

August 01, 2023

**BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400 001**

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

Scrip Code: 542729

Symbol: DCMNVL

Dear Sir/ Madam,

Sub: Notice of the 7th Annual General Meeting (“AGM”) and Annual Report for the financial year 2022-23

The Notice convening the **7th Annual General Meeting (“AGM”)** and Annual Report for the financial year 2022-23, 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 of the 07th Annual General Meeting	Weblink
Annual Report FY 2022-23	Weblink

This is for your information and records.

Thanking You,

Yours Faithfully,

For DCM Nouvelle Limited

**Mohd Sagir
Company Secretary & Compliance Officer
Membership No. F11061**

Encl: as above

CC:

- 1. National Securities Depository Ltd.**
- 2. Central Depository Services (India) Limited**
- 3. M/s Skyline Financial Services Private Limited**



ANNUAL REPORT
2022-2023

Key Highlights



● Financial ● Operational ● ESG

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Corporate Information

DCM Nouvelle at a Glance



DCM Nouvelle Limited is a leading manufacturer and exporter of 100% cotton carded and combed yarns in single and two-ply counts ranging from Ne 14s to Ne 40s. The company expanded its spinning capacity by setting up state of the art automated compact spinning unit with 43776 spindles in current financial year. With commencement of this new production unit, the total spinning capacity expands to 1,57,872 Spindles, entirely on 100% Cotton Yarn at Single location with 3400 Tons of monthly production.

With over three decades of experience in cotton spinning, we are determined to craft the finest yarns

relying on a culture committed to innovation and continual improvement. This culture encourages research and development to provide customers with cotton yarn that satisfy the needs of future market conditions.

Furthermore, we have established long-term relationships with our stakeholders and demonstrated our commitment to environmental protection. We are committed to creating real value for people and the environment in order to ensure our company's long-term success.

Corporate Philosophy

DCM Nouvelle Corporate philosophy evolves around 4 pillars



Business Integrity & Ethics.

DCM Nouvelle Limited has set bench marks in business integrity and comes to top of the list of 'Honoured Business Houses' in India, which is acknowledged not only by its customers and suppliers but also by its competitors. The Company is determined to maintain highest standard of corporate ethics which have been maintained, preserved, and nurtured throughout the last many decades yielding immense benefits.



Continuous Improvement and Value additions.

DCM Nouvelle Limited has firm commitment to the philosophy of continuous improvement. The company led the industry by getting ISO 9001 certification for yarn operations in textiles in the year 1995. The company has also embarked on the process of TQM and successfully implemented a few quality initiatives which have given rich dividends in terms of improvement in quality and cost reduction.



Global Quality Standards.

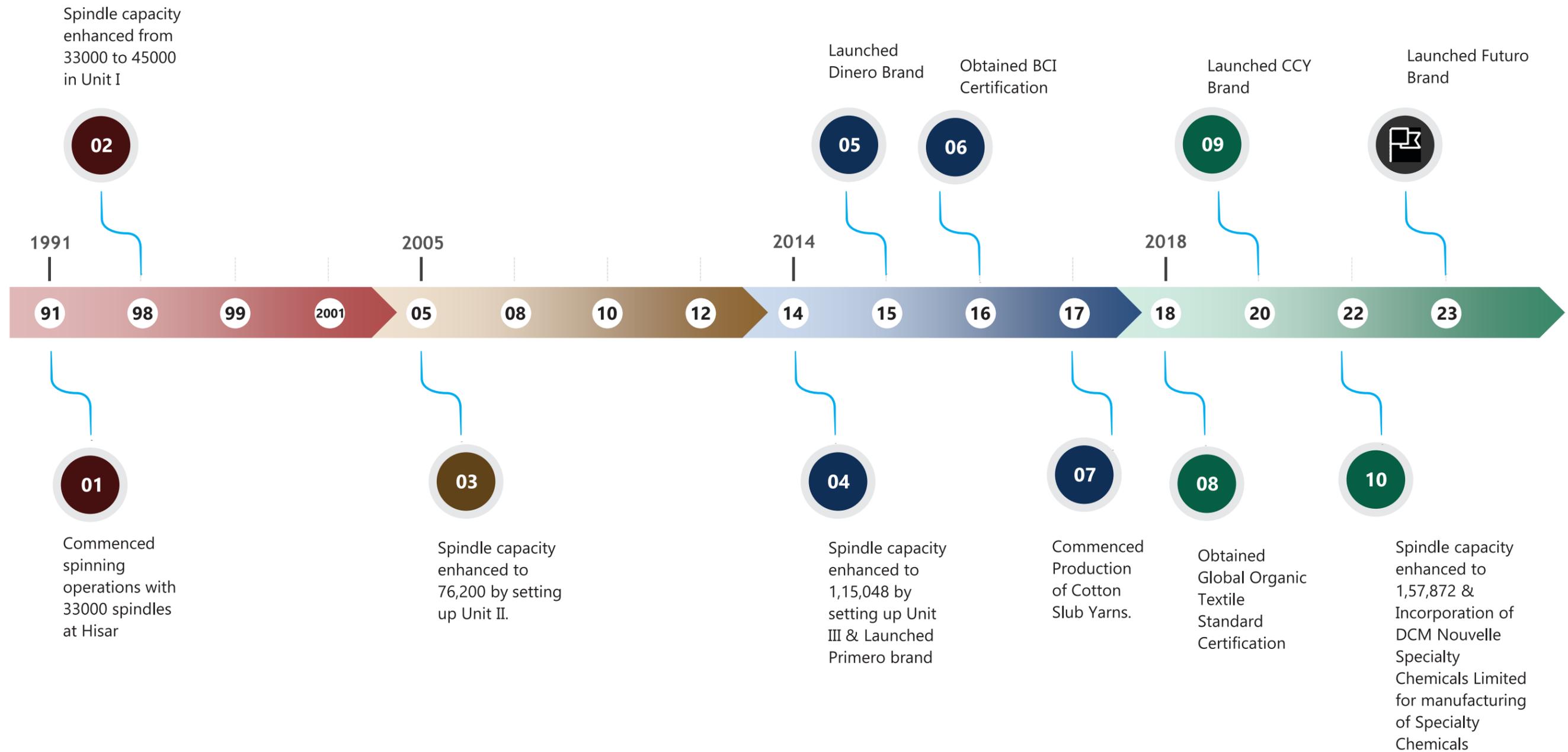
DCM Nouvelle Limited has always striven for world-class quality. Our 100% cotton carded and combed yarn are exported across the globe in premium segments.



Customer Satisfaction.

DCM Nouvelle Limited takes customer satisfaction as a goal, therefore constant feedback is taken from them to improve over time. The Company measures customer satisfaction in order to improve by continuously interacting with them.

Our Journey



Our Diversified Brands & Products



From the New Spinning Unit IV, "FUTURO" a brand of premium 100% Cotton Combed Compact Yarn was launched in 2023. FUTURO brand of products are processed through advance spinning technology equipped with Uster Jossi Vision Shield & Magic Eye-2. It allows total contamination control with Autoconer equipped with Uster Quantum 4.0 PP clearing devices at link coner.

What Makes Futuro Brand Unique

Best Compact Spinning System

The Futuro brand of products are produced with LMW Spin Pact, the high-tech unique suction compact spinning system renders supreme quality and energy efficiency.

Excellent Yarn Characteristics

The Futuro brand of products have higher yarn tenacity, improved yarn regularity, lesser hairiness index, significantly lower IPI values and overall lesser objectionable faults in comparison with other compact yarn.

Contamination Controlled

The combination of USTER JOSSI VISION SHIELD & MAGIC EYE 2 at blowroom and LISTER QUANTUM 4.0 PP & FFD yarn clearers at linkconers represents the most sophisticated technology to detecting & removal of contamination at the blowroom and at winding using a co-ordinated approach. All types of foreign matter-natural, synthetic, white polypropylene can be identified & removed, thus making Futuro brand of products highly contamination controlled.

Consistent Yarn Quality

The combination of experienced & dedicated technical team, robust cotton sourcing, world class bale management, cutting edge technology & statistical data approach enables to deliver consistent yarn quality of Future brand of products year-in & year-out.



- The fabric knitted with Primero quality yarn have controlled contamination level suitable for bleach & light shades.
- Polypropelene 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

Our Products



BCI YARNS

Better Cotton for AIIDCM 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.

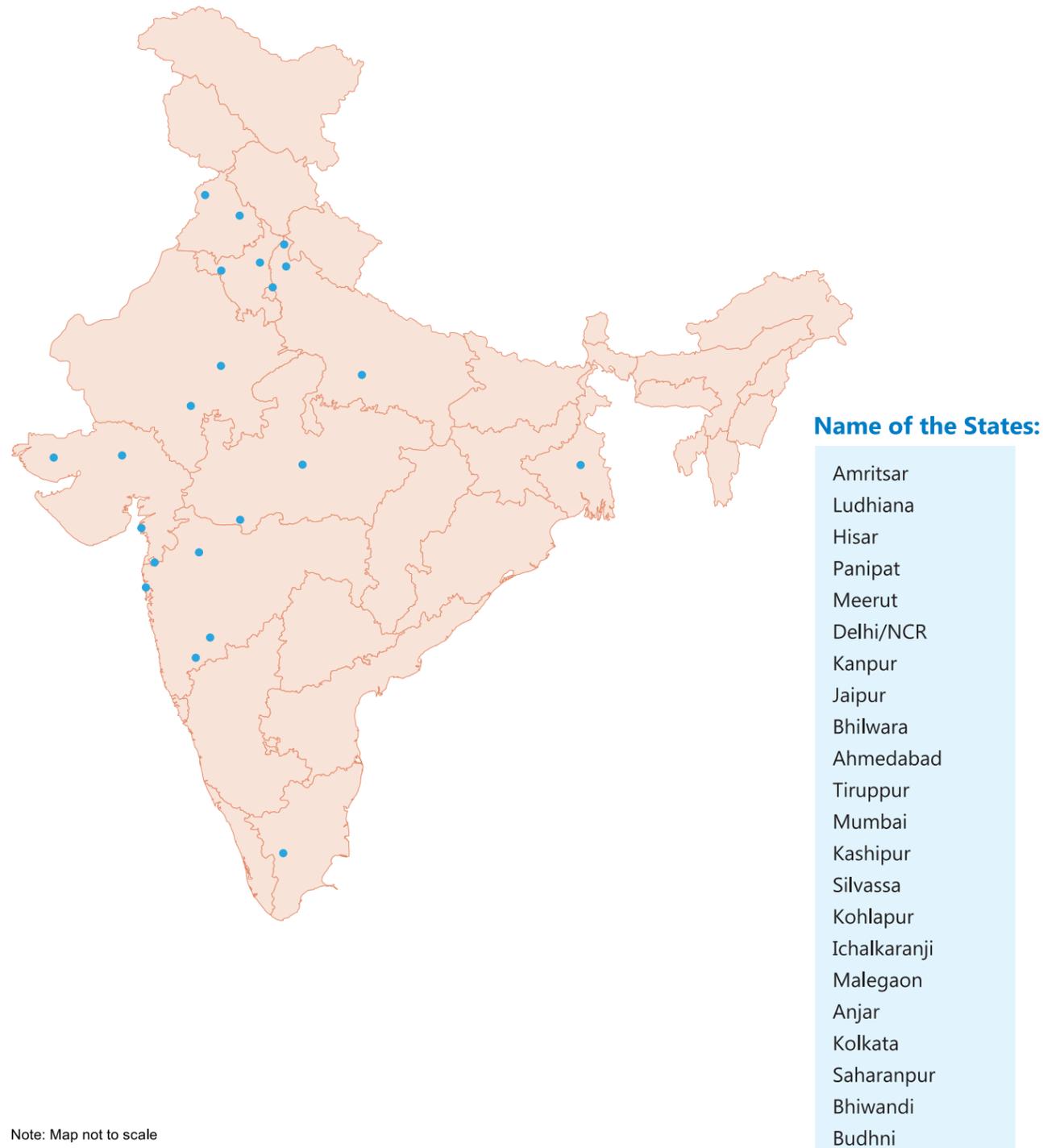


Slub Yarn

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

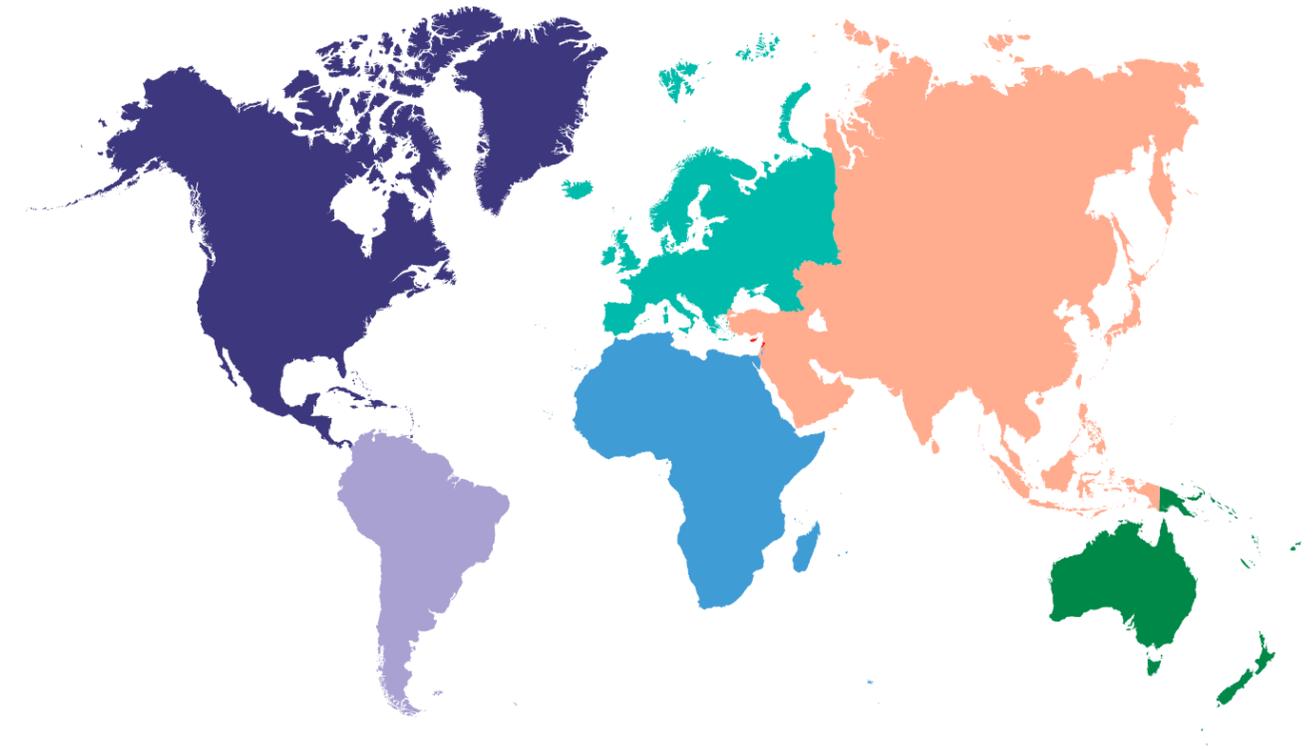
Where We Operate

Pan-India presence



Note: Map not to scale

Leaving footprints globally



International Locations:

- | | | | |
|----------|--------------------|-------------|-------------|
| Poland | Mauritius | Brazil | Vietnam |
| Spain | Madagascar | Chile | Philippines |
| Belgium | South Africa | Argentina | Bangladesh |
| Germany | Guatemala | South Korea | Thailand |
| Portugal | Dominican Republic | China | Malaysia |
| Ukraine | Panama | Hong Kong | Singapore |
| Turkey | Colombia | Taiwan | Sri Lanka |
| Egypt | Peru | | |

Performance Highlights

Our focus is on delivering consistent all-round performance across various aspects of our business. We strive to maintain a high level of performance in areas such as financial results, operational efficiency, customer satisfaction, and employee engagement. By setting clear goals and implementing effective strategies, we aim to achieve sustained

success in all key performance areas. Our commitment to continuous improvement and adaptability allows us to meet the evolving needs of our stakeholders and maintain a track record of delivering strong and consistent performance over time

