	18.94
Next to 6 years	289.49	293.27

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:

- a. **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
- b. **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- c. **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.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 44 : 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	Executive Director
3. Dr. Vinay Bharat Ram	Executive Director
4. Mr. Sandeep Kumar Jain	Chief Financial Officer
5. Mr. Kunal Agarwal	Company Secretary (from 07 August 2019 upto 20 November 2020)
6. Mr. Mohd. Sagir	Company Secretary (w.e.f. 05 February 2021)
7. Mr. Jitendra Tuli	Non-Executive Director
8. Dr. Meenakshi Nayar	Chairperson and Independent Director
9. Ms. Shahana Basu	Non-Executive Director
10. Mr. Bipin Maira	Independent Director (Till 09 June 2021)
11. Mr. Ravi Vira Gupta	Independent Director (Till 16 Oct 2021)
12. Mr.Vivek Chhachhi	Independent Director (w.e.f. 01 April 2021)
13. Mr. Kulbir Singh	Independent Director (w.e.f. 01 April 2021)

Subsidiary Company

DCM Nouvelle Specialty Chemicals Limited (w.e.f. 02 February 2022)

Enterprise over which directors and KMPs are interested

The Delhi Golf Club
Candle Techserv Private Limited
H T M Educational Society
DCM Limited

Post employment benefit entity

DCM Nouvelle Limited Superannuation Trust

Transactions with related parties

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement services		
The Delhi Golf Club	45.00	32.50
Investment in subsidiary		
DCM Nouvelle Specialty Chemicals Limited	10.00	-
Sale of investment in subsidiary		
DCM Nouvelle Specialty Chemicals Limited	2.40	-
Advance receivable in cash or in kind		
DCM Nouvelle Specialty Chemicals Limited	148.06	-
Professional fee		
Candle Techserv Private Limited	14.20	4.37
CSR Expenses		
H T M Educational Society	26.49	13.88

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Transactions with key management personnel

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remuneration paid to key managerial personnel		
Salary, allowance and contribution to provident fund	1,135.24	500.59
Director sitting fees	9.20	7.10
Post-employment defined benefit plan	332.48	263.68
Other long term defined benefit plan	60.40	49.68
Total compensation paid/payable to key management personnel	1,537.32	821.05

Year end balances

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable		
DCML	-	673.81
Payables		
Candle Techserv Private Limited	1.17	0.88
DCML	127.69	-
Director sitting fee payable	1.71	1.48
Salary payable	16.08	6.53
Investment in subsidiary		
DCM Nouvelle Specialty Chemicals Limited	7.60	-
Advances recoverable in cash or in kind		
DCM Nouvelle Specialty Chemicals Limited	148.06	-

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and on arm’s length basis.

NOTE - 45 : CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Gross amount required to be spent by the Company during the year	31.71	4.44
Excess of previous year carried forward as per sec 135 of Companies Act, 2013	9.44	-
Balance amount required to be spent during the year	22.27	4.44
(ii) Amount spent during the year:		
Promotion of education	26.49	13.88
(iii) Unspent amount required to be deposited in a designated bank account, in terms of section 135(6) of the Companies Act, 2013	-	-
(iv) The Company has contributed CSR to HTM Educational Society, a related party covered under Ind AS 24, Related party disclosures.	26.49	13.88
(v) The Company does not have any ongoing projects as at 31 March 2022.		

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 46 : 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 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	-	-	7.60	7.60	-	-	7.60
Loans *	-	-	16.78	16.78	-	-	16.78
Current							
Trade receivables *	-	-	8,235.81	8,235.81	-	-	-
Cash and cash equivalents *	-	-	415.82	415.82	-	-	-
Bank balances other than Cash and cash equivalents*	-	-	144.36	144.36	-	-	-
Loans *	-	-	32.00	32.00	-	-	-
Other financial assets *	-	-	1,592.70	1,592.70	-	-	-
Total	-	-	10,445.07	10,445.07	-	-	24.38
Financial liabilities							
Non-current							
Borrowings #	-	-	2,856.11	2,856.11	-	-	2,856.11
Other financial liabilities*	-	-	15.60	15.60	-	-	15.60
Current							
Borrowings #	-	-	12,720.42	12,720.42	-	-	-
Trade payables*	-	-	1,133.37	1,133.37	-	-	-
Other current financial liabilities*	-	-	1,218.20	1,218.20	-	-	-
Total	-	-	17,943.70	17,943.70	-	-	2,871.71

ii. As on 31 March 2021

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Loans *	-	-	11.58	11.58	-	-	11.58
Other financial assets *	-	-	-	-	-	-	-
Current							
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	-	-	-
Total	-	-	10,417.05	10,417.05	-	-	11.58
Financial liabilities							
Non-current							
Borrowings #	-	-	2,513.86	2,513.86	-	-	2,513.86
Other financial liabilities *	-	-	11.10	11.10	-	-	11.10

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Current							
Borrowings #	-	-	14,016.83	14,016.83	-	-	-
Trade payables *	-	-	1,165.19	1,165.19	-	-	-
Other current financial liabilities*	-	-	855.70	855.70	-	-	-
Total	-	-	18,562.68	18,562.68	-	-	2,513.86

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 2022 and 31 March 2021.

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.

(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 2022	As at 31 March 2021
Trade receivables (net of allowances for expected credit loss)	8,235.81	9,306.16
Cash and cash equivalents	415.82	11.89
Balances other than cash and cash equivalents	144.36	12.61
Loans	48.78	38.98
Other financial assets	1,600.30	1,047.41

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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:

Particulars	Gross carrying amount	
	As at 31 March 2022	As at 31 March 2021
0-30 days due	2,162.52	2,681.08
31-90 days past due	4,330.29	5,000.59
91 to 180 days past due	1,743.00	1,624.49
More than 180 days past due	106.71	106.71
Total	8,342.52	9,412.87

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.

Movement in the allowance for impairment in respect of trade receivables*:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	106.71	118.27
Add: impairment loss recognised	-	-
Less: loss allowance reversed	-	11.56
Balance at the end of the year	106.71	106.71

*refer note 11 for the ageing analysis of impairment recognised in respect of trade receivables.

(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,

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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 year:

Particulars	As at 31 March 2022	As at 31 March 2021
From banks	7,528.07	5,183.17

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the 31 March 2022. The amounts are gross and undiscounted:

Particulars	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one year and five years	More than 5 years	
Non-current liabilities					
Borrowings *	2,856.11	245.61	2,093.47	1,646.13	3,985.21
Other financial liabilities	15.60	1.18	17.96	-	19.14
Current liabilities					
Borrowings	12,720.42	12,720.42	-	-	12,720.42
Trade payables	1,133.37	1,133.37	-	-	1,133.37
Other financial liabilities *	1,218.20	1,218.20	-	-	1,218.20
Total	17,943.70	15,318.78	2,111.43	1,646.13	19,076.34

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			Total
		Less than one year	Between one year and five years	More than 5 years	
Non-current liabilities					
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
Current liabilities					
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
Total	18,562.68	16,281.70	2,725.48	33.75	19,040.93

* Contractual cash flow includes the interest to be incurred and paid in subsequent periods.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2022 and 31 March 2021 are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
	Exposure in USD	Exposure in USD
Financial assets		
Trade receivables	7,160.64	9,028.95
Advance to suppliers	2.42	36.62
Capital Advances	90.42	-
Total	7,253.48	9,065.57
Financial liabilities		
Borrowings	12,373.19	13,389.11
Trade payables	119.73	115.18
Advance from customers	22.16	42.49
Total	12,515.08	13,546.77

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2022 (previous year ended as on 31 March 2021) 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.

	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:				
For the year ended 31 March 2022				
USD	(52.62)	52.62	(39.37)	39.37
Total	(52.62)	52.62	(39.37)	39.37
For the year ended 31 March 2021				
USD	(44.81)	44.81	(33.53)	33.53
Total	(44.81)	44.81	(33.53)	33.53

USD: United States Dollar

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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 year:

Outstanding contracts	Number of Deals		Contract value of foreign currency (USD in lacs)		Maturity upto 12 months (in lacs)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
USD/INR sell/Purchase forward	11	6	48.15	31.72	3,786.91	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.

	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:				
For the year ended 31 March 2022				
USD	(37.87)	37.87	(28.34)	28.34
Total	(37.87)	37.87	(28.34)	28.34
For the year ended 31 March 2021				
USD	(23.39)	23.39	(17.50)	17.50
Total	(23.39)	23.39	(17.50)	17.50

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

Particulars	As at 31 March 2022	As at 31 March 2021
Term loans from banks	2,873.85	2,531.87
Loans repayable on demand from banks	12,702.68	14,016.83
Total	15,576.53	16,548.70

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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.

	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	increase of USD	decrease of USD	increase of USD	decrease of USD
Interest on term loans from banks				
For the year ended 31 March 2022	(106.22)	106.22	(79.49)	79.49
For the year ended 31 March 2021	(131.32)	131.32	(98.27)	98.27

NOTE - 47 : ASSETS PLEDGED AS SECURITY

The carrying amounts of asset pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Financial assets		
i) Trade receivables	8,235.81	9,306.16
ii) Cash and cash equivalent	415.82	11.89
iii) Bank balances other than (ii) above	144.36	12.61
iv) Loans	32.00	27.40
v) Other financial assets	1,592.70	1,047.41
Non-financial assets		
i) Inventories	22,041.88	13,691.51
ii) Other current assets	979.10	3,138.88
Total current assets pledged as security	33,441.67	27,235.86
Non-current		
Non-financial assets		
i) Property, plant and equipment	13,907.50	9,551.75
Total non-current assets pledged as security	13,907.50	9,551.75
Total assets pledged as security	47,349.17	36,787.61

NOTE - 48 : 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).

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings	15,576.53	16,548.70
Less: cash and bank balances	560.18	24.50
Adjusted net debt (A)	15,016.35	16,524.20
Total equity (B)	30,665.70	18,415.55
Adjusted net debt to total equity ratio (A/B)	0.49	0.90

NOTE - 49 :

The Board of directors of the Company at its meeting held on 30 March 2022 has approved a proposal to commence the process for setting up of R&D Lab to explore and determine commercial viability of producing identified specialty chemical based on which a decision about pursuing further greenfield investment into a chemicals plant will be undertaken under the subsidiary DCM Nouvelle Specialty Chemicals Limited. Further, Company has, based upon the valuation, to balance Company’s exposure and to secure personal commitment of the promoter in the greenfield venture has transferred 24% stake in the subsidiary to the promoter at the fair value determined.

NOTE - 50 : RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has not entered into any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and do not have any outstanding balance as at the year ended 31 March 2022 and 31 March 2021.

NOTE - 51 : RATIOS

Sr. No.	Ratios	Formulas for Computation	Measures	31 March 2022	31 March 2021	Variation	Remarks
(i)	Current ratio	Current assets/current liabilities	Times	2.08	1.58	32%	Better operating profits in current year.
(ii)	Debt-equity ratio	Total debts/net worth	Times	0.51	0.90	-43%	Repayment of term loans and better profit in current year.
(iii)	Debt service coverage ratio	EBITDA/debt service	Times	7.39	1.67	342%	Better operating profits in current year.
(iv)	Return on equity ratio	PAT/average total equity	Percentage	50.04	18.06	177%	Better operating profits in current year.
(v)	Inventory turnover ratio	COGS/average Inventory	Times	3.15	2.40	32%	Increase of cost of goods sold in current year.
(vi)	Trade receivable turnover ratio	Revenue from operations/ average Debtors	Times	10.37	7.52	38%	Better realisation in current year as compared to previous year.
(vii)	Trade payable turnover ratio	Other expenses net off non cash expenses and CSR/ Average accounts payable	Times	62.34	34.27	82%	Increase of cost of goods sold in current year.
(viii)	Net capital turnover ratio	Revenue from operations/ Average working capital (i.e total current assets less total current liabilities)	Times	6.65	6.32	5%	
(ix)	Net profit ratio	PAT/revenue from operations	Percentage	13.50	5.42	149%	Better operating profits in current year.
(x)	Return on capital employed	EBIT/capital employed (net worth+lease liabilities+ deferred tax liabilities)	Percentage	55.60	26.84	107%	Better operating profits in current year.
(xi)	Return on investments	PBT/total assets	Percentage	32.56	10.53	209%	Better operating profits in current year.

Standalone Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 52 : OTHER STATUTORY INFORMATION

- (i)

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii)

The Company have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (iv)

The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a)

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b)

provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v)

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a)

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b)

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi)

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii)

The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.
- (viii)

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

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

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

Place: New Delhi
Date: 05 May 2022

Place: New Delhi
Date: 05 May 2022

INDEPENDENT AUDITOR’S REPORT

To the Members of DCM Nouvelle Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1.

We have audited the accompanying consolidated financial statements of DCM Nouvelle Limited (‘the Holding Company’) and its subsidiary (the Holding Company and its subsidiary together referred to as ‘the Group’), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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 and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matter section below, 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 and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5.

We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<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>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.</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none">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.Verified the expenses considered as cost of conversion including estimates for apportionment of the conversion on the different classes of finished 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. <p>Evaluated the appropriateness and adequacy of disclosures made in the financial statements in accordance with the applicable accounting standards.</p>

Information other than the Consolidated Financial Statements and Auditor’s Report thereon

6.

The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements

7.

The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under

section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal 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 Holding Company has adequate internal financial controls system 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 ability of the Group 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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of ₹ 139.21 lakhs and net liabilities of ₹ 9.68 lakhs as at 31 March 2022, total revenues of nil and net cash inflows amounting to ₹ 6.35 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion

on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary Company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary Company.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued by us and by the other auditor as mentioned in paragraph 15 above, of Company included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such Company.
18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

<p>b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;</p> <p>c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;</p> <p>d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;</p> <p>e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary Company, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;</p> <p>f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and</p> <p>g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary:</p> <p>i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 39 to the consolidated financial statements;</p> <p>ii. the Holding Company and its subsidiary Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;</p> <p>iii. there were no amounts which were required to be</p>	<p>transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company covered under the Act, during the year ended 31 March 2022;</p> <p>iv. a. The respective managements of the Holding Company and its subsidiary Company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 52 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;</p> <p>b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 52 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and</p>	<p>c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.</p> <p>v. The Holding Company and its subsidiary Company have not declared or paid any dividend during the year ended 31 March 2022.</p> <div><div>For Walker Chandiok & Co LLP Chartered Accountants Firm's Registration No.: 001076N/N500013</div><div>Rohit Arora Partner Membership No.: 504774 UDIN: 22504774AILRRK4678</div></div> <div><div>Place: New Delhi Date: 05 May 2022</div><div>Annexure A</div></div> <div><div>Entity included in the financial statements</div><div>Subsidiary Company: DCM Nouvelle Specialty Chemicals Limited</div></div> <div><div>Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of DCM Nouvelle Limited on the consolidated financial statements for the year ended 31 March 2022</div><div>As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order report issued till date of company included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order report of such Company.</div></div>
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Annexure II to the Independent Auditor’s Report of even date to the members of DCM Nouvelle Limited on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor’s Report on the internal financial controls with reference to 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 consolidated financial statements of DCM Nouvelle Limited (‘the Holding Company’) and its subsidiary (the Holding Company and its subsidiary together referred to as ‘the Group’) as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary Company, which are companies covered under the Act, are 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company, as aforesaid, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company as aforesaid.

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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary Company, the Holding Company and its subsidiary Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, 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 the ICAI .