Financial Highlights

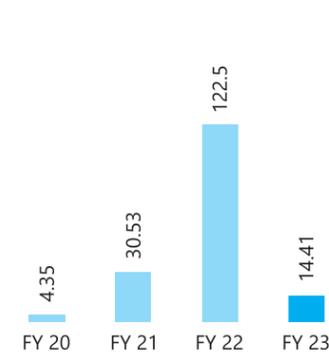
Revenue from Operation

(₹ in Crores)



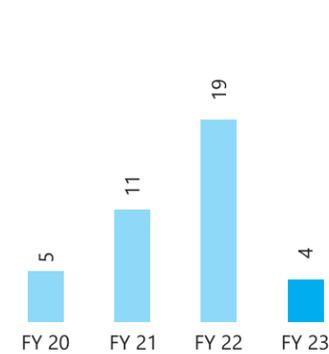
Profit After Tax

(₹ in Crores)



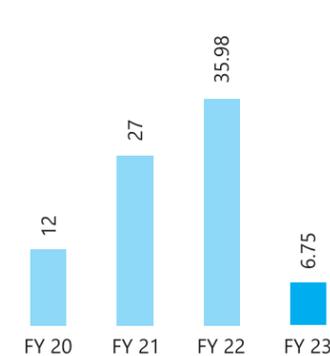
Operating Profit Margin

In Percentage (%)



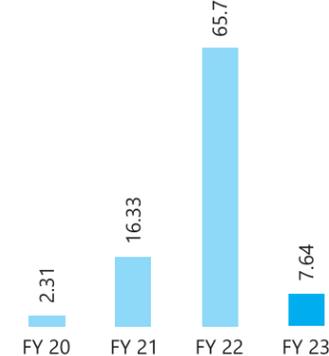
ROCE

In Percentage (%)



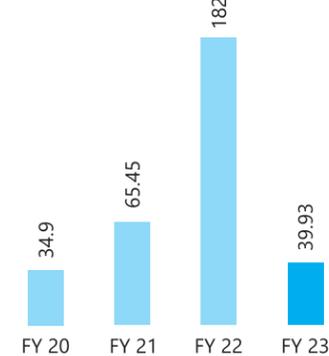
Basic EPS

(₹ Per Share)



EBITDA

(₹ in Crores)



Non-Financial Highlights

246.67

Energy Intensity
(GJ/ Rs. Crore)

31.21%

Female Workers

26.19%

Consumption
From Renewable Energy

0.024

Water intensity
per rupee of turnover

₹ 86.09 crore

Input material sourced from
MSME/Small producers

43%

Independent Directors on the
Board including a woman director

0

Fatalities
(Direct and indirect)

16.855 MWp

Green energy capacity
(Solar power)

Message from the Chairperson

Dear Shareholders,

We are delighted to reunite and reflect upon another prosperous year for our business. Despite operational challenges, we navigated through them skilfully, driven by our unwavering commitment to prioritize customers. This customer-centric approach led to excellent growth momentum and the achievement of significant milestones, showcasing our dedication to sustainable, long-term value creation.



Together, we have achieved significant milestones, forged strong relationships, and made progress towards collective goals. We remain dedicated to delivering value, fostering innovation, and upholding integrity as we navigate the future with excitement and confidence.



Dr. Meenakshi Nayar
Chairperson

During FY2023, the economy experienced sustained inflationary trends, particularly notable in the first half of the year. These trends were influenced by various factors, including supply chain disruptions, increased demand post-pandemic, rising energy and commodity prices, and government stimulus measures, resulting in upward pressure on prices across sectors.

At DCM Nouvelle Limited, responsible business practices are paramount for sustainable development. We adhere to ethical standards, promote fair trade practices, and ensure transparency and accountability throughout our operations.

Recognizing the global emphasis on Environmental, Social, and Governance (ESG) parameters, we are fully committed to maximizing responsible resource usage and reducing carbon emissions. This holistic approach entails efficient

resource utilization, implementing sustainable practices, adopting energy-efficient technologies, optimizing production processes, and minimizing waste generation.

We extend heartfelt gratitude to our partners for their unwavering support, our employees for their dedication, and our shareholders for their trust. Together, we have achieved significant milestones, forged strong relationships, and made progress towards collective goals. We remain dedicated to delivering value, fostering innovation, and upholding integrity as we navigate the future with excitement and confidence.

Once again, we express our gratitude for your unwavering support, passion, and trust. Through our collaborative efforts, we will forge a prosperous and sustainable future for our company and all stakeholders

Message from the Managing Director

Dear Shareholders,

I am pleased to share that for the year ended March 31, 2023, the company achieved revenue of Rs. 850 Crore, despite facing challenges in an uncertain environment. The revenue was slightly impacted by high commodity prices of cotton during the year. I express my sincere appreciation to the team for their resilience, dedication, and exceptional efforts in navigating through these unprecedented challenges.



I am excited about the prospects of the company, as we proceed with new capacity and diversification to create long-term value for our stakeholders.



Mr. Hemant Bharat Ram
Managing Director

Key achievements during the year include:

- Commissioning a new unit, leading to a 38% increase in spinning capacity, from 1,15,048 Spindles in FY 2022 to 1,57,872 Spindles in FY 2023.
- Venturing into the specialty chemicals sector through a subsidiary, aligning with the company's vision for diversification and exploring new growth opportunities.
- Positive results from green energy initiatives, with a 14.23% increase in solar power capacity from 14.755 MWp to 16.855 MWp, contributing to environmental sustainability and significant cost savings in power expenses.
- Progressing rapidly in the greenfield chemical project, with construction already underway and plans for the pilot plant to be commissioned soon.

Looking ahead, we recognize the unpredictable nature of the external environment. To navigate successfully, we are

prepared to demonstrate resilience and adaptability, striving for continuous improvement. Our commitment to delivering high-quality products remains steadfast, leveraging the insights and knowledge gained over the past year.

I am excited about the prospects of the company, as we proceed with new capacity and diversification to create long-term value for our stakeholders. I extend my gratitude to all our stakeholders, especially our dedicated employees, for their unwavering support. Together, we will embrace the future with enthusiasm, productivity, and sustainability, creating a mutually beneficial path for all.

Thank you for your steadfast support, faith, and commitment. We look forward to the exciting possibilities that lie ahead in our journey together.

Message from the Chief Financial Officer

Dear Shareholders,

Financial Year 2022-23 presented us with numerous challenges, particularly in the form of slow and tepid growth. The export demand for our products remained soft, primarily due to the slow global demand. Despite these challenges, we remained steadfast in our commitment to disciplined execution and staying on course in an incredibly dynamic market environment.



We are eagerly anticipating FY24 with a great deal of enthusiasm and confidence as we aim to sustain the growth momentum we have achieved. I would like to express my sincere gratitude to our employees for their unwavering resilience, hard work, and dedication in driving our growth.



Furthermore, we closely monitored the changing global demand and adapted our strategies accordingly. Our emphasis on staying agile and responsive allowed us to navigate the uncertainties and make informed decisions to safeguard our financial performance.

Key highlights from the performance in FY 2022-23 include:

- Company achieved Revenue of Rs. 850 Crore and Net profit after tax is 14.27 Crore.
- EBITDA stands Rs. 39.93 Crore for the current financial year.
- RoCE 6.75%.

We are eagerly anticipating FY24 with a great deal of enthusiasm and confidence as we aim to sustain the growth

momentum we have achieved. I would like to express my sincere gratitude to our employees for their unwavering resilience, hard work, and dedication in driving our growth.

Our employees have been instrumental in our success, and their contributions have been invaluable. It is their commitment, passion, and tireless efforts that have propelled us forward. I want to acknowledge their dedication and express my appreciation for their unwavering support.

I encourage you to review the Management Discussion and Analysis section along with the audited financial statements for more comprehensive details on DCM Nouvelle's financial strength. Combined with the dedication of our employees, these factors contribute to enhancing shareholder value.

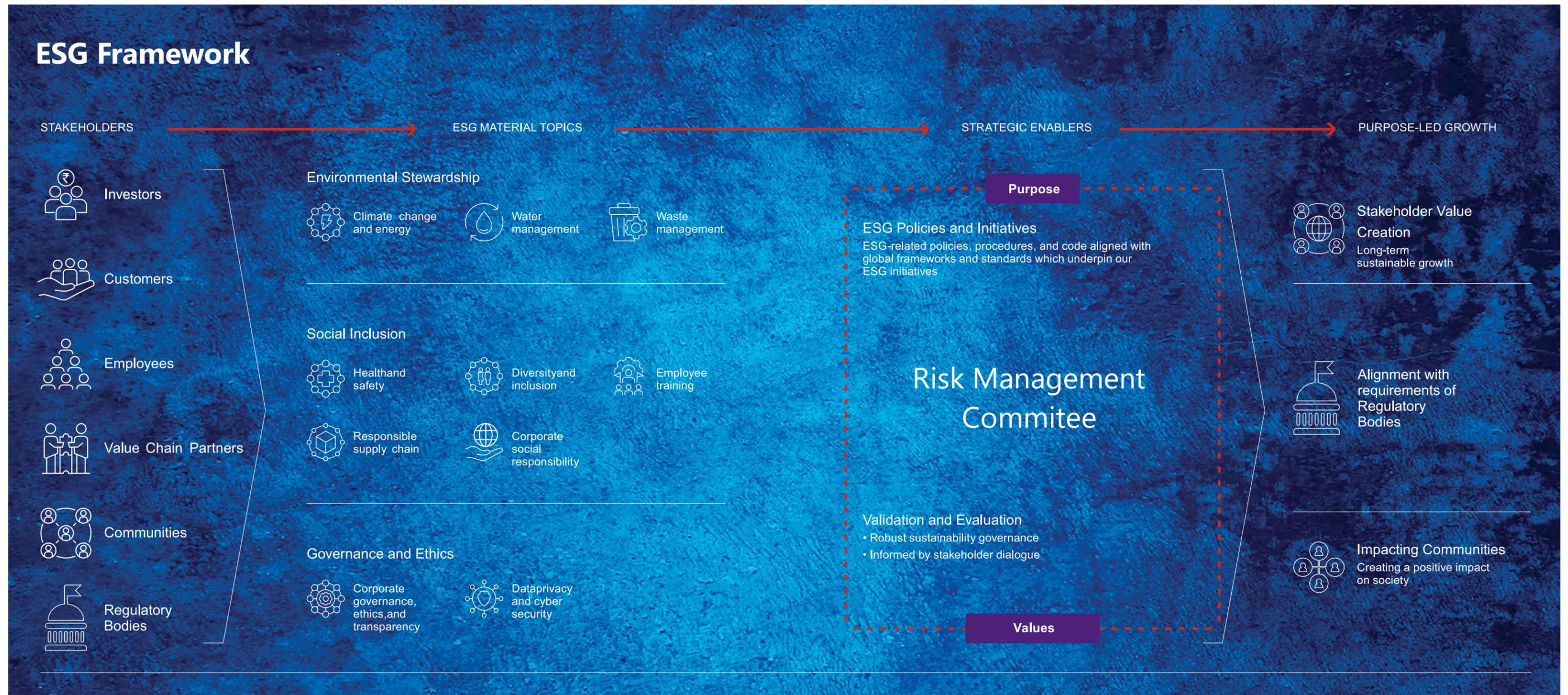
Sandeep Kumar Jain
Chief Financial Officer



Our ESG Framework

We are dedicated to accelerating our sustainability agenda, recognizing the urgency and importance of addressing environmental and social challenges. We are actively working to enhance our sustainability practices and outcomes across all aspects of our operations. By implementing innovative strategies, leveraging technology, and collaborating

with stakeholders, we aim to drive meaningful change and make a positive impact on the planet and society. Our commitment to sustainability guides our decision-making processes and encourages us to continuously seek opportunities for improvement and innovation.



Our Stakeholders

Understanding needs and expectations

It is crucial for us to understand our stakeholders. By actively engaging with them on a regular basis and being proactive in our approach, we strive to align our business objectives with their expectations, thus staying true to our purpose.

 <p>Regulatory bodies</p> <p>Why are stakeholders important to us? Being a responsible business and incorporating activities that benefit the environment is an important agenda for us.</p> <p>How do we engage with them? Through regular contact through various filings, meeting, email, through industry associations.</p> <p>Their material issues Compliance requirements Upcoming rules and regulations Industry representation on key Matters</p>	 <p>Shareholders</p> <p>Why are stakeholders important to us? Investors provide capital to the business, as well as valuable feedback on our financial, non-financial, and strategic performance.</p> <p>How do we engage with them? Formal results presentations every quarter of the financial year. We hold an AGM every year.</p> <p>Their material issues Financial and non-financial performance Corporate governance, Ethics, and value.</p>	 <p>Suppliers</p> <p>Why are stakeholders important to us? Their vital contributions to our business is through provision of robust supply chain and high quality raw materials on a timely basis.</p> <p>How do we engage with them? We work to find mutually effective ways to communicate and collaborate with each group. The highest standards of health, safety, and security underpin everything we do.</p> <p>Their material issues Business opportunities, quality, and safety of raw materials</p> <ul style="list-style-type: none"> • Materials management • Issues faced by Company/suppliers 	 <p>Customers</p> <p>Why are stakeholders important to us? Customers are important for revenue generation and improving products through feedback.</p> <p>How do we engage with them? Through regular contact through various digital and offline mediums to understand what is important to them, and evaluate the service we provide.</p> <p>Their material issues Product innovation and life-cycle efficiency</p> <ul style="list-style-type: none"> • Resolution of Customer Complaints • Quality and Safety • New products offerings 	 <p>Employees</p> <p>Why are stakeholders important to us? Our employees put our strategy into practice, live our culture, and enable us to achieve our purpose. Ultimately, they create value for our stakeholders.</p> <p>How do we engage with them? We use our relevant employee forums, alongside relevant training and development programmes.</p> <p>Their material issues Career growth prospects</p> <ul style="list-style-type: none"> • Learning and development programs • Trainings Rewards and Recognition • Occupational Health and Safety • Grievance redressal mechanism • Ethics and transparency • Total Quality Management • IT enablement & digitisation • Employee-oriented work policies 	 <p>Local Communities</p> <p>Why are stakeholders important to us? We want our products and activities to have a positive impact on the local community. To achieve this, we need to have good relationships and understand local people's needs.</p> <p>How do we engage with them? We consult local communities ahead of all development activities and maintain the relationships following completion.</p> <p>Their material issues Corporate social responsibility</p>
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Social Responsibility

DCM Nouvelle Limited is committed to contributing to the well-being of the communities where it operates and strives to be a responsible corporation and a good corporate neighbor. The company recognizes the importance of engaging with local communities and considers their needs and interests in its business decisions. DCM Nouvelle aims to create a positive impact by supporting community development initiatives, promoting social welfare, and fostering mutually beneficial relationships. By actively participating in community engagement and sustainable practices, DCM Nouvelle endeavors to be a respected and responsible member of the communities it serves.

Promotion of Education

DCM Nouvelle is actively involved in promoting education by maintaining H.T.M High School in Hisar. The company recognizes the importance of academic collaboration and aims to enhance student employability. The focus is on nurturing a scientific and vocational temperament among school children and fostering their curiosity. DCM Nouvelle encourages students to pursue vocational courses as part of their further education, providing them with practical skills and expanding their career opportunities. By supporting these educational initiatives, DCM Nouvelle aims to contribute to the holistic development of students and help them become more prepared for the future.

In FY22, your Company made large-scale contributions to the following programmes:



DCM Nouvelle Limited contributed Rs 26.41 lakh to H.T.M High School in Hisar for maintenance of School.



DCM Nouvelle Limited contributed Rs 5.00 lakh to DNDI Drugs for Neglected Diseases Initiative India Foundation for supporting education expenses of Chemistry students from Indian Universities and research institutes, engaged, and exposed in real life early-stage drug discovery for enhancing their research-critical thinking and collaboration skills.



DCM Nouvelle Limited contributed Rs 30.00 lakh to Indraprastha Institute of Information Technology -Delhi (IIIT-D) for Supporting expenses for Artificial Intelligence lab for development of model Making Effective Market Decisions for Commodity Purchases.



DCM Nouvelle Limited contributed Rs 13.00 lakh to Caddies Welfare Trust for supporting Financial Assistance to the Caddies and their family members including for basic Health care.