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary Company, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 139.21 lakhs and net liabilities of ₹ 9.68 lakhs as at 31 March 2022, total revenues of ₹ Nil and net cash inflows amounting to ₹ 6.35 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such Company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Rohit Arora
Partner
Place: New Delhi
Date: 05 May 2022
Membership No.: 504774
UDIN: 22504774AILRRK4678

Consolidated Balance sheet as at 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	As at 31 March 2022
ASSETS		
Non-current assets		
Property, plant and equipment	3	12,367.30
Capital work-in-progress	3	1,585.54
Investment property	4	826.39
Financial assets		
(i) Loans	5	16.78
Deferred tax assets (net)	6	82.59
Non-current tax assets (net)	7	251.85
Other non-current assets	8	2,012.02
Total non-current assets		17,142.47
Current assets		
Inventories	9	22,041.88
Financial assets		
(i) Trade receivables	10	8,235.81
(ii) Cash and cash equivalents	11	422.17
(iii) Bank balances other than (ii) above	12	144.36
(iv) Loans	13	32.00
(v) Other financial assets	14	1,444.64
Other current assets	15	988.80
Total current assets		33,309.66
Total assets		50,452.13
EQUITY AND LIABILITIES		
Equity		
Equity share capital	16	1,867.77
Others equity	17	28,778.22
Equity attributable to owners of the Company		30,645.99
Non-controlling interests		2.40
Total equity		30,648.39
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	18	2,856.11
(ii) Other financial liabilities	19	15.60
Provisions	20	837.10
Total non-current liabilities		3,708.81
Current liabilities		
Financial liabilities		
(i) Borrowings	21	12,720.42
(ii) Trade payables	22	
(a) Total outstanding dues of micro enterprises and small enterprises		97.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,036.73
(iii) Other financial liabilities	23	1,218.31
Other current liabilities	24	121.86
Contract liabilities	25	51.67
Provisions	26	848.58
Total current liabilities		16,094.93
Total liabilities		19,803.74
Total equity and liabilities		50,452.13

The accompanying notes form an integral part of these consolidated 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

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

Place: New Delhi
Date: 05 May 2022

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256
Mohd Sagir
Company Secretary
M. No. : F11061

Consolidated Statement of Profit and Loss for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2022
Income		
Revenue from operations	27	90,932.14
Other income	28	831.41
Total income		91,763.55
Expenses		
Cost of materials consumed	29	60,001.89
Changes in inventories of finished goods, work-in-progress and scrap	30	(3,671.42)
Employee benefits expense	31	5,476.55
Finance costs	32	617.36
Depreciation expense	33	1,236.32
Other expenses	34	11,689.83
Total expenses		75,350.53
Profit before tax		16,413.02
Tax expense		
Current tax	35	3,899.35
Deferred tax	35	253.92
Total tax expense		4,153.27
Profit for the year		12,259.75
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement loss of defined benefit obligations	35	(39.17)
Income tax relating to remeasurement of defined benefit obligations		(9.86)
Total other comprehensive income, net of tax		(29.31)
Total comprehensive income for the year		12,230.44
Net profit attributable to		
a) Owners of the Holding Company		12,259.75
b) Non-controlling interest		-
		12,259.75
Other comprehensive income attributable to		
a) Owners of the Holding Company		(29.31)
b) Non-controlling interest		-
		(29.31)
Total comprehensive income attributable to		
a) Owners of the Holding Company		12,230.44
b) Non-controlling interest		-
		12,230.44
Earnings per equity share (face value of ₹ 10 each)		
Basic	37	65.64
Diluted	37	65.64

The accompanying notes form an integral part of these consolidated 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: 05 May 2022

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

Place: New Delhi
Date: 05 May 2022

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256
Mohd Sagir
Company Secretary
M. No. : F11061

Consolidated Cash flow statements for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES	
Net profit before tax	16,413.02
Adjustments for :	
Depreciation expense	1,236.32
Profit on sale of property, plant and equipment (net)	(5.32)
Unrealised foreign exchange gain (net)	(20.51)
Interest income including interest subsidy	(31.68)
Miscellaneous balances written back	(6.63)
Provision against TUF subsidy	1.86
Provision against doubtful advances	12.55
Interest expense	617.36
Operating profit before working capital changes	18,216.97
Movements in working capital:	
(Increase) in inventories	(8,350.37)
Decrease in trade receivables	1,119.40
(Increase) in loans	(9.80)
(Increase) in other financial assets	(395.71)
Decrease in other assets	2,161.53
(Decrease) in trade payable	(24.44)
Increase in provisions	162.04
Increase in financial liabilities	236.39
(Decrease) in other liabilities	(6.04)
Cash generated from operations	13,109.97
Income-taxes paid (net of refund)	(4,379.90)
Net cash flow generated from operating activities (A)	8,730.07
B. CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment (including capital work-in-progress, capital advance and capital creditors)	(6,603.47)
Proceeds from sale of property, plant and equipment	7.35
Interest received	47.70
Proceeds from redemption of fixed deposit	(132.50)
Net cash (used in) investing activities (B)	(6,680.92)
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of long-term borrowings	(1,858.05)
Proceeds from long-term borrowings	2,200.03
Repayment of short-term borrowings (net)	(1,359.13)
Finance charges paid	(621.72)
Net cash (used in) financing activities (C)	(1,638.87)
D. Net increase in cash and cash equivalents during the year (A+B+C)	410.28
E. Cash and cash equivalents at the beginning of the year	11.89

Particulars	For the year ended 31 March 2022
F. Cash and cash equivalents at the end of the year	422.17
G. Components of cash and cash equivalents	
i. Balances with banks:	
- Current accounts	6.61
- Cash credit accounts	409.02
ii. Cash on hand	6.54
Cash and cash equivalents as at the end of the year	422.17

Reconciliation of financial liabilities arising from financing activities

Particulars	For the year ended 31 March 2022
Opening balances	
Non-current borrowings (including current maturities)	2,531.87
Current borrowings	14,016.83
Interest accrued on borrowings	19.68
Cash flows during the year	
Repayment of non-current borrowings	(1,858.05)
Proceeds from non-current borrowings	2,200.03
Proceeds from current borrowings (net)	(1,359.13)
Exchange fluctuation (gain)/loss on reinstatement of current borrowings	44.98
Finance charges incurred	617.36
Finance charges paid	(621.72)
Closing balances	
Non-current borrowings (including current maturities)	2,873.85
Current borrowings	12,702.68
Interest accrued on borrowings	15.32

The above standalone 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 consolidated 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: 05 May 2022

Place: New Delhi

Date: 05 May 2022

Consolidated of changes in equity for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

A. EQUITY SHARES CAPITAL

Particulars	Number of shares	Amount
Balance as at 31 March 2021	1,86,77,749	1,867.77
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	1,86,77,749	1,867.77

B. OTHER EQUITY

Particulars	Reserve and surplus		Total
	Securities Premium	Retained earnings	
Balance as at 31 March 2021	5,518.63	11,029.15	16,547.78
Profit for the year	-	12,259.75	12,259.75
Other comprehensive income for the year	-	(29.31)	(29.31)
Balance as at 31 March 2022	5,518.63	23,259.59	28,778.22

The accompanying notes form an integral part of these standalone 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

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

Place: New Delhi

Date: 05 May 2022

Dr. Meenakshi Nayar

Chairperson and Director

DIN : 06866256

Mohd Sagir

Company Secretary

M. No. : F11061

Place: New Delhi

Date: 05 May 2022

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

1 Group Overview and basis of preparation and presentation

1.1 Group overview

DCM Nouvelle Limited (herein after referred to as 'the Company' or the 'Holding Company' or the 'Parent 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 is primarily engaged in the business of manufacturing and sale of Cotton Yarn.

On 02 February 2022, the Company has incorporated a subsidiary by the name 'DCM Nouvelle Specialty Chemicals Limited' (herein after referred to as 'subsidiary Company') as a Company limited by shares under the Companies Act, 2013. The subsidiary Company has been set up to explore and determine commerce viability of producing identified specialty chemicals.

1.2 General information and statement of compliance with Ind AS

These Consolidated 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 and the guidelines issued by Securities and Exchange Board of India, to the extent applicable. On 24 March 2021, the ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 01 April 2021. The Group has evaluated the effect of amendments on its financial statements and complied with the same.

The Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 05 May 2022.

a. Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary as at 31 March 2022. Control is

achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee,
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above. The Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The size of Group's holding of voting rights;
- Potential voting rights held by the Group;
- Rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entity are as follows:

S.No.	Name	Country of incorporation	Name of Holding company	Percentage of ownership
1	DCM Nouvelle Specialty Chemicals Limited	India	DCM Nouvelle Limited	76%

Consolidation procedure

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary Company.
- ii. Offset (eliminate) the carrying amount of the Holding Company’s investment in subsidiary and the Holding Company’s portion of equity of subsidiary. Business combinations policy explains how to account for any related goodwill.
- iii. Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group’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.

Basis of measurement

The Consolidated 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 consolidated 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 Group’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 2022 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 Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2. Significant accounting policies

Following significant accounting policies are used in the preparation of the consolidated 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 Group’s normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities:

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

- it is expected to be settled in the Group’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of 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

Group’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 Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group 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 consolidated 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 Group 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 Group 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 Group 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 Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Group elected to classify irrevocably its non-listed equity investments under this category. If the Group 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 Group 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 Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Impairment

The Group 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 Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition

(i) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(ii) Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognizes 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 Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to

reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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 Group 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 Group makes specified monthly contributions towards employee provident fund and employee state insurance to Government administered fund which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders the related service and also includes contribution to national pension scheme.

Superannuation Fund: The Group makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC").

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group has following defined benefit plans:

Gratuity: The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured as the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date for the estimated term of the obligation.

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 Group'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 Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of an outflow of economic benefits is remote.

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 Group expects to be entitled in exchange for those goods or services. The Group 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 and there are no unfulfilled obligations. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Group collects Goods and Services Tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. 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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group 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 Group 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 Group 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 Group uses judgement to determine an appropriate selling price for a performance obligation. The Group 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 Group'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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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.

Group as a lessee

The Group 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 Group 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 Group 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 Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, 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 Group 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 Group recognises the amount of the re-measurement 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 Group 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 is 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 Group 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 evident that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group 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 Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entitles, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

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 Group’s Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Group’s ‘Chief Operating Decision Maker’ or ‘CODM’ within the meaning of Ind AS 108. The Group 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 Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.
- 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 Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other 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

Group'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 Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The resulting difference is recorded in the statement of profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

s. Investment properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment property consists of building, building is depreciated using the straight-line method over their estimated useful life of 60 years.

t. Recent accounting pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

- a) Ind AS 103** – The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.
- b) Ind AS 16** – The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The

Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

- c) Ind AS 37 – Onerous Contracts** - the amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.
- d) Ind AS 109** – The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE- 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
Gross carrying value								
As at 01 April 2021	2,188.35	3,224.46	12,584.54	21.04	31.79	185.04	18,235.22	1.31
Additions	-	45.31	3,967.93	0.77	12.21	28.99	4,055.21	5,636.98
Disposals/adjustments	-	-	36.24	0.03	0.23	4.47	40.97	4,052.75
Balance as at 31 March 2022	2,188.35	3,269.77	16,516.23	21.78	43.77	209.56	22,249.46	1,585.54
Accumulated depreciation								
Balance as at 01 April 2021	-	563.20	7,972.45	14.85	22.21	112.07	8,684.78	-
Charge for the period	-	114.78	1,089.26	1.54	5.24	25.50	1,236.32	-
Disposals/adjustments	-	-	34.43	0.03	0.23	4.25	38.94	-
Balance as at 31 March 2022	-	677.98	9,027.28	16.36	27.22	133.32	9,882.16	-
Net carrying value								
As at 31 March 2022	2,188.35	2,591.79	7,488.95	5.42	16.55	76.24	12,367.30	1,585.54

- (i) Refer note 18, 21 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 (net) capitalised of ₹ 9.55 lacs. The rate used to determine amount of borrowing costs eligible for capitalisation is 8%, which is the EIR of specific borrowing.
- (iv) Land amounting to ₹ 2,188.35 lacs includes land admeasuring 267.625 acres at Hisar and 1000 square metres at Gurugram are registered in the name of Holding Company.

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows :

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,585.54	-	-	-	1,585.54
	1,585.54	-	-	-	1,585.54

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 4 : INVESTMENT PROPERTY

Particulars	As at 31 March 2022
Residential flat	826.39
	826.39
Fair value of investment property	
Residential flats	833.56
Movement in investment property:-	
Cost	
Balance as at the beginning of the year	-
Additions	826.39
Disposals	-
Balance as at the end of the year	826.39
Accumulated depreciation	
Balance as at the beginning of the year	-
Additions	-
Disposals	-
Balance as at the end of the year	-
Carrying amount	
Balance as at the beginning of the year	-
Balance as at the end of the year	826.39

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Capitalised income projections based upon a property’s estimated net market income, and a capitalisation rate derived from an analysis of market evidence

NOTE - 5 : LOANS

Particulars	As at 31 March 2022
(Unsecured, considered good)	
Security deposits	16.78
Total	16.78

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 6 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2022
Tax effect of items constituting deferred tax assets	
Provision for gratuity and compensated absences	263.32
Provision for bonus	77.49
Provision against TUF subsidy	81.62
Provision for trade receivables and other advances	26.86
Expenses related to business combination	31.66
Others	21.15
Deferred tax liabilities	
Difference between accounting base and tax base of property, plant and equipment	(419.51)
Deferred tax assets (net)	82.59

Movement in deferred tax assets during year ended 31 March 2022

Particulars	Balance as at 31 March 2021	Recognised in profit and loss	Recognised in other compreh- ensive income	Balance as at 31 March 2022
Deferred tax assets				
Provision for gratuity and compensated absences	218.29	35.17	9.86	263.32
Provision for bonus	69.76	7.73	-	77.49
Provision against TUF subsidy	81.15	0.47	-	81.62
Provision for trade receivables and other advances	26.86	-	-	26.86
Expenses related to business combination	47.49	(15.83)	-	31.66
Others	14.25	6.90	-	21.15
Deferred tax liabilities				
Difference between accounting base and tax base of property, plant and equipment	(131.15)	(288.36)	-	(419.51)
Deferred tax assets (net)	326.65	(253.92)	9.86	82.59

NOTE - 7 : NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2022
Advance tax (net of provision for income-tax of ₹ 3,956.20 lacs)	251.85
Total	251.85

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 8 : OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2022
(Unsecured, considered good)	
Capital advances (refer note 42)	1,241.88
Security deposits	718.50
Prepaid expenses	51.64
(Unsecured, considered doubtful)	
Balance with government authorities	12.55
	2,024.57
Less: provision for doubtful advances	12.55
Total	2,012.02

NOTE - 9 : INVENTORIES#

Particulars	As at 31 March 2022
<i>(valued at lower of cost or net realisable value)</i>	
Raw materials	14,410.23
Work-in-progress	1,137.47
Finished goods*	5,769.93
Stores and spares**	203.38
Scrap	520.87
Total	22,041.88

Refer note 18, 21 and 45 for charge created on inventories as security against borrowings.

* Includes finished goods-in-transit amounting to ₹ 3,380.98 lacs.

** Includes packing materials of ₹ 42.68 lacs and lubricants and oil of ₹ 32.96 lacs.

NOTE - 10 : TRADE RECEIVABLES# (OTHER THAN RELATED PARTY)

Particulars	As at 31 March 2022
Considered good-secured	7,160.64
Considered good-unsecured	1,075.17
Credit impaired-unsecured	106.71
	8,342.52
Less: loss allowance for expected credit loss	(106.71)
Total	8,235.81

Refer note 18, 21 and 45 for charge created on trade receivables as security against borrowings.

Represents contract assets.