DCM Nouvelle Limited contributed Rs 61.00 lakh to Delhi Golf Club for promotion of Golf i.e., Olympic sports.

2022-23 CSR highlights

₹ 70.79 Crore

Average Net Profit of the Company

₹ 1.41 Crore

Two percent of average net profit

₹ 1.37 Crore

CSR obligation after excess set off for FY 2021-22

₹ 1.38 Crore

Total amount spent during FY 2022-23



Sustainability

We are strongly committed to environmental sustainability and prioritize actions that contribute to a greener planet. Our dedication to this cause drives us to actively explore and embrace eco-friendly options in our operations. This includes seeking out sustainable practices, materials, and technologies that minimize our environmental footprint. By making conscious choices that prioritize sustainability, we aim to play our part in preserving the environment for future generations and creating a more sustainable world.

To reduce our carbon footprint, we have implemented energy efficient solutions.

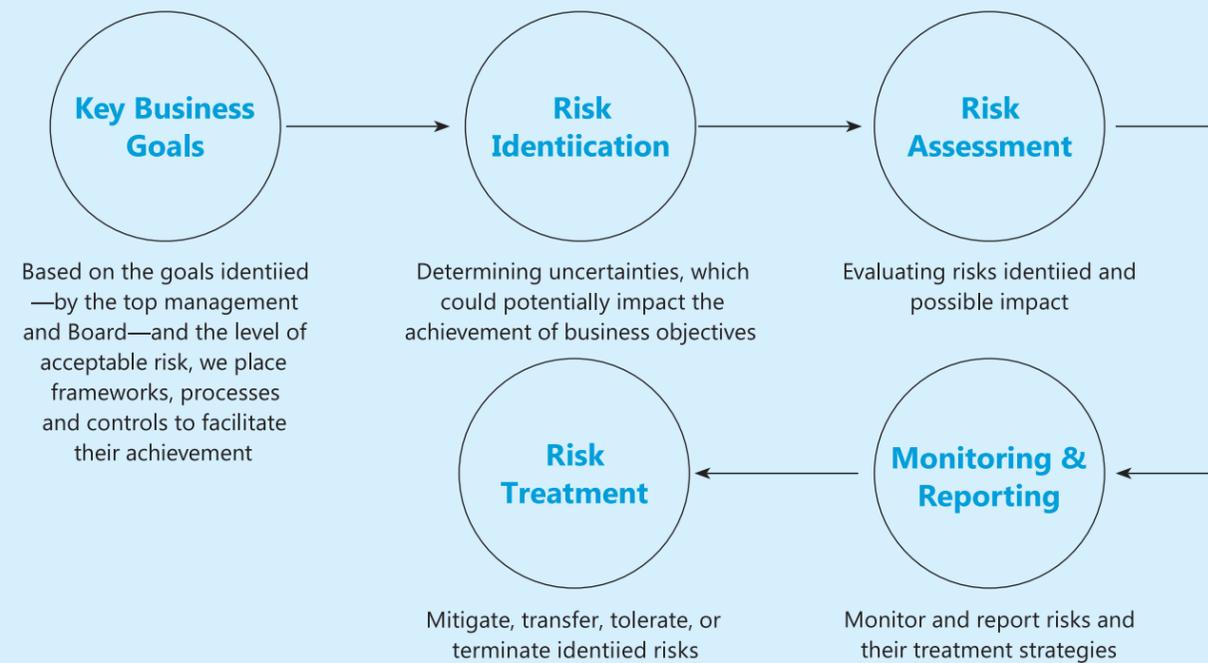
The Company has completed the installation of 2.10 MWp solar power plant during financial year 2022-23. Now total installed solar power is 16.855 MWp.

Risk Management

Balancing risks and opportunities

A dynamic operating environment brings with it inevitable internal and external risks. Our rigorous approach prepares us to adapt to contingencies and stay ahead of the curve

Risk Management Process



Risk Management Committee



Mr. Hemant Bharat Ram
Chairman & Chief Risk Officer



Mr. Rakesh Goel
Member



Mr. Vivek Chhachhi
Member

Enhancing Value Across the Six Capitals



Financial Capital

Financial capital plays a pivotal role in creating, utilizing, and gaining access to various other forms of capital. It encompasses equity, reserves, debt, and cash flows, supporting our ongoing operations and enabling us to pursue fresh investment opportunities while bolstering overall returns.

₹14.27 Crore
PAT

₹39.93 Crore
EBITDA

₹321.06 Crore
Net Worth



Social & Relationship Capital

Our comprehensive multi-stakeholder approach plays a crucial role in strengthening our connections with the communities in which we operate and nurturing sustainable value for all stakeholders in the long run.

₹1.38 Crore
Total CSR Spent



Manufactured Capital

Manufactured capital encompasses our state-of-the-art spinning plants, which play a crucial role in producing and delivering cost-effective, high-quality cotton yarn. Through the incorporation of cutting-edge technologies, these facilities not only improve the quality of cotton yarn but also allow us to effectively manage our environmental impact.

157872
Total Spindle Capacity

16.855 MWp
Total Solar Power Capacity



Natural Capital

In Natural Capital, our constant focus remains on minimising our environmental footprint with responsible business practices.

125
Acre of area of Greenery

7800
Number of Saplings Planted



Human Capital

Our Human Capital comprises individuals possessing a creative outlook and a wide range of skills that enable us to achieve our targeted objectives. Our culture of inclusivity and supportive practices cultivate essential talents, foster leadership growth, prioritize safety, and ensure the overall welfare of our workforce

2,132
Number of Employees

23,448
Number of Training Manhours



Intellectual Capital

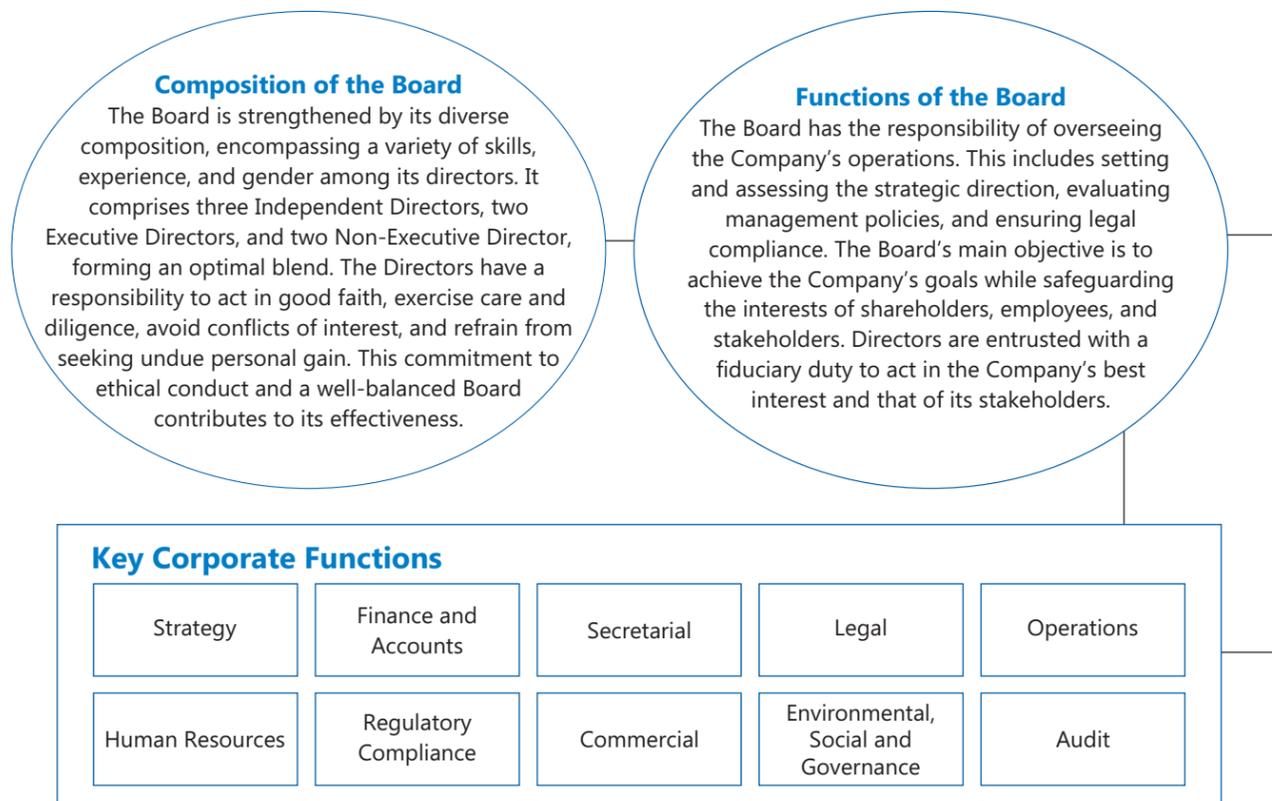
Intellectual Capital encompasses our industry expertise, experience, innovation capabilities, and adaptability to new technologies. This valuable resource enables us to achieve operational excellence, embrace modern business practices, and prepare for future challenges and opportunities.

Governance Framework

At DCM Nouvelle, we prioritize the balance of profitability and accountability to our stakeholders. Our corporate governance framework encourages ethical practices throughout the organization, while open communication ensures effective stakeholder engagement.



Board Committees provide a platform for the Board to deal with specific issues that require specialised areas of expertise. With the support of the Board and its Committees, the Company focuses on consistently improving its performance efficiency.



*Refer Corporate Governance Report for a detailed description

Our policies & Code

At DCM Nouvelle Limited, we recognize the importance of incorporating Environmental, Social, and Governance (ESG) factors into our decision-making process. We believe in implementing robust policies and practices that reflect our commitment to responsible business practices. We regularly review and update our strategies to align with the dynamic business environment and changing consumer needs. Our policies provide clear guidance to employees on ethical and behavioural standards that uphold our organizational values. Compliance with these policies is mandatory for all employees, and we also actively encourage other stakeholders to adopt and follow the same standards.

- Nomination and Remuneration Policy
- Corporate Social Responsibility Policy
- Social Accounting Policy
- Sourcing Policy
- Safety, Health, and Environment Policy (SHE)
- Policy on Criteria for Determining Materiality of Events
- Dividend Distribution Policy
- Prevention of Sexual Harassment Policy at Workplace

Further details on our policies can be accessed [here](#)

Compliance

We prioritize ethical, social, and environmental responsibility throughout our operations. Compliance is a key component of our business strategy, and we consistently strive to adhere to all applicable laws and regulations. In the financial year 2023, there were no instances of unfair trade practices, irresponsible advertising, anti-competitive behaviour, or corruption involving our employees or business partners. We have not received any complaints regarding the rights of indigenous people, child labor, forced labor, freedom of association, collective bargaining, gender, or social discrimination. We comply with health, safety, marketing, and labelling regulations, and there are no pending show-cause notices from regulatory authorities. Our commitment to compliance has resulted in no significant regulatory fines or sanctions, and we have resolved all shareholder complaints satisfactorily.

Board of Directors



Dr. Meenakshi Nayar

M M M M I



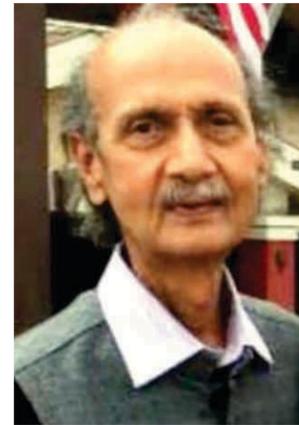
Mr. Hemant Bharat Ram

C C NE



Dr. Vinay Bharat Ram

NE



Mr. Jitendra Tuli

M C N



Mr. Rakesh Goel

M M M M N



Mr. Kulbir Singh

C I



Mr. Vivek Chhachhi

M C M M I

Median Director Age(years)



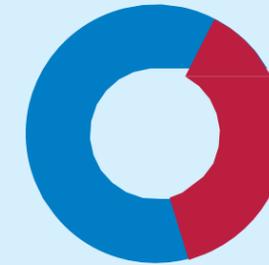
Board Attendance(%)



Board Independence (%)

43%

Independent



57%

Non-Independent

Average Tenure of Independent Directors on the Board (years)



I Independent, Non-Executive Director

N Non-Independent, Non-Executive Director

NE Non-Independent, Executive Director

Board Committees

C Chairman

M Member

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Finance Facilitation Committee

Corporate Social Responsibility Committee

Risk Management Committee

Financial Year 2022-23 in Brief

At DCM Nouvelle Limited, we demonstrated a stable operational and financial performance in FY 2023, delivering on our capacity growth targets of becoming a Rs. 12 billion Turnover company by FY 2024.

Inauguration ceremony

On February 10, 2023, the Company organized an inauguration ceremony for its newly established spinning unit located in Hisar. The ceremony served as a formal celebration of the completion and commencement of operations in the spinning unit. During the inauguration of the new unit, Dr. Meenakshi

Nayar, the Chairperson of the Company, took part in the ceremony. She cut the ribbon, symbolizing the official opening of the new unit, and performed the inauguration. This gesture marks the commencement of operations in the new facility and signifies the company's commitment to growth and expansion.



Product Launch

On February 10, 2023, the Company organized a launch ceremony for its new product called "Futuro Crème De La Crème" in Hisar.

The event was attended by the board of directors and senior management of the company. Mr. Hemant Bharat Ram, during the launch, extended his congratulations to all the heads of departments, staff, and workers for their hard work and contribution to the company's growth. The launch ceremony aimed to celebrate the introduction of the new product and acknowledge the efforts of the team involved in its development.

During the launch event, Mr. Vivek Kaushal, the Chief Executive Officer (Textiles), took the opportunity to introduce the product to the board of directors and delivered a speech highlighting its specifications and quality. He provided a detailed overview of "Futuro Crème De La Crème," discussing its unique features, benefits, and positioning in the market. Mr. Kaushal's speech aimed to generate enthusiasm and conveyed the value proposition of the product to the attendees, including the board members, who play a crucial role in strategic decision-making for the company.



Plant Visit

On February 10, 2023, the Company organized a plant visit for the board of directors. This visit provided an opportunity for the board members to tour a new plant commissioned by the company. During the visit, the board members had the chance to observe the operations, processes, and infrastructure of the plant firsthand.

During the tour, the board was given a brief overview of the new unit's machinery and manufacturing processes. The unit head described the various stages of cotton yarn production, emphasizing the new plant's efficiency, technology, and quality standards.



Expanding Into New Business through

DCM Nouvelle Specialty Chemicals Limited

DCM Nouvelle Limited, diversifying itself into a new business through its subsidiary with the partnership of its promoters, DCM Nouvelle limited made commitment to investment upto 120 Crore into the Chemical projects.

Our progress for Chemical

- Lease Agreement executed for 21 acres of Land with DMIC Vikram Udhypuri Ltd, Village Narvar, Ujjain, Madhya Pradesh for a term of Ninety-nine years.
- Bhoomi Poojan ceremony was conducted.
- Global standard R&D centre established.
- Civil work is in progress.
- Key functional staffing has been substantially completed.
- Pilot Plant expected to be commissioned by the end of FY 2023-24.
- Rs. 32.78 Crore is raised from its existing shareholder during the FY 2022-23

Bhoomi Poojan- Chemical Plant

On January 20, 2023, the Bhoomi Poojan ceremony was conducted for the proposed chemical plant of DCM Nouvelle Specialty Chemicals Limited, a subsidiary of the company. The ceremony marked the initiation of the construction process for the chemical plant. Mr. Hemant Bharat Ram, the Managing Director of the Company, played a significant role in the Bhoomi Poojan ceremony. He led the ceremony and performed the rituals alongside the business heads, suppliers, vendors, and employees of the Company. This collective participation signifies the unity and collaboration among different stakeholders in the project.



Directors' Report

Dear Members,

Your Directors present 7th Annual Report on the business and operations of DCM Nouvelle Limited ("DCMNVL"/ the "Company"), together with the audited financial statements for the financial year ended March 31, 2023 and other accompanying reports, notes, and certificates.

1. Company Overview

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 1,57,872 located at Hisar with approx. 3400 MT of monthly production.

2. Financial Highlights

The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016, with transition date from April 1, 2015. Accordingly, the financial reports for current financial year 2022-2023 and previous financial year 2021-2022 have been prepared as per Ind AS reporting framework.