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	759.42	7,475.83	0.56	-	-	-	8,235.81
Disputed trade receivables - credit impaired	-	-	-	-	-	106.71	106.71
	759.42	7,475.83	0.56	-	-	106.71	8,342.52
Less: allowance for expected credit loss							106.71
Total							8235.81

NOTE - 11 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022
Balances with banks	
- in current accounts	6.61
- in cash credit accounts	409.02
Cash on hand	6.54
	422.17

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

NOTE - 12 : OTHER BANK BALANCES

Particulars	As at 31 March 2022
Margin money*	144.36
	144.36

*Margin Money as at 31 March 2022 includes fixed deposits of ₹ 144.36 lacs pledged against FLC for import of machines by the Holding Company.

NOTE - 13 : LOANS

Particulars	As at 31 March 2022
<i>(Unsecured-considered good)</i>	
Loans to employees	32.00
	32.00

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 14 : OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2022
(Unsecured-considered doubtful)	
Technology upgradation fund (TUF) subsidy receivable	165.59
Less: loss allowance (refer note 36)	42.01
	123.58
(Unsecured-considered good)	
Balance with government authorities	319.69
Export incentive receivable	985.36
Forward gain receivables	15.93
Others	0.08
	1,444.64

NOTE - 15 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2022
Advance to suppliers	214.67
Balance with government authorities	711.21
Prepaid expenses	57.64
Other advances	5.28
	988.80

NOTE - 16 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022
a) Authorised share capital	
20,050,000 equity shares of ₹ 10 each	2,005.00
	2,005.00
b) Issued, subscribed and fully paid-up share capital	
18,677,749 equity shares of ₹ 10 each fully paid-up	1,867.77
Total issued, subscribed and fully paid-up share capital	1,867.77

c) Terms and rights attached to equity shares

The Holding Company has issued only 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 Holding Company. In the event of liquidation, holder of equity shares will be entitle to receive remaining assets of the Holding Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder. 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.

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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

	As at 31 March 2022	
	Number of shares	Amount Rs. in lacs
Balance at the beginning of the year	18,677,749	1,867.77
Addition/(deletion) during the year	-	-
At the end of the year	18,677,749	1,867.77

e) Equity shares in the Holding Company held by each shareholder holding more than 5% equity shares*

	As at 31 March 2022	
	Number of shares	Percentage holding
Mr. Hemant Bharat Ram	9,353,424	50.08%
Life Insurance Corporation of India	1,148,512	6.15%

*As per the records of the Holding 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 promoters shareholders holding in the Holding Company

	As at 31 March 2022	
	Number of shares	Percentage holding
Mr. Hemant Bharat Ram	9,353,424	50.08%
Mr. Sumant Bharat Ram	6	0.00%
Mr. Rahil Bharat Ram	2	0.00%
Mr. Yuv Bharat Ram	10	0.00%

(g) 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 ('Holding Company'), 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 Holding Company has not issued any bonus shares, shares for consideration other than cash or bought back shares during any year since its inception.

NOTE - 17 : OTHER EQUITY

Particulars	As at 31 March 2022
Securities premium	
Balance as at the beginning of year	5,518.63
Balance as at the end of year	5,518.63
Retained earnings	
Balance at the beginning of the year	11,029.15
Add: transferred from statement of profit and loss	12,259.75
Add: other comprehensive income	(29.31)
Balance at the end of the year	23,259.59
Total	28,778.22

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

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

NOTE - 18 : NON-CURRENT FINANCIAL LIABILITIES-BORROWINGS

Particulars	As at 31 March 2022
Secured loans from banks	
Term loan	2,873.85
Total non-current borrowings	2,873.85
Less: current maturities of non-current borrowings (refer note 21)	17.74
	2,856.11

Details of security, terms of repayment and interest rate on the borrowings is provided below:

- (a) Term loan aggregating to ₹ 123.35 lacs is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 21, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate ranging between 7.60%-7.65% per annum (31 March 2021: 7.65%-8.60% per annum). Also, refer note 45 for details of assets pledged as security.
- (b) Term loan aggregating to ₹ 509.33 lacs is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 21, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate ranging between 7.90%-9.50% per annum Also, refer note 45 for details of assets pledged as security.
- (c) Term loan aggregating to ₹ 2,177.99 lacs is secured by first charge created on all property, plant and equipments, alongwith the second charge created for availing cash credit, packing credit and Bill discounting facilities described in note 21, on entire current assets both existing as well as future and an equitable mortgage by deposit of title deed of Hisar land admeasuring 267.625 acres and all the immovable assets including building, both present and future. The same is repayable in equated quarterly installment. The loan carries an interest rate of 8.00% per annum. Also, refer note 45 for details of assets pledged as security.
- (d) Vehicle loans aggregating to ₹ 63.18 lacs relate to vehicles purchased under financing arrangements with banks/ finance institutions and are secured by way of hypothecation of the specified assets. The same is repayable in equated monthly installments. The loans carry an interest rate ranging between 7.40%-8.20% per annum.
- (e) There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

NOTE - 19 : OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2022
Term	
Security deposits	15.60
	15.60

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 20 : NON-CURRENT PROVISIONS

Particulars	As at 31 March 2022
Provision for gratuity (refer note 41)	592.13
Provision for compensated absences (refer note 41)	244.97
	837.10

NOTE - 21 : CURRENT FINANCIAL LIABILITIES-BORROWINGS

Particulars	As at 31 March 2022
Secured loans	
Loans repayable on demand from banks	12,702.68
Current maturities of long-term borrowings (refer note 18)	17.74
Total	12,720.42

Cash credit, cash credit pledge, packing credit and bill discounting facilities aggregating to ₹ 12,702.68 lacs carries interest rate ranging from 8%-9.45% p.a. for cash credit/pledge facilities and LIBOR/SOFR+ 1.10%-1.40% p.a., for Packing Credit (PCFC) and Bill Discounting (EBR) Facilities. 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 267.625 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 18. Also, refer note 45 for details of assets pledged as security.

The quarterly returns or statements of current assets filed by the Holding Company with the banks or financial institutions are in agreement with the books of accounts except for the following:

Name of the Bank	Working capital limit sanctioned (in lakhs)	Nature of current assets offered as security	Quarter	Amount disclosed as per return (A) (INR in lakhs)	Amount as per books of accounts (B) (INR in lakhs)	Difference (B-A)	Reason
PNB Bank	15,200	Entire current assets	Quarter 1	14,242.32	13,223.74	1,018.58	Figures given in statement were for Textile Divisions only.
			Quarter 2	13,900.84	12,120.70	1,780.14	
			Quarter 3	14,854.29	14,030.32	823.97	
			Quarter 4	17,884.61	17,347.60	537.01	

NOTE - 22 : TRADE PAYABLES

Particulars	As at 31 March 2022
Trade payables:	
Total outstanding dues of micro enterprises and small enterprises (refer note below)	97.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,036.73
	1,134.09

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	70.40	26.96	-	-	-	-	97.36
Othes	17.07	991.14	26.28	1.83	0.06	0.35	1,036.73
Total	87.47	1,018.10	26.28	1.83	0.06	0.35	1,134.09

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 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	As at 31 March 2022
(a) The principal amount remaining unpaid to any supplier at the end of the year (including creditor for capital goods);	129.23
(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 - 23 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2022
Interest accrued on borrowings	15.32
Employee dues payables	880.97
Creditors for capital goods	
Payable to micro enterprises and small enterprises*	33.66
Payable to other than micro enterprises and small enterprises	287.81
Security deposits received	0.55
	1,218.31

* Refer note 22

NOTE - 24 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022
Statutory dues payables	121.86
Total	121.86

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 25 : CONTRACT LIABILITIES

Particulars	As at 31 March 2022
Statutory dues payables	121.86
Revenue received in advance	51.67
Total	51.67

NOTE - 26 : CURRENT PROVISIONS

Particulars	As at 31 March 2022
Provision for employee benefits	
Provision for gratuity (refer note 41)	141.68
Provision for compensated absences (refer note 41)	28.29
Provision against TUF Scheme (refer note 36)	282.28
Provision against electricity duty on open access power (refer note 40)	396.33
Total	848.58

NOTE - 27 : REVENUE FROM OPERATIONS

Particulars	As at 31 March 2022
Sale of product (Cotton yarn)	
Domestic sales	32,458.61
Export sales	49,756.49
	82,215.10
Other operating revenues	
Process waste sale	5,795.02
Duty drawback and other export incentives	2,872.32
Other scrap sales	49.70
	8,717.04
Revenue from operations	90,932.14

Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

Particulars	For the year ended 31 March 2022
(a) Contract Balances	
Receivables- trade receivables (refer note 10)	8,235.81
Contract liabilities- advances from customers (refer note 25)	51.67

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.