The financial highlights of the Company for the year ended March 31, 2023, are as follows:

(` in Lacs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Revenue	87,032.76	91,763.55	87,023.96	91,763.55
Expenditure	84,654.63	75,336.82	84,906.82	75,350.53
Earnings before Interest, Depreciation, Tax and Amortisation (EBITDA)	3,993.26	18,286.41	3,740.77	18,266.70
Interest & Finance Charge	616.32	617.36	621.94	617.36
Depreciation and amortisation charge	998.81	1,236.32	1,001.69	1,236.32
Profit/(Loss) before Exceptional Items and Tax	2,378.13	16,432.73	2,117.14	16,413.02
Exceptional Items	294.08	-	294.08	-
Profit/(Loss) after Tax	1,427.04	12,279.46	1,166.05	12,259.75
Other comprehensive Income/loss	13.58	(29.31)	13.58	(29.31)
Total comprehensive Profit/(loss) for the year	1,440.62	12,250.15	1,179.63	12,230.44

3. Dividend and Appropriations

In 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, 2023. No appropriations are proposed to be made for the year under review.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy is disclosed in the Corporate Governance Report and is uploaded on the Company's website at [weblink](#).

4. Reserves

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, 2023.

5. Company's Performance

On a standalone basis, the revenue for FY 2023 was ` 870.33 crore, lower by 5.15 percent over the previous year's revenue of ` 917.63 crore. The profit after tax ("PAT") attributable to shareholders for FY 2023 was ` 14.27 crore lower by 88.38 percent over the PAT of ` 122.79 crore in FY 2022.

Directors' Report

On a consolidated basis, the revenue for FY 2023 was ` 870.24 crore, The profit after tax ("PAT") attributable to shareholders and non-controlling interests for FY 2023 was 11.66 crore lower by 90.49 percent over the PAT of ` 122.60 crore in FY 2022.

6. 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, 2023.

7. Capital Structure

During the year under review, there has been no

9. Subsidiaries, Joint Ventures & Associates:

9.1. Details of Subsidiaries

As on 31 March 2023, the Company had 1 (One) Subsidiary only as detailed below:

Sr. No.	Name of Subsidiary	Date of creation of interest	Nature of interest/ percentage of shareholding	Location
1.	DCM Nouvelle Specialty Chemicals Limited	02.02.2022	Subsidiary (76%)	India

DCM Nouvelle Specialty Chemicals Limited (DCMSCL) was incorporated as a Public Limited Company on 02nd February 2022 under the Companies Act, 2013, having its registered office in New Delhi, India. DCMSCL is engaged, inter-alia, in the business of manufacturing of Specialty Chemicals. The Company holds 76% equity shares in DCMSCL.

During the FY 2022-23, DCMSCL entered into Lease agreement for 21 acres of Land with DMIC Vikram Udhogpuri Ltd, Village Narvar, Ujjain, Madhya Pradesh for a term of Ninety-Nine years for manufacturing & processing Specialty Chemicals and performed Bhoomi Poojan for the construction of its new Chemical plant at the proposed site on 20th January 2023.

During the year, construction on a new manufacturing facility started, and an R&D lab was set up at the proposed site. The Board of Directors of the DCMSCL decided to enter initially in multi-purpose Specialty Chemicals. The new facility is expected to be

change in the capital structure of the Company. As on March 31, 2023 the Authorised Share Capital was ` 20,05,00,000/- and Paid-up capital was ` 18,67,77,490/-.

8. 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 FY23 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".

commissioned by the end of FY 2023-24.

During the year, DCMSCL also raised ` 32.78 Crore from its existing shareholders i.e., DCM Nouvelle Limited and Mr. Hemant Bharat Ram and expected to raise further in the financial year 2023-24.

9.2 Financial Performance of Subsidiaries

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of the subsidiaries in the prescribed Form AOC-1 is set out in **Annexure-A** to this report.

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.

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

Directors' Report

audited financial statements in respect of subsidiary, are available on the Company's website at [weblink](#).

10. 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 2022-23.

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, 2023, 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, 2023 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.

11. Corporate Structure – Directors and Key Managerial Personnel

11.1 Board of Directors

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 7 (Seven) Directors comprising of 1 (One) Managing Director, 1 (One) Whole Time Director, 2 (Two) Non-Executive Non Independent Directors and 3 (Three) Independent Directors (including a Woman Director). The complete list of Directors of the Company along with their brief profile has been provided in the Report on Corporate Governance forming part of this Annual Report.

Further, all the Directors and senior management personnel of the Company affirmed compliance with the Code of Conduct for the financial year 2022-2023 and the declaration in this respect appears elsewhere in the Annual Report.

11.2 Directors

Re-Appointment of Dr. Vinay Bharat Ram, As Whole Time Director.

During the year under review, Dr. Vinay Bharat Ram (DIN: 00052826), was re-appointed as Whole-Time Director for a period of 2 (two) years effective October 1, 2022 upto September 30, 2024.

Change in Designation of Mr. Rakesh Goel from Whole Time Director to Non-Executive Director.

During the year under review, Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023.

Directors' Report

11.3 Key Managerial Personnel (KMP)

The following are the Whole-Time Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Mr. Hemant Bharat Ram, Managing Director,
2. Mr. Sandeep Kumar Jain, Chief Financial Officer and
3. Mr. Mohd Sagir, Company Secretary

There has been no change in the KMPs during the year under review.

11.4 Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jitendra Tuli, Director of the Company shall retire by rotation at the ensuing Annual General Meeting. Mr. Jitendra Tuli, being eligible, has offered himself for reappointment. The Board recommends his appointment for your approval in the best interests of the Company. A Special resolution is proposed and forms part of the Notice seeking approval of the shareholders for his reappointment. The relevant details of Mr. Jitendra Tuli form part of the Notice convening 07th AGM.

11.5 Independent Directors

The Independent Directors had submitted their disclosures to the Board that they fulfil the requirements as stipulated under Section 149(6) of the Act and Regulation 25(8) of Listing Regulations. There had been no change in the circumstances affecting their status as Independent Directors of the Company to qualify themselves to be appointed as Independent Directors under the provisions of the Act and the relevant regulations. The Independent Directors have given the declaration under Rule 6(3) of the Companies (Appointment and Qualification of Directors)

Rules, 2014 confirming compliance with Rule 6(1) and (2) of the said Rules that their names are registered in the databank as maintained by the Indian Institute of Corporate Affairs ("IICA").

None of the Independent Non-Executive Directors held any equity shares of your Company during the financial year ended 31 March, 2023.

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.

11.6 Familiarization Program for Independent Directors

In compliance with the requirements of Listing Regulations, the Company has put in place a framework for Directors' Familiarisation Programme to familiarize the Independent Directors with their roles, rights and responsibilities, strategy planning, manufacturing process, subsidiaries business strategy, factory visit, CSR site visit, Amendments in law and Company's codes & policies. The details of the familiarisation programme conducted during the financial year under review are explained in the Corporate Governance Report. The same is available on Company's website and accessible through [weblink](#).

11.7 Meetings of the Board of Directors

The details of composition of the Board, its committees, their meetings held and attendance of the Directors at such meetings are provided in the Corporate Governance Report, which is a part of this Report.

11.8 Board Evaluation

The Board of Directors carried out an annual evaluation of its own performance, performance of Board Committees and

Directors' Report

individual Directors pursuant to the provisions of the Act and the Listing Regulations.

The performance of the Board, the Committees and individual Directors was evaluated by the Board after seeking inputs from all the Directors through a questionnaire wherein the Directors evaluated the performance on scale of one to five based on the following criteria:

- a) Criteria for Board performance evaluation includes degree of fulfilment of key responsibilities, Board structure and composition, establishment, and delineation of responsibilities to committees, effectiveness of board processes, information and functioning, board culture and dynamics, quality of relationship between the Board and the management.
- b) Criteria for Committee performance evaluation includes degree of fulfilment of key responsibilities, adequacy of committee composition, effectiveness of meetings, committee dynamics, quality of relationship of the committee with the Board, and the management.
- c) Criteria for performance evaluation of Individual Directors includes fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management, attendance, contribution at meetings, guidance, support to management outside Board/ Committee meetings.

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

The NRC also reviewed the performance of the individual directors.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and performance of the Board was evaluated, views of the Non-Executive Directors were also taken.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Directors to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the Board meeting that followed the meeting of the Independent Directors and meeting of NRC, the performance of the Board, its committees and individual directors were also discussed.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

11.9 Committees of the Board

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Act & Listing Regulations read with rules framed thereunder viz.

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholder's & Finance Facilitation Committee;
- d) Corporate Social Responsibility; and
- e) Risk Management Committee.

The Composition of all above Committees, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

11.10 Audit committee

The Audit committee of the Board of Directors of the Company comprises of 4 (Four) members namely:

Directors' Report

Sr. No.	Name of the Director	Category	Designation
1	Mr. Kulbir Singh	Non-Executive, Independent	Chairman
2	Dr. Meenakshi Nayar	Non-Executive, Independent	Member
3	Mr. Rakesh Goel	Non-Executive, Non-Independent	Member
4	Mr. Vivek Chhachhi	Non-Executive, Independent	Member

The Committee comprises of majority of Independent Directors. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

12. Auditors and their Report

12.1 Statutory Auditors

M/s Walker Chandiook & 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.

12.2 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 accounts are made and records have been maintained every year.

The Board had 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, 2023. The Cost Auditor has given the Cost Audit Report for the financial year ended March 31, 2023, 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 2024 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 2024, is proposed in the Notice convening the Annual General Meeting.

12.3 Secretarial Auditors

The Board had appointed M/s Pragyna Pradhan and Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023, is annexed as **Annexure-B** 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

Directors' Report

Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

12.4 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 2022-23 pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014.

12.5 Auditor's Report and Secretarial Audit Report

The Statutory Auditor's report and the Secretarial Auditor's report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

Policies And Procedures

13.1 Appointment Policy

The Company's policy on appointment of directors is available on the Company's website at [weblink](#).

13.2 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 Company's website and accessible through [weblink](#).

13.3 Risk Management

Pursuant to Regulation 21 of Listing Regulations, the Board of Directors of the Company had constituted a Risk Management Committee on December 20, 2022, to frame,

implement and monitor the risk management plan for the Company. The Committee comprises of Managing Director, one Independent Director and one Non-Executive Non-Independent Director.

The scope of Risk Management Committee includes monitoring and reviewing the risk management plan and ensuring its effectiveness.

The Audit Committee will have 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 framework which ensures that the Company is able to carry out identification of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company, has been covered in the Management Discussion and Analysis, which forms part of this Report.

13.4 Internal Financial Control Systems and their Adequacy

The Company has established and maintained adequate internal financial controls with respect to financial statements. Such controls have been designed to provide reasonable assurance with regard to providing reliable financial and operational information. During the year under review, such controls were operating effectively, and no material weaknesses were observed.

13.5 Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism in the form of Whistle Blower Policy for directors, employees, and other stakeholders of the Company to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct or other policies of the Company, details of which are provided in the Corporate Governance Report, which form part of this report. As a requirement of Code of Conduct

Directors' Report

of the Company, all stakeholders are also provided access to Whistle Blower mechanism.

The policy provides for adequate safeguards against victimization of directors/employees who avail of the mechanism and provides for direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy is available on Company's website and accessible through [weblink](#).

13.6 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 C" 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 and accessible through [weblink](#).

13. Transactions With Related Parties

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a policy on Related Party Transactions and the same can be accessed on the Company's website and accessible through [weblink](#).

All Related Party Transactions, that were entered into during the Financial Year under review, were on an arm's length basis, and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for prior approval.

None of the transactions entered into with Related Parties fall under the scope of Section 188(1) of the

Act. Details of transactions with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - D** in Form AOC - 2 and forms part of this Report.

14. Particulars of Loans, Guarantees and Investments

Particulars of the loans given, investments made or guarantees given covered under the provisions of Section 186 of the Act, are provided in the Note No. 44 of the Standalone Financial Statements.

15. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, for prevention and redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction, in case of any reported incidence of sexual harassment across the Company's offices and take appropriate decision in resolving such issues.

Further, the Company has complied with provisions relating to the constitution of Internal Complaints Committee as required under the said act.

During the year under review, the Company did not receive any complaints on sexual harassment.

16. Details of application made or proceeding pending, if any under the insolvency and bankruptcy code, 2016

Nil, during the year under review.

17. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions

Nil, during the year under review.

18. Event Occurred After Balance Sheet Date

No major events have occurred after the date of

Directors' Report

balance sheet of the Company for the year ended on March 31, 2023.

19. Particulars of Employees and Related Disclosures

Disclosure pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure [E]** to this report. In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure [F]** to this report.

20. 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 – G** and forms part of this Report.

21. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future

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.

22. Industrial Relations

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

23. Deposits

The Company has not accepted any deposits from public, during the year under review, within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014. No amount on account of principal or interest on

deposits from public was outstanding as on the date of the balance sheet.

24. Extract of annual return

Pursuant to the provisions of Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 and Section 134(3)(a) of the said Act, the Annual Return containing details as of March 31, 2023, is available on the Company's website and accessible through [weblink](#).

25. Compliance with secretarial standards

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

26. Credit rating

Please refer to 'Corporate Governance Report' for details.

27. Frauds reported by the auditors

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.

28. Business Responsibility & Sustainability Report (BRSR)

The Listing Regulations mandate the inclusion of the BRSR 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, 2023. Your Company does not fall into top 1000 Listed entities. However, the Risk Management Committee recommended to the board that it voluntarily adopt the BRSR disclosures for the financial year 2022-2023; as a result, the BRSR was integrated into our Annual Report.

29. Corporate Governance 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

Directors' Report

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.

30. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of Listing Regulations is presented in a separate section forming part of the Annual Report.

31. General

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- issue of equity shares with differential rights as to Dividend, voting or otherwise;
- issue of shares (including sweat equity shares) to employees of the Company under any scheme, save and except Employee Stock Options Schemes referred to in this Report;
- raising of funds through preferential allotment or qualified institutions placement;

32. Cautionary Statement

Statements in the Annual Report, including those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ

33. Green Initiatives

The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated 21 April 2011 and 29 April 2011, respectively, had allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate Governance.

The Ministry of Corporate Affairs vide its circular dated 08 April 2020, 13 January 2021, 12 December

2021, 14 December 2021, 05 May 2022, and 28 December 2022 has allowed the Company to conduct their AGM through Video Conferencing or other Audio Visual Means. Hence, in order to ensure the effective participation, the members of the Company are requested to update their email address for receiving the link of e-AGM. Further, in accordance with the said circular, Notice convening the 07th Annual General Meeting, Audited Financial Statements, Board's Report, Auditor's Report and other documents are being sent to the email address provided by the shareholders with the relevant depositories. The shareholders are requested to update their email addresses with their depository participants to ensure that the Annual Report and other documents reaches on their registered email id's.

34. 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, 2023. Their Certificate is annexed to this Directors' Report.

35. 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: 21.07.2023

Annexure (A) to Directors' 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 2022-23
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	13,75,00,000
5.	Reserves & surplus/other Equity	11,96,91,586
6.	Total assets	28,31,03,333
7.	Total Liabilities	28,31,03,333
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(2,61,48,839)
11.	Provision for taxation	-
12.	Profit after taxation	(2,61,48,839)
13.	Proposed Dividend	0
14.	% of shareholding	76.00%

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

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

Annexure (A) to Directors' Report

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

Name of associates/Joint Ventures

1.	Latest audited Balance Sheet Date
2.	Date on which the Associate or Joint Venture was associated or acquired
3.	Shares of Associate/Joint Ventures held by the company on the year end
	No.
	Amount of Investment in Associates/Joint Venture
	Extend of Holding%
4.	Description of how there is significant influence
5.	Reason why the associate/joint venture is not consolidated
6.	Net worth attributable to shareholding as per latest audited Balance Sheet
7.	Profit/Loss for the year
	i. Considered in Consolidation
	ii. Not Considered in Consolidation

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Annexure (B) to Directors' Report

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2023

[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, 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 31st March, 2023 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, 2023 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; **(Not Applicable to the listed entity during the review period);**

- V. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the listed entity during the review period);**
 - 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; **(Not Applicable to the listed entity during the review period);**
 - 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);**

Annexure (B) to Directors' Report

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 examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. except

- a) An Intimation under Proviso of Regulation 29(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was made 2 days in advance instead 5 days.

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:

- Mr. Rakesh Goel (DIN: 00226058) has resigned from the post of Whole Time Director of the Company w.e.f 31st December, 2022 and continue as Non-Executive, Non-Independent director of the Company.

For **Pragnya Pradhan & Associates**
Company Secretaries

Pragnya Parimita Pradhan
Proprietor
ACS No. 32778
C P No.: 12030

Place New Delhi
Date: 21.07.2023

UDIN: A032778E000659426
Peer Review No: 1564/2021

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 (B) to Directors' Report

Annexure A

- | | |
|---|---|
| a. Factories Act, 1948; | k. The Hazardous Wastes (Management and handling) Rules, 1989 |
| b. Industries (Development and Regulation) Act 1951; | l. The Air (Prevention and Control of Pollution) Act, 1981 |
| c. Minimum Wage Act, 1948; | m. The water (Prevention and Control of Pollution) Act, 1974 |
| d. Employees Provident Fund & Miscellaneous Provisions Act, 1952; | n. The Environment Protection Act, 1986 |
| e. The Payment of Bonus Act, 1965 | o. Payment of Wage Act, 1936; |
| f. Payment of Gratuity Act, 1972; | p. Environment (Protection) Act, 1986; |
| g. The Workmen Compensation Act, 1923 | q. The Contract labour (Regulation & Abolition) Act, 1970 |
| h. The Apprentice Act, 1961 | r. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. |
| i. The Electricity act, 2003 | |
| j. The Fatal Accident Act, 1855 | |

Annexure B

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

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 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
Proprietor
ACS No. 32778
C P No.: 12030

UDIN: A032778E000659426
Peer Review No: 1564/2021

Place: New Delhi
Date: 21.07.2023

Annexure (C) to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same can be accessed through [weblink](#).

DCM Nouvelle, through its various CSR initiatives and programs continues to invest in addressing the most pressing needs of the community. The primary focus areas are Education, Health Care, Sports, and Social Empowerment.

2. Composition of CSR Committee:

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

Mr. Mohd Sagir acts as the Secretary of the Committee.

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

Composition of CSR Committee is available on Company's Website and is accessible through [weblink](#)

CSR Policy is accessible through [weblink](#)

CSR Projects is accessible through [weblink](#)

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

Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in `/Lacs)	Amount required to be set-off for the financial year, if any (in `/Lacs)
1	2023-24	0.79	-
2	2022-23	4.22	0.79

Annexure (C) to Directors' Report

6. Average net profit of the company as per section 135(5). ` 7594.09 Lacs
7. a) Two percent of average net profit of the company as per section 135(5) ` 151.88 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 ` 0.79 Lacs
d) Total CSR obligation for the financial year (7a+7b- 7c). ` 151.09 Lacs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in `)	Amount Unspent (in `)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
123,14,919/-	50,000/-	19.04.2023	—	—	—
	14,50,000/-	21.04.2023			

(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
1.	Financial Assistant to set up Artificial Intelligence Lab (AI)	(ii)	Yes	Delhi	Delhi	3 years	30.00	15.00	15.00	No	IIITD	CSR00032882.

Annexure (C) to Directors' Report

(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)	(ii)	Yes	Haryana	Hisar	26.41	Yes	HTM High School	CSR00015865
2	Promoting Education-DNDi	(ii)	Yes	Delhi	Delhi	5.00	No	DNDi	CSR00016648
3	Purchase of equipment and maintain Golf course	(vii)	Yes	Delhi	Delhi	61.00	No	DGC	CSR00002962
4	Financial Assistance to the caddies who provides assistance to golfers during matches	(vii)	Yes	Delhi	Delhi	13.00	No	Caddies Welfare Trust	CSR00002186
5	Promotion of education relating to culture- Har Ghar Tiranga	(ii)	Yes	Haryana	Hisar	2.74	Yes	NA	NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ` 138.15 Lacs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ` Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	141.58
(ii)	Total amount spent for the Financial Year	138.15
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-3.43
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-4.22
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	0.79

Annexure (C) to Directors' Report

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in `)	Amount spent in the reporting Financial Year (in `).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in `)
				Name of the Fund	Amount (in `).	Date of transfer.	
1.	2022-23	15,00,000/-	123,14,919/-	-	-	-	Nil
2.	2021-22	-	-	-	-	-	Nil
3.	2020-21	-	-	-	-	-	Nil
TOTAL		15,00,000/-	123,14,919/-	-	-	-	Nil

(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.
01	Financial Assistance to set up Artificial Intelligence Lab (AI)	Financial Assistance to set up Artificial Intelligence Lab (AI)	2021-22	3 Years	30,00,000/-	15,00,000/-	15,00,000/-	ongoing

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

Place: New Delhi
Date: 13.05.2023

Rakesh Goel
Member- CSR Committee

Hemant Bharat Ram
Chairman- CSR Committee

Annexure (D) to Directors' Report

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

None; During the reporting period ended on 31st March 2023, 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: 21.07.2023

Annexure (E) to Directors' Report

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2022-23, the percentage increase in remuneration of Chief Financial Officer and other Executive Director(s) and Company Secretary during the financial year 2022-23.

Sl. No.	Names	Designation	% Increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/ to median remuneration of employees for financial year 2022-23
1	Mr. Hemant Bharat Ram-	Managing Director	0	296.82
2	Dr Vinay Bharat Ram-	Whole Time Director	16	43.35
3	Mr. Rakesh Goel-	Whole Time Director	0	80.03
4	Dr. Sandeep Kumar Jain	Chief Financial Officer	3.14	NA
5	Mr. Mohd Sagir	Company Secretary & Compliance Officer	5.24	NA

- ii. In the financial year, there was an increase of 5.09 % in the median remuneration of employees.
- iii. There were 2132 permanent employees on the role of Company as on March 31, 2023.
- iv. The median remuneration of employees of the Company during the financial year 2022-23 is ` 1,64,122/-
- v. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2022-23 was -17.66%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.
- vi) All the Non-Executive Directors including Independent Directors did not receive any remuneration from the Company except the sitting fees for attending Board Meetings and Committee Meetings during the year 2022-23. 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 (F) to Directors' Report

I. DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR UNDER REVIEW INCLUDING DETAILS OF EMPLOYEES EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW AND WHO ARE IN RECEIPT OF REMUNERATION FOR THAT YEAR, WHICH IN AGGREGATE WAS NOT LESS THAN ` 1.02 CRORES PER ANNUM:

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	57	Managing Director	B.S. (Math & Comp. Sc.), MS (IA)	32	April 1, 2019	486.78	DCM Ltd.	50.11
2	Dr. Vinay Bharat Ram	87	Whole Time Director	B.A. (Hons.) Economics, University of Delhi, MBA, Michigan University (AnnArbor), Management Development Programme, Harvard University, Ph.D. in Economics from University of Delhi	61	October 1, 2019	71.10	DCM Ltd.	Nil
3	Mr. Sudip Nandy	53	Chief Technical Officer	B. Tech. (Textiles)	30	February 28, 2008	51.61	Arihant Spinning Mill, Malerkotla	Nil
4	Mr. Vivek Kaushal	52	Chief Executive Officer (Textiles)	M.B.A.	30	December 8, 1995	60.48	Nahar Export Limited, Ludhiana	Nil
5	Mr. Sandeep Kumar Jain	50	Chief Financial Officer	Chartered Accountant, LL.B., M. Com.,	25	January 15, 2007	53.58	S.A.P. Ltd. Meerut.	Nil
6	Mr. Pratap Bahadur Singh	52	Sr. General Manager (HR)	BA, MSW, LL. B	28	January 19, 2009	41.48	Maya Export Corporation, Delhi	Nil
7	Mr. Bir Chand Jataiwal	53	Sr. General Manager	B. Tech.	31	October 13, 2007	36.15	Rana Polycot Ltd, Punjab	Nil
8	Ms. Poonam Sachdeva	57	Senior Manager- Corporate	P. G	35	April 1, 2019	35.20	DCM Ltd.	Nil
9	Mr. Harish Kumar Arora	46	Deputy General Manager	B. Tech	25	November 17, 1999	26.91	Vardhman Group	Nil
B. Employed for Part of the year									
10	Mr. Rakesh Goel*	66	Executive Director	M.B.A.	43	November 23, 1990	131.25	Hafed Spinning Mills	Nil

*Executive Director up to December 31, 2022

Note:

- Remuneration include basic salary, contribution to provident and superannuation funds, allowances and taxable value of perquisites.
- Dr. Vinay Bharat Ram is the father of Mr. Hemant Bharat Ram, hence both are relatives.
- Remuneration of Mr. Rakesh Goel is up to 31.12.2022.

Annexure (G) to Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

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 financial year 2022-23 with a view to reduce cost of energy and consequently, the cost of production:

- IE-4 Motor installed on Ring Frame machines
- Stopped unnecessary use of Power stabilizer
- Replaced conventional Halogen Street light with LED lights
- Green Energy – Clean Energy

The Company produced 206.97 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.

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

The Company has completed the installation of 2.10 MWp solar power plant during financial year 2022-23. Now total installed solar power is 16.855 MWp.

iii. The capital investment on energy conservation equipment's- Nil

B. Technology Absorption

- The efforts made towards technology absorption- Nil
- The benefits derived like product improvement, cost reduction, product development or import substitution- NA
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil
- 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.

Particulars	(Rupees in lacs)	
	As on March 31, 2023	
Foreign Exchange Earned		28026.98
Foreign Exchange Used		187.19

Business Responsibility and Sustainability Report

Section A:

General Disclosure

I. Details of the listed entity

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:	Same as above
6.	E-mail:	info@dcmnvl.com
7.	Telephone:	+91 11 4367 8490
8.	Website:	https://www.dcmnvl.com/
9.	Financial Year for which report is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed:	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11.	Paid-up Capital:	₹ 18,67,77,490/-
12.	Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report	Mr. Mohd Sagir Company Secretary & Compliance officer info@dcmnvl.com 011 4367 8490
13.	Reporting Boundary (Standalone or Consolidated basis)	The disclosures made in this report are on a standalone basis.

II. Products and Services:

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of the Main Activity	Description of Business Activity	% Turnover of the Entity
1.	Cotton Yarn	Manufacturing of Cotton Yarns	91%

15. Product/Services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product/ Service	NIC Code	% of Total Turnover Contributed
1.	Cotton Yarn	17121	91%

III. Operations:

16. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1-Manufacturing Plant at Hisar, Haryana.	1-Registered cum corporate office at New Delhi.	2
International	-	-	-

Business Responsibility and Sustainability Report

17. Markets Served by the Entity:

a) Number of Locations:

Location	Number
National (No. of States)	10
International (No. of Countries)	30

b) What is the contribution of exports as a percentage of the total turnover of the entity?

In FY 2022-23, exports contributed 32.98% of the of the Company's revenue through our international business. During the FY exports of the Company reduced from ` 497.56 Cr to 280.27 Cr due to lower demand in international markets. Our aim is to become the preferred supplier of quality yarn for finest clothing. We are confident that we will increase our market share and drive future growth.

c) A brief on types of customers?

DCM Nouvelle Limited is a leading manufacturer & exporter of 100% cotton carded, combed & Compact yarns in single and two-ply forms of count range Ne 12s to 40s. Our products are mostly sold through dealers and agents to the manufacturer of Textiles product mainly Towels, Hosiery and garments.

IV. Employees:

18. Details as at the end of Financial Year 2022-23

a) Employees and Workers Employees

Employees (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1	Permanent Employees	154	148	96.10	6	3.90
2	Other than Permanent Employees	-	-	-	-	-
3	Total employees (1+2)	154	148	96.10	6	3.90

Workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4	Permanent Employees	2006	1380	68.79	626	31.21
5	Other than Permanent Employees	-	-	-	-	-
6	Total employees (4+5)	2006	1380	68.79	626	31.21

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b) Differently abled Employees and Workers

Differently Abled Employees

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1	Permanent Employees	-	-	-	-	-
2	Other than Permanent Employees	-	-	-	-	-
3	Total employees (1+2)	-	-	-	-	-

Differently Abled Workers

S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4	Permanent Employees	-	-	-	-	-
5	Other than Permanent Employees	-	-	-	-	-
6	Total employees (1+2)	-	-	-	-	-

19. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors (BOD)	7	1	14.28%
Key Management Personnel*	2	0	0.00%

*Excluding BOD

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.03	0.70	14.73	11.17	0	11.17	10.56	0.75	11.31
Permanent Workers	62.98	29.03	92.01	55.98	25.73	81.71	48.22	20.46	68.68

V. Holding, Subsidiary and Associate Companies (including joint ventures):

21. Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding / subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	DCM Nouvelle Specialty Chemicals Limited	Subsidiary	76%	No

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VI. CSR Details:

22. (i). Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii). Turnover (in `)	849.88 Cr
(iii). Net Worth (in `)	321.06 Cr

VII. Transparency and Disclosures Compliances:

23. Complaints/ Grievances on any of the principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide weblink for grievance redress policy)	FY 2022-23			FY 2021-22		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Yes. Refer Point 1	0	0	-	0	0	-
Investors (other than shareholders)	Yes	Yes. Refer Point 2	0	0	-	0	0	-
Shareholders	Yes	Yes. Refer Point 2	5	0	-	3	1	-
Employees and workers	Yes	Yes. Refer Point 3	0	0	-	0	0	-
Customers	Yes	Yes. Refer Point 4	109	5	-	50	0	-
Value Chain Partners	Yes	Yes. Refer Point 5	0	0	-	0	0	-

The Company has ensured that all the stakeholder groups of DCM Nouvelle have a dedicated point of contact to address their grievances.

- Communities - DCM assists the community through its CSR projects and programmes. The communities can raise concerns, provide feedback on ongoing projects, and raise grievances related to CSR projects/programs/activities, by accessing dedicated email id: info@dcmnvl.com. [Refer link](#)
- Shareholders - Investors and shareholders have direct access to the Company Secretary and Compliance Officer via a dedicated email id: info@dcmnvl.com. [Refer link](#)
- Employees and Workers - The Company's 'Whistle-Blower Policy' is a mechanism that allows not only employees and workers but also other stakeholders to report grievances. It also ensures that complainants are protected with full anonymity and any anti-retaliation or victimisation practices. [Refer link](#)
- Customers have multiple communication channels to address their grievances, and portal to raise issues/complaints
- Value chain partners can avail the grievance redressal mechanism through various channels, including an email address, a shared service helpdesk, and the Whistle Blower Policy. [Refer link](#)

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24. Overview of the entity's material responsible conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Corporate Governance & Conduct	R	Corporate governance is critical for the success of DCM Nouvelle and any risks can result in reputation loss and damage to stakeholder trust and business disruption.	Periodical internal reviews, audit and presentations on changes introduced by regulators.	Negative
2.	Health and Safety	R	Health and safety of our employees and workers is of paramount importance to the organisation. Identifying health and safety issues and hazards, placing measures to minimise the risks to life and property instils confidence in our employees and workforce	We provide regular health and safety trainings to all our employees and workers in order to foster a safety culture and create safe working environment.	Negative
3.	Labour Management	R/O	As a manufacturing organization, compliance to labour management and labour laws is critical.	The Company ensures complete compliance with all the applicable labour rules and regulations.	Negative/ Positive
4.	Human Capital Development	O	Trainings and programmes for the employee skill enhancement via vocational, soft skill enhancement, and sabbaticals to improve the performance and develop an innovative and empowered workforce	NA	Positive
5.	CSR	O	As a part of the Company's commitment to society, comprehensive interventions are undertaken in education, healthcare, and the Sports.	NA	Positive

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Responsible Supply Chain	R/O	Our supply chain consists of local suppliers, with a significant part of our raw materials being supplied by Domestic suppliers.	The organization has managed to forge long-term relationships with our significant raw material suppliers, with a significant number of our suppliers having the best practices for sustainability. We have put in practice a necessary due-diligence process before engaging with any supplier or logistics delivery partner for long-term contracts.	Negative/ Positive
8.	Enhancement of Renewable Power	O	Supply of Renewable clean power helps in reducing CO2 emissions & reduce Power cost to the Company	NA	Positive
9.	Responsible Investment	O	Investment approach that recognises the generation of long-term sustainable returns and is dependent on stable, well-functioning and well-governed social, environmental, and economic systems	NA	Positive
10.	Business Ethics	R	-	Whistle blower policy and its deployment. The Company has a whistle blower policy for its employees, vendors and channel partners.	Negative

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Section B:

Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes out in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. Policy and management processes									
a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.dcmnvl.com/policies-and-code.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes,								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9000, BCI YARNS, Better Cotton for All, Global Organics textile Standard (GOTS) OEKO TEX STANDARDS 100, Importer - Exporter Code (IEC)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	DCM Nouvelle has identified ESG key focus areas and has set ESG targets internally which are monitored and acted upon continuously. Our sustainability strategy is closely aligned with the UN SDGs to contribute towards meaningful change around the world.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	DCM Nouvelle, as a responsible corporate citizen, is fully aware of its responsibilities to society. The company believes that incorporating environmental, social, and governance (ESG) principles into its business operations and adhering to them is critical to building resilience in the business, transforming culture, and creating long-term value for all of our stakeholders. Our sustainability plan takes into account significant sustainability trends as well as the potential consequences of our business activities on our stakeholders. We are in the process of identifying our major material subjects, which will form the foundation of management's approach to business in the future, including climate change and energy, health and safety, innovation, corporate governance, ethics, and integrity, among others.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Company has constituted Risk management Committee and appointed Mr. Hemant Bharat Ram, Managing Director as Chief Risk Officer of the Company, to oversee the implementation of the policies.								