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

(b) Particulars	For the year ended 31 March 2022
Reconciliation of revenue from sale of products with the contracted price	
Contracted price	82,495.15
Reduction towards variable consideration components*	(280.05)
Sale of products	82,215.10

*The adjustments are made to the contract price comprises of cash discounts and credit.

(c) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

	For the year ended 31 March 2022
Revenue by geography	
Domestic	32,458.61
Export	49,756.49
Total	82,215.10

Significant changes in contract assets and liabilities

	For the year ended 31 March 2022
Opening balance	75.19
Add: addition during the year	51.67
Less: revenue recognised during the year from opening liability	75.19
Closing balance	51.67

NOTE - 28 : OTHER INCOME

Particulars	For the year ended 31 March 2022
Interest income on financial assets at amortised cost	
- Other interest income	31.68
Net gain on foreign currency transactions	722.95
Profit on sale of property, plant and equipment (net)	5.32
Miscellaneous balances written back	6.63
Profit on sale of investments	1.90
Miscellaneous income	62.93
Total	831.41

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 29 : COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended 31 March 2022
Inventories at the beginning of the year	9,821.73
Add: purchases during the year	64,590.39
	74,412.12
Less: inventories at the end of the year	14,410.23
Cost of raw materials consumed	60,001.89

NOTE - 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND SCRAP

Particulars	For the year ended 31 March 2022
Inventories at the end of the year:	
Finished goods- cotton yarn	5,769.93
Work-in-progress and scrap	1,658.34
Total	7,428.27
Inventories at the beginning of the year:	
Finished goods- cotton yarn	2,320.72
Work-in-progress and scrap	1,436.13
Total	3,756.85
(Increase) in inventory	(3,671.42)

NOTE - 31 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2022
Salaries and wages	4,929.86
Contribution to provident and other funds	337.16
Gratuity expense (refer note 41)	106.12
Staff welfare expenses	103.41
Total	5,476.55

NOTE - 32 : FINANCE COSTS

Particulars	For the year ended 31 March 2022
Interest expenses	355.31
Other borrowing costs*	262.05
Total	617.36

*primarily includes interest expense on late payment of income-tax, bank charges on discounting of Letter of credit.

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 33 : DEPRECIATION EXPENSE

Particulars	For the year ended 31 March 2022
Depreciation on property, plant and equipment	1,236.32
Total	1,236.32

NOTE - 34 : OTHER EXPENSES

Particulars	For the year ended 31 March 2022
Consumption of stores and spare parts	1,789.99
Power, fuel and water	5,364.46
Rent	12.94
Repairs and maintenance	
- Building	108.59
- Plant and machinery	75.70
- Others	18.08
Freight and forwarding	2,814.98
Insurance	83.87
Rates and taxes	18.87
Directors' sitting fees (refer note 42)	9.20
Legal and professional	204.43
Payment to Auditor (refer note (i) below)	24.37
Travelling and conveyance	118.19
Commission to selling agents	712.81
Security expenses	102.15
Corporate social responsibility expenses (refer note 43)	26.49
Provision against TUF subsidy (refer note 36)	1.86
Preliminary expenses	18.85
Allowance for bad trade and other doubtful advances	12.55
Miscellaneous expenses	171.45
Total	11,689.83
(i) Payment to Auditor*	
Statutory audit fee	11.25
Tax audit fee	1.00
Other services	10.00
Re-imbursement of expenses	2.12
Total	24.37

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 35 : INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 March 2022 are:
Statement of Profit and Loss:

(a) Profit and loss

Particulars	For the year ended 31 March 2022
Current tax	
Current income tax charge	3956.20
Tax relating to earlier years	(56.85)
	3,899.35
Deferred tax:	
In respect of current year	253.92
Income tax expense reported in the statement of profit and loss	4,153.27

(b) Other comprehensive income (OCI)
Deferred tax related to items recognised in OCI during the year

Particulars	For the year ended 31 March 2022
Items that will not be reclassified to profit or loss	
Re-measurement loss of defined benefit obligations	(39.17)
Income tax relating to remeasurement of defined benefit obligations	(9.86)
Net other comprehensive income not to be reclassified subsequently to profit or loss, net of income tax	(29.31)

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022
Profit before income-tax expense	16,413.02
Amount of tax at statutory income tax rate @ 25.17%	4,130.82
Non deductible expenses for tax purposes:	
Impact of non-deductible expenses	25.16
Losses of subsidiary Company on which deferred tax assets is not created	4.96
Others	(7.67)
At the effective income tax rate	4,153.27
Income tax expenses reported in the statement of profit and loss	4,153.27

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 36 : GOVERNMENT GRANTS

Particulars	For the year ended 31 March 2022
Balance at the beginning of the year	318.97
Government grant received during the year	2,040.34
Released to the statement of profit and loss*	2,872.32
Impairment allowance**	(42.01)
Closing balance	1,108.94
Current portion	1,108.94

Nature of Government grants (refer note 14)

Particulars	As at 31 March 2022
TUF scheme	123.58
Export incentives (RoDTEP/duty drawback)	985.36
Total	1,108.94

* Includes export incentives of ₹ 2,872.32 lacs.

** The Holding 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, inspection had been carried out by authorities and had shared their draft observations with the Holding Company, in respect of certain interpretations made in the earlier years for computation of TUF subsidy. Basis such discussions with the authorities and draft observations received, the management had recorded a provision of ₹ 282.27 lacs including interest during the financial year 2019-20 in respect of the amounts which had already been received in the prior years by the Holding Company and have also recognised an impairment allowance of ₹ 42.01 lacs against receivables from the authorities in respect of TUF subsidy. This has led to recognition of expense of ₹ 1.86 lacs in the statement of profit and loss. The Holding Company has filed writ petition in 2020 before High Court of Delhi challenging the recovery of subsidy. The respondents have filed reply and arguments are pending before the court. The Holding Company, as an interim measure has deposited ₹ 190.82 lacs with the Registrar General of High Court of Delhi.

NOTE - 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 2022
Profit attributable to equity holders	12,259.75
Weighted average number of equity shares for basic and diluted earning per share	18,677,749
Basic and diluted earnings per share (Face value per equity share ₹ 10 each) (in ₹)	65.64

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(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 38 : SEGMENT INFORMATION

The Board of Directors and the Managing Director of the Company together as a Group constitute the “Chief Operating Decision Makers” (CODM) and allocate resources to and assess the performance of the segments of the Group.

The Group has identified the following operating segments based on the organizational structure and for which discrete financial information including segment results is available:

- a. textiles
- b. chemicals

The measurement principles of segments are consistent with those used in significant accounting policies.