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Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes, Risk Management Committee								
10. Details of Review of NGRBCs by the Company:									
Performance against above policies and follow up action	Yes								
Frequency (Annually / Half yearly / Quarterly / Any other - please specify)	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliance	Compliance Report regarding all applicable laws is placed before the Board on quarterly basis.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company conducts internal periodic review of the policies that are evaluated by the functional heads and approved by the leadership team.								
12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:	Not applicable								

SECTION C:

Principle-Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

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
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

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S. No.	Principles	Particulars
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

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	06	DCMNVL conducts familiarisation programs on various topics including National Guidelines on Responsible Business Conduct (NGRBC) principles, factory visit, awareness related to statutory and regulatory changes.	100%
Key Managerial Personnel	09	During the year, the BoD of the Company has devoted time on various matters relating to issues pertaining to business, governance, IT issues, risk management, Automations, Labour management, and operations.	100%
Employees other than BoD and KMPs	02	Various training programmes on Human Rights, awareness of PoSH Laws.	27.92
Workers	25	Various trainings pertaining to health, safety, behavioural, skill upgradation, management, operations, etc.	58.08

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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies/ judicial institutions in FY23 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement authority/ judicial institutions	Amount (INR)	Brief of case	Has an appeal been preferred? (Yes or NO)
Monetary					
Penalty/Fine	P-1	Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)	20,000/-	Your Company, being a listed Company pursuant to proviso of regulation 29 (2) of SEBI (LODR) Regulation 2015, was required to intimate regarding the Board meeting at least five days in advance (excluding the date of the intimation and date of the meeting) but inadvertently the same could not be intimated within the prescribed time.	No
Settlement			NIL		
Compounding fee					
Non - Monetary					
Imprisonment			NIL		
Punishment					

DCM Nouvelle Limited has no instance of fines/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year, except disclosed is closed above.

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed. **Not applicable**
4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
Yes, the Company has in place the code of conduct for the Board and senior management pursuant to Regulation 17(5) (a) of SEBI Listing Regulations. The Company has also in place a Code of Conduct for employees, vigil mechanism and whistle blower policy for effective implementation of the policy.
5. There were **no instances** of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/ employees/ workers.
6. There were **no complaints** received in relation to issues of conflict of interest of the Directors and KMPs during the reporting period FY 2022-23.

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7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. **Not Applicable**

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	Nil	Nil	

2. a. Does the entity have procedures in place for sustainable sourcing? Yes

DCM Nouvelle engages with multiple local suppliers with a preference for local vendors. We select our supplier/ vendors based on clear and set communication with transparency about the requirements of Human rights, Health & safety, Business Ethics and Environment policy. Our procurement policy provides weightage to the sustainability practices of the suppliers during selection.

- b. If yes, what percentage of inputs were sourced sustainably?

100% (including procurement of capital goods)

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for

Plastics (including packaging)	
E-waste	No Such, Company sells all waste material to the local vendors
Hazardous waste and other waste.	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Not Applicable

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Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	148	115	77.70	148	100	NA	NA	NA	NA	NA	NA
Female	6	6	100	6	100	6	100	NA	NA	NA	NA
Total	154	121	78.57	154	100	6	100	NA	NA	NA	NA
Other than permanent employees											
Male	All benefits extended to the contract workforce (workers) are in line with statutory provisions.										
Female	As a principal employer DCM Nouvelle is committed to ensuring compliance.										
Total											

b. Details of measures for the well-being of employees:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1380	1380	100	1380	100	NA	NA	NA	NA	NA	NA
Female	626	626	100	626	100	626	100	NA	NA	NA	NA
Total	2006	2006	100	2006	100	626	100	NA	NA	NA	NA
Other than permanent workers											
Male	NA										
Female											
Other											

All benefits extended to the contract workforce (workers) are in line with statutory provisions. As a principal employer DCM Nouvelle is committed to ensuring compliance.

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2. Details of retirement benefits for the Current FY and Previous FY

Benefits	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	N.A.	100	100	N.A.
ESI	16.88	100	Y	15.67	100	Y
Others (Superannuation)	61.74	0	Y	54.47	0	Y

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes. DCM Nouvelle facilities are accessible to differently abled employees with lifts, ramps, and wheelchair provision

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy.

Yes, the Company provides equal rights to its employees and does not discriminate on any ground, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law. The Company also recruits, develops, and promotes its employees solely on performance, merit, competence and potential. [Weblink](#).

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes, the Company has implemented an open-door approach for every employee, regardless of their position.
Other than permanent workers	It offers various platforms to its employees for sharing their grievances and concerns, including Ethics Speak up, HR Helpdesk and emails to their supervisors.
Permanent Employees	Further the company follows the Code of Conduct encouraging employees to raise concerns about Bribery, corruption, Sexual Harassment, Human rights issues, Insider trading and many more.
Other than Permanent Employees	

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The Company encourages all its stakeholders to raise concerns, grievance, and alerts. The Complainant is provided adequate protection under the policies.

All employees and workers can report via below modes:

- o Through email at: info@dcmnvl.com
- o In case of letters (protected disclosure) submitted by hand-delivery, courier or by post addressed to the Chairman of the Audit Committee at his address.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

DCMNVL does not have any employees or worker unions or associations. However, in line with the Policy on Respect for Human Rights, Company recognises right to freedom of association.

8. Details of training given to employees and workers:

Category	2022-23 (Current financial year)					2021-22 (Previous financial year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C /A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	374	74	19.78	300	80.21	625	127	20.32%	498	79.68%
Female	10	4	40.00	6	66.00	29	6	20.69%	23	79.31%
Total	384	78	20.31	306	79.68	654	133	40.67%	521	79.66%
Workers										
Male	1526	808	52.95	718	47.05	1251	851	68.03%	400	31.97%
Female	687	364	52.98	323	47.01	589	401	68.08%	188	31.92%
Total	2213	1172	52.96	1041	47.04	1840	1252	68.04%	588	31.96%

Training is an element for safety awareness. Health and safety training is imparted to employees as a part of the induction module at the time of joining to achieve minimum mandatory awareness related to health and safety (H&S). Constant reinforcement sessions are conducted through webinars, trainings, posters, emails, and floor meetings.

Note: We have initiated monitoring of training data on health and safety measures from the financial year 2022-23

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9. Details of performance and career development reviews of employees and worker:

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Total (A)	No. (B)	% (B/ A)	Total (D)	No.(E)	% (E / D)
Employees						
Male	148	128	86.48	129	103	79.84%
Female	6	4	66.67	6	6	100.00%
Total	154	132	85.71	135	109	80.74%
Workers						
Male	167	165	97.63	337	329	97.63%
Female	1	1	100	70	70	100.00%
Total	168	166	97.64	407	399	98.03%

10. Health and safety management system:

DCMNVL recognizes Health and Safety of its workforce as one of the key focus areas in the organization. It also recognizes that adherence to applicable legislations is a minimum start point and strives to continuously benchmark & improve the safety at offices and sites.

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) If "Yes", then coverage of the system.

Yes, DCMNVL has an Occupational health & Safety management system (OSHS), which consists various Standard Operating procedures like Accident reporting & investigation, Fire reporting & investigation, Fire Drill, Emergency response, Work permit system, Internal Safety Audit, Safety Committee.

DCMNVL has a KPI System for Safety awareness, reduce accident and fire case, identify of unsafe act/condition, Safety system upgradation.

DCMNVL regularly does the third party checking of Appliance Testing (Lifting tools tackles, Air receiver, Fork lifter, EOT crane).

DCMNVL has Internal checking system of firefighting equipments - fire cylinder, hydrant, smoke detector, fire alarm, fire sensor, internal checking system of vehicles. DCMNVL conduct inspection in every year for better control on the management system.

What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

DCMNVL has internal unsafe act/conditions identification system which act on daily basis. We have internal safety audit committee. DCMNVL identify the safety issue.

Incident reporting by employees and workers:

DCMNVL encourages its employees and workers to report any incidents, accidents, or near-misses that occur in the workplace.

Safety walkthroughs by the leadership and senior management:

DCMNVL conducts regular safety walkthroughs of its facilities to identify potential hazards and assess their risk.

Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes. The Company's workers have multiple channels to report incidents and accidents through the incident reporting system, emails, verbal reporting to supervisors and HR helpline.

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Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No) Yes, DCMNVL has a doctor-in-campus facility and corporate tie-ups with the nearest multi-specialty hospitals for any emergencies.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2022-23 (Current financial year)	2021-22 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

The Company undertook various measures to ensure a safe and healthy workplace which include

- Safety review with management.
- Providing Safety training programs for employees by internal and external faculty.
- Celebrate Safety Week, Environment Day.
- Safety poster display.
- Fire drill.
- Facilitating doctor on campus.
- Mandating medical check-ups for high-risk categories.

13. Number of complaints on the following made by employees and workers:

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health & Safety	17	-	NA	31	-	NA

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14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions: Not Applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity-stakeholder analysis and the key stakeholders include shareholders, customers, employees, and Government.

We take a collaborative approach when it comes to working with both internal and external stakeholder namely employees, suppliers, dealers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities and gives utmost importance to healthy relationship and continuous engagement with them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder groups.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others please specify)	Purpose and scope of engagement including key topics and concerns raised during such Engagement
Regulatory bodies	No	• Regulatory filings • Meetings • Emails • Through Industry Associations	As per requirement	• Compliance requirements • Upcoming rules and regulations • Industry representation on key Matters
Shareholders	No	• Regulatory filings • Company website • Quarterly publication of results	As per requirement	• Financial and non-financial performance • Corporate governance, Ethics, and value
Suppliers	No	• Emails • Periodic meetings • Visits to supplier's facilities • Conferences	Regularly	• Business opportunities, quality, and safety of raw materials • Materials management • Issues faced by Company/suppliers
Customers	No	• Emails • Meetings • Conferences • Surveys to capture customer satisfaction level	Regularly	• Product innovation and life-cycle efficiency • Resolution of Customer Complaints • Quality and Safety • New products offerings

Business Responsibility and Sustainability Report

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others please specify)	Purpose and scope of engagement including key topics and concerns raised during such Engagement
Employees	No	<ul style="list-style-type: none"> Emails Notice board Meetings Open house sessions with senior management Grievance mechanism Performance feedback Surveys to capture employee satisfaction level Focused trainings and awareness sessions 	Regularly	<ul style="list-style-type: none"> Career growth prospects Learning and development programs Trainings Rewards and Recognition Occupational Health and Safety Grievance redressal mechanism Ethics and transparency Total Quality Management IT enablement & digitisation Employee-oriented work policies
Local Communities	Yes	<ul style="list-style-type: none"> Community meetings CSR projects Email 	Regularly	<ul style="list-style-type: none"> Partnership with local NGOs for servicing wider set of local communities Local infrastructure development, training, providing scholarships, and other necessary support

Principle 5: Businesses should respect and promote human rights

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	154	43	27.92	134	35	26.12
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	154	43	27.92	134	35	26.12
Workers						
Permanent	NA	NA	NA	1547	110	7.11
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	1547	110	7.11

Business Responsibility and Sustainability Report

2. Details of minimum wages paid to employees and workers in the following format:

Category	2022-23 (Current financial year)					2021-22 (Previous financial year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	154	0	0.00%	154	100.00%	135	0	0.00%	135	100.00%
Male	148	0	0.00%	148	100.00%	129	0	0.00%	129	100.00%
Female	6	0	0.00%	6	100.00%	6	0	0.00%	6	100.00%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	2006	1835	91.48	171	8.52	1360	1214	89.26%	146	10.74%
Male	1380	1210	87.68	170	12.32	932	787	84.44%	145	15.56%
Female	626	625	99.84	1	0.16	428	427	99.77%	1	0.23%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (Executive Director)	2	27893815	0	-
Board of Directors (Independent Director)	2	-	1	-
Board of Directors (Non-Independent Director)	2	-	0	-
Key Managerial Personnel	2	3000130	0	-
Employees other than BOD and KMP	169	433234	6	413969
Workers*	3282	164122	990	168399

*For the above purpose permanent employees and permanent workers are considered.

Business Responsibility and Sustainability Report

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has assigned the responsibility of addressing human rights issues or impacts to the Head of the Human Resource department.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has dedicated industrial relation manager, who is responsible to redress grievances related to human rights.

Open-door policy: The Company has an open-door policy that allows employees to raise any human rights concerns with their managers or supervisors.	Grievance redressal mechanism: The Company has a grievance redressal mechanism in place that allows employees to report any human rights violations or concerns anonymously.
Social Accountability Policy The Company has a Social Accountability Policy that sets out DCM Nouvelle commitment to human rights and ethical business practices.	Helpline: The Company has an HR helpline that employees and workers can use to report any concerns related to human rights violations, ethical misconduct, or other issues.
HR helpdesk: The Company's HR helpdesk helps employees to approach or raise any concerns related to human rights or other issues.	

6. Number of Complaints on the following made by employees and workers

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NIL	0	0	NIL
Discrimination at workplace	0	0	NIL	0	0	NIL
Child Labour	0	0	NIL	0	0	NIL
Forced Labour/ Involuntary Labour	0	0	NIL	0	0	NIL
Wages	0	0	NIL	0	0	NIL
Other human rights related issues	0	0	NIL	0	0	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

DCMNVL has established multiple mechanisms to prevent adverse consequence to the complainant. This includes POSH, Grievance Redressal mechanism and HR helpline to promote protected disclosures.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

Business Responsibility and Sustainability Report

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	100
Discrimination at workplace	
Discrimination at workplace	
Others - please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential indicators

1. Details of total energy consumption (in Gigajoule-GJ) and energy intensity in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Total electricity consumption (A)	209639.07	263682.54
Total fuel consumption (B)	247.17	205.2792
Energy consumption through other sources (C)	74510.01	34789.21
Total energy consumption- Units (A+B+C)	284396.24	298677.03
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.01	0.01
Energy intensity per rupee of turnover (GJ/ ` Crore) (Total energy consumption/turnover in rupees)	246.67	299.61

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No)
If yes, the name of the external agency- No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

Business Responsibility and Sustainability Report

3. Provide details of the following disclosures related to water in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Total electricity consumption (A)	209639.07	263682.54
Total fuel consumption (B)	247.17	205.2792
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	186448	163414
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	186448	163414
Total volume of water consumption (in kilolitres)	186448	163414
Water intensity per rupee of turnover (Water consumed / turnover)	0.024	0.020
Water intensity(optional)-the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No)
If yes, the name of the external agency- No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2022-23 (Current financial year)	2021-22 (Previous financial year)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No)
If yes, the name of the external agency- No

Business Responsibility and Sustainability Report

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	unit	2022-23 (Current financial year)	2021-22 (Previous financial year)
NOx	-	-	-
SOx	-	-	-
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No)
If yes, the name of the external agency- No

7. Does the entity have any project related to reducing Green House Gas emission?

No, However, DCMNVL increased its renewable energy share - in FY 2022-23, our energy consumption from renewable sources stood at 74510.01 GJ with an increase of 214 % as compared to FY 2021-22.