Particulars	For the year ended 31 March 2022
1 Segment revenue	
(a) textiles	90,932.14
(b) chemicals	-
Total Segment revenue	90,932.14
2 Segment profits	
(a) textiles	17,050.09
(b) chemicals	(19.71)
Total segment results (before finance costs and tax)	17,030.38
Less: finance costs	617.36
Total profit before tax	16,413.02
3 Segment assets	
(a) Textiles	50,468.58
(b) Chemicals	138.66
(c) Elimination of inter segment assets	(155.12)
Total segment assets	50,452.12
4 Segment liabilities	
(a) Textiles	19,802.88
(b) Chemicals	148.90
(c) Elimination of inter segment liabilities	(148.06)
Total segment liabilities	19,803.72
5 Segment revenue- Geographical information	
(a) Textiles	
India	41,175.65
Rest of the world	49,756.49
Sub-total (a)	90,932.14
(b) Chemicals	
India	-
Rest of the world	-
Sub-total (b)	-
Total (a) + (b)	90,932.14

During the year ended 31 March 2022, there is no single customer who contributes 10% or more to the Company's revenue.

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(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 39 : CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities in respect of:

Particulars	As at 31 March 2022
Claim against the Group not acknowledged as debts	
- Claim by employees	11.14
- Demand raised by Market Committee, Hisar	12.55
- Demand raised by ESIC Department	0.79
- Demand raised by Income Tax Authorities*	43.48

*The same pertains to the demand being received by the Holding Company for the assessment year 2020-21. The Holding Company has filed for appeal at the CIT(A) against the said demand.

All the above matters are subject to legal proceedings in the ordinary course of business. The Group, 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 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11,265.97

NOTE - 40 : PROVISION AGAINST ELECTRICITY DUTY ON OPEN ACCESS POWER

The Holding 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 Holding Company in front of “High Court of Punjab and Haryana” at Chandigarh and order is pending. Further, on a prudent basis, the Holding Company is carrying provision of ₹ 396.33 lacs (refer note 26) in the financial statements equivalent to the amount under dispute.

Particulars	As at 31 March 2022
Balance at the beginning of the year	366.65
Addition during the year	29.68
Balance at the end of the year	396.33

NOTE - 41 : EMPLOYEE BENEFITS

A Defined contribution plans

The Group 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.

Particulars	For the year ended 31 March 2022
Contribution to provident fund	229.78
Contribution to superannuation fund	31.37
Contribution to Employee's state insurance	76.01
Total	337.16

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(All amounts in ₹ lacs, unless stated otherwise)

B Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Group 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 2022
Obligations at the beginning of year	641.24
Current service cost	62.57
Interest cost	43.55
Amount recognised in statement of profit and loss	106.12
Remeasurements	
Actuarial loss recognised in other comprehensive income	39.16
Benefits paid	(52.71)
Obligation at the end of year	733.81
Non-current	592.13
Current	141.68

ii) Liabilities recognised in the balance sheet

Particulars	As at 31 March 2022
Defined benefit liability- Gratuity	733.81
Non-current	592.13
Current	141.68
Total	733.81

iii) Defined benefit obligations cost for the year :

Particulars	For the year ended 31 March 2022
Current service cost	62.57
Interest cost	43.55
Actuarial loss recognised in other comprehensive income	39.16
Net cost	145.28

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

iv) Actuarial assumptions :

The Principal assumptions used at the reporting date (expressed as weighted averages):

Particulars	For the year ended 31 March 2022
Financial assumptions	
Discount rate per annum	7.18%
Future salary growth rate	5.00%
Demographic assumptions	
Retirement age (years)	58 years
Mortality rates inclusive of provision for disability	"IALM(2012-14) ultimate"
Attrition rate	
Upto 30 years	5.84%
31 to 44 years	2.19%
Above 44 years	0.73%

Note: As at 31 March 2022, the weighted average duration of the defined benefit obligation was 19.29 years.

v) Bifurcation of actuarial gain/loss on obligation

Particulars	For the year ended 31 March 2022
Actuarial (gain)/loss on arising from change in demographic assumption	-
Actuarial (gain)/loss on arising from change in financial assumption	(17.16)
Actuarial (gain)/loss on arising from change in experience assumption	56.32

vi) Expected contributions to the Fund in next year :

Particulars	For the year ended 31 March 2022
Gratuity	120.78

vii) Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	As at 31 March 2022	
	Increase in obligation	Decrease in obligation
Discount rate per annum (0.50%)	(20.97)	22.63
Future salary growth rate (0.50%)	23.00	(21.48)

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 recognised in balance sheet.

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(All amounts in ₹ lacs, unless stated otherwise)

viii) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current members of the plan based on past service of the employees as at the valuation date:

Particulars	31 March 2022
Year 1	141.68
Year 2	224.26
Year 3	17.95
Year 4	11.18
Year 5	19.93
Year 6	29.32
Next to 6 years	289.49

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:

- a. **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.
- b. **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- c. **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.

NOTE - 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	Executive Director
3. Dr. Vinay Bharat Ram	Executive Director
4. Mr. Sandeep Kumar Jain	Chief Financial Officer
5. Mr. Mohd. Sagir	Company Secretary (w.e.f. 05 February 2021)
6. Mr. Jitendra Tuli	Non-Executive Director
7. Dr. Meenakshi Nayar	Chairperson and Independent Director
8. Ms. Shahana Basu	Non-Executive Director
9. Mr. Bipin Maira	Independent Director (till 09 June 2021)
10. Mr. Ravi Vira Gupta	Independent Director (till 16 Oct 2021)
11. Mr. Vivek Chhachhi	Independent Director (w.e.f. 01 April 2021)
12. Mr. Kulbir Singh	Independent Director (w.e.f. 01 April 2021)

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(All amounts in ₹ lacs, unless stated otherwise)

Enterprise over which directors and KMPs are interested

The Delhi Golf Club
Candle Techserv Private Limited
H T M Educational Society
DCM Limited

Post employment benefit entity

DCM Nouvelle Limited Superannuation Trust

Transactions with related parties

Particulars	For the year ended 31 March 2022
Advertisement services	
The Delhi Golf Club	45.00
Professional fee	
Candle Techserv Private Limited	14.20
CSR Expenses	
H T M Educational Society	26.49

Transactions with key management personnel

Particulars	For the year ended 31 March 2022
Remuneration paid to key managerial personnel	
Salary, allowance and contribution to provident fund	1,135.24
Director sitting fees	9.20
Post-employment defined benefit plan	332.48
Other long term defined benefit plan	60.40
Total compensation paid/payable to key management personnel	1,537.32

Year end balances

Particulars	As at 31 March 2022
Payables	
Candle Techserv Private Limited	1.17
DCML	127.69
Director sitting fee payable	1.71
Salary payable	16.08

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and on arm’s length basis.

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(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 43 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended 31 March 2022
(i) Gross amount required to be spent by the Holding Company during the year	31.71
Excess of previous year carried forward as per section 135 of the Companies Act, 2013	9.44
Balance amount required to be spent during the year	22.27
(ii) Amount spent during the year:	
Promotion of education	26.49
(iii) Unspent amount required to be deposited in a designated bank account, in terms of section 135(6) of the Companies Act, 2013	-
(iv) The Group has contributed CSR to HTM Educational Society, a related party covered under Ind AS 24, Related party disclosures.	26.49
(v) The Group does not have any ongoing projects as at 31 March 2022.	

NOTE - 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 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Loans *	-	-	16.78	16.78	-	-	16.78
Current							
Trade receivables *	-	-	8,235.81	8235.81	-	-	-
Cash and cash equivalents *	-	-	422.17	422.17	-	-	-
Bank balances other than Cash and cash equivalents*	-	-	144.36	144.36	-	-	-
Loans *	-	-	32.00	32.00	-	-	-
Other financial assets *	-	-	1,444.64	1444.64	-	-	-
Total	-	-	10,295.76	10,295.76	-	-	16.78
Financial liabilities							
Non-current							
Borrowings#	-	-	2,856.11	2,856.11	-	-	2,856.11
Other financial liabilities*	-	-	15.60	15.60	-	-	15.60
Current							
Borrowings#	-	-	12,720.42	12,720.42	-	-	-
Trade payables*	-	-	1,134.09	1,134.09	-	-	-
Other current financial liabilities*	-	-	1,218.31	1,218.31	-	-	-
Total	-	-	17,944.53	17,944.53	-	-	2,871.71

The Group’s borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) 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.