8. Provide details related to waste management by the entity, in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Total Waste generated		(in metric tonnes)
Plastic waste (A)	61	67
E-waste (B)	0.800	0.500
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0.200	0.600
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G+ H)	62	68.10

Business Responsibility and Sustainability Report

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		(in metric tonnes)
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	62*	68.10*
Total	62	68.10
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
		Category of waste
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations- Sold	62*	68.10*
Total	62	68.10

*We sell our Plastic waste, E-waste & Battery waste in a responsible manner to authorized dealers for recycling.

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, the name of the external agency- No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company aims to minimize all types of waste by adopting Reduce-Reuse-Recycle philosophy. The company ensures that all the waste collected like Plastic Waste, Battery Waste, E-waste etc. are disposed through authorized dealers for recycle. Further, Electronic waste management is being done as per the guidelines established in E-waste Management Rules, 2016.

Further, DCMNVL being a Cotton Yarn Manufacturer, we have no such usage of hazardous and toxic chemicals in our products and processes.

Following are the waste management practices adopted by the company:

- To minimize the usage of paper products, the company has implemented use of reusable cups & glasses for employees to consume tea & coffee. This step has reduced waste by doing away with the need of paper products for tea/ coffee leading to less wastage.
- Encourage employees to switch to reusable water bottles to reduce plastic waste.
- We have removed dustbins from individual workstations to reduce the usage of Garbage bags.

Business Responsibility and Sustainability Report

10. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable law in the current financial year: -

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, DCMNVL, has complied with applicable environmental law/regulations/guidelines in India.

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a responsible and transparent.

Essential indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 7(Seven)

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1.	Confederation Of India Textiles Industry (CITI)	National
2.	Northern India Textiles Mill's Association (NITMA)	National
3.	Faridabad Industries Association	National
4.	Confederation Of Indian Industry (CII)	National
5.	Indian Cotton Association Ltd	National
6.	National Safety Council (NSC)	National

2. There has been **no action taken** or underway on any issues related to anti-competitive conduct by the entity, based on any adverse orders from regulatory authorities.

Business Responsibility and Sustainability Report

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential indicators

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2022-23: **Not Applicable**
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **Not applicable**
3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a robust grievance mechanism to receive and redress complaints or any concerns raised by the community. We constantly engage with local communities through various means such as personal visits, surveys, meetings, letter etc. to understand their concerns and take appropriate actions to resolve them.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.** `/Lacs

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Directly sourced from MSMEs/ small producers	8,609.05	3,039.16
Sourced directly from within the district and neighbouring districts	31,485.22	49,481.70

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We have a robust resolution mechanism for resolution of customer complaints. Customers can raise their complaints through the grievance redressal mechanism. Our marketing and customer relationship management team regularly engages with customers through visits/surveys and meetings to understand their feedback and subsequently incorporate into our solutions. We also conduct periodic consumer satisfaction surveys to seek detailed consumer feedback on our solutions. All complaints are resolved in the least possible time.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:** Not Applicable

	As percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	NA
Usage recycling and/or safe disposal	

Business Responsibility and Sustainability Report

3. **Number of consumer complaints in respect of the following:**

	2022-23 (Current financial year)		2021-22 (Previous financial year)	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	-	-	-	-
Advertising	-	-	-	-
Cyber-security	-	-	-	-
Delivery of essential services	-	-	-	-
Restrictive Trade Practices	-	-	-	-
Unfair Trade Practices	-	-	-	-
Other (Customer Complaints- Product related)	109	5	50	0

4. There have been **no instances** of product recalls (voluntary or forced) on account of safety issues during the financial year FY 2022-23.
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy.
Yes. The Company has 'Data Privacy Policy'.
6. There have been no occurrences on issues relating to advertising, health, safety, marketing and labelling regulations, delivery of essential services, cyber security and data privacy of customers or any product recalls for DCMNVL. All customer complaints received on various channels mentioned above (indicator 1 of this principle) are dealt with on a priority basis and resolved effectively in a time-bound manner.

Corporate Governance Report

Pursuant to Regulation 34(3) read with Section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, a Report on Corporate Governance for the financial year ended 31 March 2023, is presented below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholders value legally, ethically and on a sustainable basis. At DCM Nouvelle Limited (DCMNVL), the goal of corporate governance is to ensure fairness for every stakeholder i.e., our customers, investors, employees, vendor-partners, the community, and the government. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It reflects our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

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. Your company has a long history of sound governance practices that are fair, transparent, and ethical.

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Board of Directors ("the Board") of DCMNVL has the obligations for the stewardship of the Company. Accordingly, the Board shall be responsible for the overall direction, supervision, and control of DCMNVL.

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). A report on compliance with the Code of Corporate Governance as on March 31, 2023 as prescribed by Regulation 34 (3) read with Schedule V of the Listing Regulations as amended from time to time is given below:

2. 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.

2.1 Composition

- i. As on March 31, 2023, the Company has seven Directors. Out of the seven Directors, five (i.e., 71.4 percent) are Non-Executive Directors out of which 3 (i.e., 60 percent) are Independent Directors including women director.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act.

- ii. None of the Directors on the Board:
 - o holds directorships in more than ten public companies;
 - o serves as Director or as independent directors in more than seven listed entities; and
 - o who are the Executive Directors serve as independent directors in more than three listed entities.

Corporate Governance Report

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors.

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, 2023:

Category of Directors	Name of Directors	No. of Directors	%
Independent Directors	Dr. Meenakshi Nayar (Chairperson) Mr. Kulbir Singh Mr. Vivek Chhachhi	3	42.86
Executive Directors	Mr. Hemant Bharat Ram (Managing Director) Dr Vinay Bharat Ram (Whole Time Director)	2	28.57
Non - Independent Non-Executive Directors	Mr. Jitendra Tuli Mr. Rakesh Goel*	2	28.57

***Note: Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023**

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.

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.

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

2.2 Brief Profile

The profiles of the Board of Directors are given below:

Dr. Meenakshi Nayar.

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 Edu Serve Consultants working with Adolescents in schools in the areas of Sexuality Education, Career Guidance, and Life Skills Development.

Mr. Hemant Bharat Ram.

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

Corporate Governance Report

by an MBA in 1991, both from Carnegie Mellon University, USA.

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

Dr. Vinay Bharat Ram.

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

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

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

Mr. Rakesh Goel.

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.

Mr. Jitendra Tuli.

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

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

Mr. Kulbir Singh

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

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

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

Mr. Vivek Chhachhi.

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.

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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.

2.3 Skills and Competencies

The Board ensures that the expertise, knowledge, and experience needed to effectively steer the Company forward are represented on the Board.

The approach for selection and appointment of Directors on the Board ensures that their specific skills, knowledge, and experience fulfill a particular skill - set requirement of the Board. It is acknowledged that not all Directors will have each necessary skill, but the Board as a whole must have them, as also that the expertise, knowledge, and experience required for the Board will change as the organisation evolves and grows. While selecting a candidate for the post of director of the Company, the Nomination & Remuneration Committee (NRC) and the Board ensures that the candidate is a person of integrity and possesses relevant skills, expertise, knowledge, and experience which is required for Board effectiveness and good governance. As one of the parameters for selecting a Board member, the NRC and the Board also review the Skills and

Competencies identified by the Board, as mentioned hereinunder.

The Board annually reviews the Skills and Competencies Matrix. While reviewing the Matrix in the financial year 2022-23, the Directors, acknowledged the importance and growing focus on Information Technology. The core skills, expertise and competencies identified by the Board, as required in the context of the Company's business(es) and sector(s), for it to function effectively are mentioned below:

Industry: Experience in and knowledge of the industry in which the organisation operates.

Technical: Technical / professional skills and specialist knowledge to assist with ongoing aspects of the Board's role.

Governance: The essential governance knowledge and understanding that all Directors should possess or develop to be effective Board members. It includes some specific technical competencies as applied at the Board level.

Behavioral: The attributes and competencies enabling individual Board members to use their knowledge and skills to function well as team members and to interact with key stakeholders.

Personal: While different Directors can bring different technical skills and knowledge to a Board, there are fundamental personal qualities that are desirable in all Directors.

All the identified skills, expertise and competencies reflected in the Board as on 31st March, 2023 are as follows:

Directors	Industry		Technical			Governance				Behavioural			Personal															
	Industrial Knowledge/ Experience	Knowledge of Sector	Strategy	Projects	Accounting/Auditing/Tax	Finance	Law	IT and Data Analytics	Public Relations	Human Resource	Knowledge of Government/ Public Policy	Risk Management	Performance Management	Compliance	ESG	Stakeholder Management	Sound Judgement	Listening Ability	Verbal Communication	Interpersonal Skills	Mentoring Ability	Integrity	Curiosity	Courage	Interest	Instinct	Innovation	
Hemant Bharat Ram	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Vinay Bharat Ram	✓	✓	✓	-	-	-	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Rakesh Goel	✓	✓	✓	✓	✓	✓	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Meenakshi Nayar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vivek Chhachhi	✓	✓	✓	✓	✓	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kulbir Singh	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jitendra Tuli	✓	✓	✓	✓	-	-	-	✓	✓	-	-	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

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The details of Directors on the Board and their attendance at the last Annual General Meeting, other Directorships, Committee Memberships and Chairmanships during the year ended 31st March, 2023, are given below:

Name	Category of Directors	Attendance at 06h AGM held on 06th September, 2022	Number of other Directorships and other Committee Memberships / Chairmanships			Directorship in other listed entity (Category of Directorship)
			Other Directorships in Indian companies	Other Committee Memberships##	Other Committee Chairmanships##	
Dr. Meenakshi Nayar Chairperson DIN:06866256	Independent Non-Executive	✓	Nil	Nil	Nil	None
Mr. Hemant Bharat Ram Managing Director DIN: 00150933	Non-Independent Executive	✓	1	1	Nil	None
Dr. Vinay Bharat Ram Whole time Director DIN: 00052826	Non-Independent Executive	✓	Nil	Nil	Nil	None
Mr. Rakesh Goel* DIN: 00226058	Non-Independent Non-Executive	✓	Nil	Nil	Nil	None
Mr. Jitendra Tuli DIN: 00272930	Non-Independent Non-Executive	✓	2	2	Nil	DCM Limited- Executive / Managing Director
Mr. Kulbir Singh DIN: 00204829	Independent Non-Executive	✓	2	1	1	None
Mr. Vivek Chhachhi DIN: 00496620	Independent Non-Executive	✓	2	1	Nil	None

*Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023.

Excludes Alternate Directorships, Directorships in Private Companies, Foreign Companies and Section 8 Companies

Represents memberships in Audit Committee and Stakeholder's & Finance Facilitation Committee

2.4 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.

2.5 Board confirmation on Independent Directors

The Board took note of confirmations received from the Independent Directors confirming that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Board of Directors, based on the confirmations and independent assessment to the best of their knowledge confirm that they meet the criteria of independence

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and that they are independent of the management. None of the Independent Directors serve as Independent Director in more than seven listed entities. Each of the Independent Directors have registered their names on the online databank maintained by the Indian Institute of Corporate Affairs.

At the time of appointment / re-appointment, each Independent Director is issued a formal letter of appointment containing amongst others, terms and conditions of appointment, roles and duties, evaluation process, applicability of Code of Conduct of the Company and Code of Conduct on Prevention of Insider Trading.

The terms and conditions for appointment of Independent Directors is available on the website of the Company and can be accessed through [weblink](#).

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.

2.6 Familiarisation 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 2022-23 is disclosed on the website of the Company and can be accessed through [weblink](#).

2.7 Disclosure of relationships between Directors inter-se

Mr. Hemant Bharat Ram, Managing Director of the

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

2.8 Board Evaluation

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Board of Directors including Independent Directors and Committees of the Board. The criteria are in the form of questionnaire for annual evaluation on functioning and effectiveness of the Board, Committees, and Individual Directors. The Executive Directors, SMPs and Employees are evaluated based on the overall performance of the Company, their respective goals, Functional goals, and achievement of strategic goals.

A. Criteria for Performance Evaluation:

The Board carries out Annual Performance Evaluation of:

- o its own performance;
- o its committee(s); and
- o individual Directors.

Individual Directors carry out Annual Performance Evaluation of:

- o Executive Directors;
- o Independent Directors;
- o Board as a whole.

Independent Directors, in addition to the above, carry out annual performance evaluation of Chairman of the Board considering the views of the Executive and Non-Executive Directors

The criteria for performance evaluation includes the following:

Board of Directors: Structure, Composition, Board Meeting Schedule, Agenda, Governance, progress towards strategic goals and assessment of operational performance and overall effectiveness of the Board.

Board Committee(s): Composition, terms of reference compliance, role and responsibilities, information flow, effectiveness of the meetings and feedback to the management.

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Individual Directors: Attendance, deliberations, preparedness for discussion, quality of contribution, engagement with fellow Board members, KMPs and senior management, knowledge sharing and approachability and responsiveness to the need of Company, effective participation of all Board members in the decision-making process.

Chairperson: Effective leadership, moderatorship and conduct of impartial discussions, seeking participation from Board members and promoting a positive image of the Company.

Independent Directors: Independence from the Management, exercising independent judgement in decision-making and fulfillment of independence criteria under applicable law.

B. Process of Performance Evaluation

As per Company' Nomination & remuneration Policy on Evaluation of Performance of Board of Directors, Committees or Individual Directors, the Company Secretary and Compliance Officer had circulated the questionnaire duly approved by the Nomination and Remuneration Committee, to all the Directors of the Company for carrying out the evaluation of performance of Board, its committees, and Individual Directors for the financial year 2022-23. All the Directors had provided their feedback about the performance evaluation of the Board, its committees, and Individual Directors for the financial year 2022-23.

C. Outcome of Performance Evaluation

Based on feedback received on the questionnaires, the Chairperson had briefed the Board of Directors at the Board Meeting held on 21st July 2023, and the Board discussed the evaluation report and various suggestions received in the Board evaluation process and agreed on the necessary action.

2.9 Board Meetings and Process:

A. Institutionalised decision-making process

The Board oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management

policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served in order to effectively perform its responsibility of supervision. In compliance with the statutory requirements, and to provide a focused discharge of its responsibilities, the Board has constituted various committees with necessary terms of reference.

B. Scheduling and selection of agenda items for Board Meetings

i. A minimum of 4 Board meetings are held every year. The gap between any 2 Board Meetings did not exceed 120 days. Additional meetings are held to meet business exigencies or for urgent matters. Where permitted, resolutions are passed by circulation and are noted in the subsequent Board meetings.

In addition to items which are mandated to be placed before the Board for its noting and / or approval, information is provided on various significant issues. The Board is also provided with Audit Committee observations on the Internal audit findings. While preparing the agenda, notes on agenda, minutes, etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder, the Secretarial Standards issued by the ICSI and the Listing Regulations.

Dates of the Board meetings are decided in advance in consultation with the Directors to facilitate their attendance at the meetings. The meetings and agenda items taken up during the meetings were in compliance with the Act and Listing Regulations read with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India in this regard. To ensure Board effectiveness, the Directors are expected to attend and actively participate in all the meetings of the Board of Directors / Board committees of which he /she is a member, and the general meetings.

ii. Presentations are regularly made to the Board covering the outlook; economy in general and the industry besides the Company's financials, operations, business strategy, risk management,

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practices for identification of risks and mitigation thereof, subsidiary companies' performance, etc.

iii. The Directors strive to attend all meetings. If they are unable to attend a meeting due to any

unavoidable reason, they are required to seek leave of absence. Details of the number of Board meetings held and attended by the Directors during the year ended 31st March, 2023 are as under:

Name of Directors	Board Meeting						% of Attendance
	05.05.22	23.07.22	19.10.22	20.12.22	10.02.23	29.03.23	
Mr. Hemant Bharat Ram	✓	✓	✓	✓	✓	✓	100
Dr. Meenakshi Nayar	✓	✓	-	✓	✓	✓	83.33
Mr. Rakesh Goel	✓	✓	✓	✓	✓	✓	100
Mr. Kulbir Singh	✓	✓	✓	✓	✓	✓	100
Mr. Vivek Chhachhi	✓	✓	✓	✓	✓	✓	100
Mr. Jitendra Tuli	✓	✓	✓	✓	✓	✓	100
Dr Vinay Bharat Ram	✓	-	✓	-	-	✓	50
Ms. Shahana Basu*	-	-	-	NA	-	-	Nil

Note:

1. *Ms. Shahana Basu, Non-Executive Non-Independent Director of the Company resigned from the Board due to her preoccupation w.e.f. 26.05.2022

C. Distribution of Board agenda material

The Board agenda along with the explanatory notes is circulated at least 7 days in advance including minimum information required to be made available to the Board as specified in Part A of Schedule II to the Listing Regulations for facilitating meaningful and focused discussions and effective decision making the meeting. Where it is not feasible to circulate any document in advance, the same is tabled / presented at the meeting with the permission of the Chairman and Directors. In special and exceptional circumstances, additional item(s) are also considered.