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There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2022.

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 non-performance risk was assessed to be insignificant. Other non-current assets and liabilities are evaluated by the Group 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 Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Group’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group’s activities.

(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 2022
Trade receivables (net of allowances for expected credit loss)	8,235.81
Cash and cash equivalents	422.17
Balances other than cash and cash equivalents	144.36
Loans	48.78
Other financial assets	1,444.64

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers.

The maximum exposure to the credit risk at the reporting date is primarily from 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 Group continuously monitors the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Majority of trade receivables are from customers, which are fragmented and are not concentrated to individual customers. Trade receivables are generally realised within the credit period.

The Group 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:

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(All amounts in ₹ lacs, unless stated otherwise)

The Group's exposure to credit risk for trade receivables are as follows:

Particulars	Gross carrying amount
	As at 31 March 2022
0-30 days due	2,162.52
31-90 days past due	4,330.29
91 to 180 days past due	1,743.00
More than 180 days past due	106.71
Total	8,342.52

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.

Movement in the allowance for impairment in respect of trade receivables*:

Particulars	For the year ended 31 March 2022
Trade receivables (net of allowances for expected credit loss)	8,235.81
Balance at the beginning of the year	106.71
Add: impairment loss recognised	-
Less: loss allowance reversed	-
Balance at the end of the year	106.71

*refer note 10 for the ageing analysis of impairment recognised in respect of trade receivables.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it would be able to approach and materialise new financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximise liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

I. Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at 31 March 2022
From banks	7,528.07

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II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the 31 March 2022. The amounts are gross and undiscounted:

Particulars	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one year and five years	More than 5 years	
Non-current liabilities					
Borrowings *	2,856.11	245.61	2,093.47	1,646.13	3,985.21
Other financial liabilities	15.60	1.18	17.96	-	19.14
Current liabilities					
Borrowings	12,720.42	12,720.42	-	-	12,720.42
Trade payables	1,134.09	1,134.09	-	-	1,134.09
Other financial liabilities*	1,218.31	1,218.31	-	-	1,218.31
Total	17,944.53	15,319.61	2,111.43	1,646.13	19,077.17

* 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 optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2022 is as below:

Particulars	As at 31 March 2022
	Exposure in USD
Financial assets	
Trade receivables	7,160.64
Advance to suppliers	2.42
Capital advances	90.42
Total	7,253.48
Financial liabilities	
Borrowings	12,373.19
Trade payables	119.73
Advance from customers	22.16
Total	12,515.08

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2022 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.

	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:				
For the year ended 31 March 2022				
USD	(52.62)	52.62	(39.37)	39.37
Total	(52.62)	52.62	(39.37)	39.37

USD: United States Dollar

Foreign exchange derivative contracts

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group’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 Group 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 year:

Outstanding contracts	Number of Deals	Contract value of foreign currency (USD in lacs)	Maturity upto 12 months (in lacs)
	As at 31 March 2022	As at 31 March 2022	As at 31 March 2022
USD/INR sell/Purchase forward	11	48.15	3,786.91

The following table demonstrates the Group’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.

	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:				
For the year ended 31 March 2022				
USD	(37.87)	37.87	(28.34)	28.34
Total	(37.87)	37.87	(28.34)	28.34

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(All amounts in ₹ lacs, unless stated otherwise)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk.

Exposure to interest rate risk

The Group’s interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations expose the Group to cash flow interest rate risk. The exposure of the Group’s borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments

Particulars	As at 31 March 2022
Term loans from banks	2,873.85
Loans repayable on demand from banks	12,702.68
Total	15,576.53

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.

	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	increase of USD	decrease of USD	increase of USD	decrease of USD
Interest on term loans from banks				
For the year ended 31 March 2022	(106.22)	106.22	(79.49)	79.49

NOTE - 45 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings of the Holding Company are as follows:

Particulars	For the year ended 31 March 2022
Current	
Financial assets	
i) Trade receivables	8,235.81
ii) Cash and cash equivalent	415.82
iii) Bank balances other than (ii) above	144.36
iv) Loans	32.00
v) Other financial assets	1,592.70
Non-financial assets	
i) Inventories	22,041.88
ii) Other current assets	979.10
Total current assets pledged as security	33,441.67
Non-current	
Non-financial assets	
i) Property, plant and equipment	13,907.50
Total non-current assets pledged as security	13,907.50
Total assets pledged as security	47,349.17

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NOTE - 46 : CAPITAL MANAGEMENT

For the purpose of the Group’s capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the management of the Group’s capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.The Group 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 Group).

Particulars	As at 31 March 2022
Borrowings	15,576.53
Less: cash and bank balances	566.53
Adjusted net debt (A)	15,010.00
Total equity (B)	30,645.99
Adjusted net debt to total equity ratio (A/B)	0.49

NOTE - 47 :

The Board of directors of the Holding Company at its meeting held on 30 March 2022 has approved a proposal to commence the process for setting up of R&D Lab to explore and determine commercial viability of producing identified specialty chemical based on which a decision about pursuing further greenfield investment into a chemicals plant will be undertaken under the subsidiary DCM Nouvelle Specialty Chemicals Limited. Further, the Holding Company has, based upon the valuation, to balance Holding Company’s exposure and to secure personal commitment of the promoter in the greenfield venture has transferred 24% stake in the subsidiary to the promoter at the fair value determined.

NOTE - 48 : RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has not entered into any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and do not have any outstanding balance as at the year ended 31 March 2022.

NOTE - 49 : RATIOS

Sr. No.	Ratios	Formulas for Computation	Measures	31 March 2022
(i)	Current ratio	Current assets/current liabilities	Times	2.07
(ii)	Debt-equity ratio	Total debts/net worth	Times	0.51
(iii)	Debt service coverage ratio	EBITDA/debt service	Times	7.38
(iv)	Return on equity ratio	PAT/average total equity	Percentage	40.00
(v)	Inventory turnover ratio	COGS/average Inventory	Times	2.56
(vi)	Trade receivable turnover ratio	Revenue from operations/average Debtors	Times	11.04
(vii)	Trade payable turnover ratio	Other expenses net off non cash expenses and CSR/ average accounts payable	Times	63.19
(viii)	Net capital turnover ratio	Revenue from operations/ Average working capital (i.e. total current assets less total current liabilities)	Times	5.28
(ix)	Net profit ratio	PAT/revenue from operations	Percentage	13.48
(x)	Return on capital employed	EBIT/capital employed (net worth+lease liabilities+ deferred tax liabilities)	Percentage	55.57
(xi)	Return on investments	PBT/total assets	Percentage	32.53

Consolidated Notes for the year ended 31st March 2022

(All amounts in ₹ lacs, unless stated otherwise)

NOTE - 50 : ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE ACT:

Name of Entity	Net assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income or (loss)	
	Amount	As a % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated comprehensive income
Holding Company								
DCM Nouvelle Limited	30,665.70	100.06%	12,279.45	100.15%	(29.31)	100.00%	12,250.14	100.16%
Subsidiary Company								
DCM Nouvelle Specialty Chemicals Limited	(19.71)	-0.06%	(19.70)	-0.15%	-	0.00%	(19.70)	-0.16%
Total	30,645.99	100%	12,259.75	100%	(29.31)	100.00%	12,230.44	100%

NOTE - 51 : GROUP INFORMATION

Information about subsidiary

The Group’s details as at 31 March 2022 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	County of incorporation	% equity Interest
			31 March 2022
DCM Nouvelle Specialty Chemicals Limited	Specialty Chemical	India	76.00%

NOTE - 52 : OTHER STATUTORY INFORMATION

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
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(All amounts in ₹ lacs, unless stated otherwise)

- (vi) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The Group is not declared wilful defaulter by and bank or financials institution or lender during the year.
- viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

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: 05 May 2022

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

Place: New Delhi
Date: 05 May 2022

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