D. Recording the proceedings of meetings

The Company Secretary keeps a record of the proceedings of each meeting. Draft minutes are prepared and circulated to all the Directors for their comments. The finalised Minutes are entered in the Minutes Book and thereafter signed by the Chairperson in due compliance with the applicable provisions of the Act and the Secretarial Standards.

E. Separate meeting of Independent Directors

Pursuant to Schedule IV to the Act and the Rules made thereunder and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors without the presence of Non-Independent Directors and members of the Management of the Company, was held on 21st July 2023.

All the Independent Directors were present for this meeting. At the meeting, the Independent Directors, inter-alia, reviewed the performance of the Non-Independent Directors, the Board as a whole and the performance of the Board, considering the views of the Executive and the Non-Executive Directors.

They also assessed the quality, quantity, and timeliness of the flow of information between the Management and the Board.

F. 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

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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 Eco friendly way for transmitting Board/Committee Agenda.

Committees of the Board

As mandated by the Listing Regulations, the Company has constituted an Audit Committee, a Stakeholder's & Finance Facilitation Committee, a Nomination & Remuneration Committee, and a Risk Management Committee. Other key Committees constituted by the Company are a Corporate Social Responsibility Committee. The functioning of these Committees is regulated by the mandatory terms of reference, roles and responsibilities and powers as provided in the Act, the Listing Regulations, and other applicable regulations.

The minutes of the meetings of all these Committees are placed before the Board for noting. The Company Secretary acts as the Secretary of these Committees.

3.1 Audit Committee

A. Terms of reference

The broad terms of reference of the Audit Committee, inter alia, include the following:

Name	Designation	Category	Audit Committee Meetings				
			05.05.22	23.07.22	19.10.22	10.02.23	29.03.23
Mr. Kulbir Singh	Chairman	Independent Director	✓	✓	✓	✓	✓
Dr. Meenakshi Nayar	Member	Independent Director	✓	✓	-	✓	✓
Mr. Vivek Chhachhi	Member	Independent Director	✓	✓	✓	✓	✓
Mr. Rakesh Goel*	Member	Non-Independent Director	✓	✓	✓	✓	✓

*Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023

The Audit Committee invites such executives as it considers necessary to be present at its meetings. The Managing Director and CEO of Textile Business, CFO, and Head of Internal Audit attend all the meetings. The Statutory Auditor also attends the meetings.

The Chairman of the Committee was present at the 06th Annual General Meeting held on 06th September, 2022.

- Review the financial statement before submission to Board;
- Review the reports of the Auditors and Internal Audit department;
- Review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors, and;
- Recommend the appointment, remuneration, and terms of appointment of the Auditors including Cost Auditor and Secretarial Auditor of the Company, etc.

In addition, the powers and role of the Audit Committee are as laid down under Section 177 of the Act and Regulation 18 and Schedule II Part C of the Listing Regulations.

B. Composition

The Audit Committee comprises 4 Members, 3 out of 4 are Independent Directors. The Chairman of the Committee is an Independent Director. The Committee's composition complies with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

All the Members of the Committee are financially literate and have financial management expertise.

C. Members and meeting details

The Audit Committee met 5 times during the year under review. The gap between any 2 meetings id not exceed 120 days.

The details of the Members and their attendance at meetings during the year, are as given below

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3.2 Stakeholder's & Finance Facilitation Committee

A. Terms of reference

The terms of reference of the Stakeholder's & Finance Facilitation Committee, inter alia, include the following:

- Resolve the grievances of the security holders of the Company including complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, transfer / transmission of shares, general meetings, etc.
- Review the measures taken for effective exercise of voting rights by shareholders.
- Review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review 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 of the Company.

B. Composition

The Stakeholder's & Finance Facilitation Committee comprises 4 Members, 2 are Non-Executive, Independent Directors and 2 are Non-Executive Director, Non-Independent Director. The Chairman of the Committee is a Non-Executive, Non-Independent Director. The Committee's composition meets the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

C. Members and meeting details

The Committee met 1 time during the year under review.

The details of the Members and their attendance at meetings held during the year, are as given below:

Name	Designation	Category	Stakeholder's & Finance Facilitation Committee
			19.10.22
Mr. Jitendra Tuli,	Chairman	Non-Independent Director	✓
Dr. Meenakshi Nayar	Member	Independent Director	-
Mr. Vivek Chhachhi	Member	Independent Director	✓
Mr. Rakesh Goel	Member	Non-Independent Director	✓

D. Name and designation of the Compliance Officer

Mr. Mohd Sagir, Company Secretary, has been nominated as the Compliance Officer of the Company in terms of Regulation 6 of the Listing Regulations

E. Investor Grievance Redressal

During the year, only 2 complaints was received from investors through SEBI or the Stock Exchange(s). As and when received, the Registrar and Share Transfer Agent attends to all investor complaints expeditiously

Mr. Mohd Sagir, Company Secretary, is the designated Officer who can be contacted at the Registered Office of the Company or on Telephone: +011-43678490. Investors can also send their communication or grievances to the dedicated email ID info@dcmnvl.com.

F. Other details: -

- Name of the Non-Executive Director heading the Committee: Mr. Jitendra Tuli
- Number of Shareholders Complaints: The Company has received Five (5) complaints during the year.
- Numbers not resolved to the satisfaction of shareholders: All the complaints have been resolved during the year.
- Number of pending complaints as on March 31, 2023: Nil

3.3 Nomination and Remuneration Committee

A. Terms of reference

- Carry out the evaluation of every Director's performance;

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- b) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- c) Formulate the criteria for determining qualifications, positive attributes, and independence of a director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management, and other employees;
- d) Formulate the criteria for evaluation of performance of the Directors, Committees and Board and to devise a policy on diversity of the Board of Directors;
- e) Recommend / review the remuneration of the Managing Director(s), Whole-time Director(s), Key

Managerial Personnel and Senior Management based on their performance and defined assessment criteria;

B. Composition

The Nomination & Remuneration Committee (NRC) comprises 3 Members, 2 out of 3 are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive, Independent Director. The Committee's composition meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

C. Members and meeting details

The Committee met 4 times during the year under review.

The details of the Members and their attendance at meetings held during the year, are as given below:

Name	Designation	Category	Nomination & Remuneration Committee Meetings			
			05.05.22	23.07.22	20.12.22	29.03.23
Mr. Vivek Chhachhi	Chairman	Independent Director	-	✓	✓	✓
Dr. Meenakshi Nayar	Member	Independent Director	✓	✓	✓	✓
Mr. Jitendra Tuli	Member	Non -Independent Director	✓	✓	✓	✓

The Chairperson of the Committee was present at the 06th Annual General Meeting held on 06th September, 2022

D. Remuneration Policy

a) Details Remuneration paid to Non-Executive Directors

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 subsection (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company, at [weblink](#).

The details of remuneration paid to Executive and Non- Executive Directors for the financial year ended 31st March, 2023 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

Name of the Director	Sitting Fee Paid
Dr. Meenakshi Nayar	4,50,000
Mr. Jitendra Tuli	6,00,000
Mr. Vivek Chhachhi	6,00,000
Mr. Rakesh Goel*	2,00,000
Mr. Kulbir Singh	6,00,000

*Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023. and details of the remuneration are from 01.01.2023.

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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, 2023. The Company does not have any stock option scheme.

b) Details of remuneration and perquisites paid and / or value as per the Income Tax Act, 1961, to the Managing Director and Whole Time Directors for the financial year 2022-23, are as under:

	Hemant Bharat Ram	Vinay Bharat Ram	Rakesh Goel*
Salary	1,41,24,000	30,00,000	54,66,780
Allowances	2,03,58,737	41,10,000	40,68,703
Bonus	1,25,00,000	-	20,00,000
Perquisites*	-	-	9,33,126
Contribution to Provident Fund	16,94,880	-	6,56,010
Contribution to pension	-	-	-
Total	4,86,77,617	71,10,000	1,31,24,619

*Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023. Details of the remuneration are upto 31.12.2022.

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

E. Details of shares held by Directors and KMPs

Except for the below, none of Directors and the Key Managerial Personnel hold any shares of the Company as on 31st March, 2023:

Name	Designation	Number of Shares Held	Percentage
Mr. Hemant Bharat Ram	Managing Director	93,59,149	50.11

F. Performance Evaluation criteria for Independent Directors

The annual performance evaluation process has been designed in a manner which helps to measure effectiveness of the entire Board, its Committees, Chairperson, and Individual Directors. Such processes help in ensuring overall performance of the Board and demonstrates a high level of corporate governance standards. There are various key performance areas and evaluation parameters which are measured and analyzed during the process, few of them are as follows:

- A. Helps in bringing an independent judgement to bear on the Board's deliberations.
- B. Brings an objective view in the evaluation of the performance of the Board and the management.

C. Undertakes to regularly update and refresh his / her skills, knowledge, and familiarity with the Company.

D. Seeks appropriate clarification / information and, where necessary, takes appropriate professional advice and opinion of outside experts at the expense of the Company.

E. Strives to attend all meetings of the Board of Directors / Board committees of which he / she is a member, and the general meetings.

F. Communicates governance and ethical problems to the Chairman of the Board.

G. Pays sufficient attention and ensures that adequate deliberations are held before approving related party transactions.

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- H. Ensures that the Company has an adequate and functional vigil mechanism.
- I. Satisfies herself / himself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- J. Assists in determining appropriate policy of remuneration of Executive Directors, Key Managerial Personnel, and other employees.
- K. Refrains from any action that may lead to loss of her / his independence and immediately informs the Board where circumstances arise which makes her / him lose her / his independence.
- L. Adheres to all other standards of the Code for Independent Directors as per Schedule IV to the Companies Act, 2013.
- M. Assists the Company in implementing the best corporate governance practices.
- N. Prepares for the Board meeting by reading the materials distributed before the Board meeting.

3.4 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.

A. Terms of reference

1. 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.

2. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken;
6. The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

B. Composition

The Risk Management Committee comprises of 3 Members, 2 of them are Non-Executive Directors and 1 is an Executive Director. The Chairman of the Committee is Managing Director. The Committee's composition meets the requirements of Regulation 21 of the Listing Regulations.

C. Members and meeting details

The Committee met 2 times during the year under review.

Corporate Governance Report

The details of the Members and their attendance at meetings held during the year, are as given below:

Name	Designation	Category	Risk Management Committee Meetings	
			23.07.22	17.01.23
Mr. Hemant Bharat Ram#	Chairman	Executive Director	✓	✓
Mr. Rakesh Goel*	Member	Independent Director	✓	✓
Mr. Vivek Chhachhi	Member	Non -Independent Director	✓	✓

*Mr. Rakesh Goel, (DIN: 00226058) ceased to be a Whole Time Director of the Company with effect from 31st December 2022 and continued to be a Non-Executive Director of the Company w.e.f 01 January, 2023.

Mr. Rakesh Goel, ceased to be the Chairman of the Risk management Committee w.e.f 20.12.22.

#Mr. Hemant Bharat Ram, appointed as Chairman of the Committee w.e.f 20.12.22.

3.5 Corporate Social Responsibility Committee:

A. Terms of reference

The broad terms of reference of the Corporate Social Responsibility Committee, inter alia, include the following:

- a) To review and recommend to the Board, changes to the Corporate Social Responsibility Policy.
- b) To recommend the amount of expenditure to be incurred on the activities referred in Corporate Social Responsibility Policy.

B. Composition

The Corporate Social Responsibility (CSR) Committee comprises of 3 Members, 1 is Non-Executive, Independent Director, 1 is Non-Executive, Non-Independent Director and 1 is an Executive Director. The Chairman of the Committee is an Executive Director. The Committee's composition complies with the requirements of Section 135 of the Act.

C. Members and meeting details:

The Committee met 2 times during the year under review.

The details of the Members and their attendance at meetings held during the year, are as given below:

Name	Designation	Category	Corporate Social Responsibility Committee	
			05.05.22	22.03.23
Mr. Hemant Bharat Ram	Chairman	Executive Director	✓	✓
Dr. Meenakshi Nayar	Member	Non-Executive, Independent Director	✓	✓
Mr. Rakesh Goel	Member	Non-Executive Non-Independent Director	✓	✓

Corporate Governance Report

General Body Meetings:

4.1 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
31st March 2020	September 25, 2020 11:00 AM	407, Vikrant Tower, 04, Rajendra place, New Delhi, 110008	As per Regulation 17 of the 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.
31st March 2021	July 27, 2021 11:00 AM	407, Vikrant Tower, 04, Rajendra place, New Delhi, 110008	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.
31st March 2022	September 06, 2022* 11:00 AM	407, Vikrant Tower, 04, Rajendra place, New Delhi, 110008	As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Re-appointment of Dr. Vinay Bharat Ram (DIN: 00052826) as Whole-Time Director.

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

4.2 Postal Ballot

No Special Resolution was required to be passed through postal ballot during the financial year 2022-23. No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Annual Report.

5. Subsidiary Company Monitoring Framework

The Company monitors the performance of the subsidiary company on an on-going quarterly basis, inter alia, by the following means:

- Subsidiary company's Financial Results is tabled before the Company's Audit Committee and Board.
- The minutes of the meetings of the Board of Directors of the subsidiary company is tabled before the Company's Board.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the Company's Board.

The Company does not have a material subsidiary during financial year 2022-23, having a net worth exceeding 10% of the consolidated net worth on income of 10% of the consolidated income of your Company.

Mr. Kulbir Singh, and Mr. Vivek Chhachhi, Independent Directors of the Company are Independent Director on the Board of DCM Nouvelle Specialty Chemicals Limited.

6. Means of Communication

A. Quarterly / Annual Results

The quarterly and annual results of the Company are duly submitted to the Stock Exchanges after they are approved by the Board.

B. News Releases

The quarterly and annual results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered and approved, in one English

Corporate Governance Report

newspaper circulating in the whole or substantially the whole of India (usually Financial Express) and in one vernacular newspaper (usually Jansatta in Hindi) of the State where the Registered Office of the Company is situated. Press releases are submitted to the Stock Exchanges and hosted on the Company's website.

C. Website

The Company's website <https://www.dcmnvl.com/> has a separate dedicated section 'Investors' where the latest information required under Regulation 46 and other applicable provisions of the Listing Regulations is available. Other than the quarterly and annual results, comprehensive information about the Company, its business and operations, press releases, shareholding pattern, corporate benefits, contact details, forms, etc. are hosted on the website.

D. Online filings

The Company electronically files data such as shareholding pattern, corporate governance report, quarterly and annual financial results, corporate announcements, etc. on the online portals of BSE Limited and National Stock Exchange of India Limited viz. www.listing.bseindia.com and neaps.nseindia.com/NEWLSTINGCORP/ respectively within the time frame prescribed in this regard.

E. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of the Action Taken Report (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

F. Annual Report

The Annual Report containing, inter alia, the audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditor's Reports, and other important information is sent to the Members and others entitled thereto. The Management Discussion and Analysis (MD&A) forms a part of the Annual Report. The Annual Report is also available on the website of the Company and can be accessed through the [weblink](#) and on the website of BSE Limited and National Stock Exchange of India Limited.

G. Chairperson's Communique

A Copy of the Chairperson's Speech is usually uploaded on the website of the Company after the Completion of Annual General meeting and can be accessed through the [weblink](#) and on the website of BSE Limited and National Stock Exchange of India Limited.

7. Shareholder Information

A. Annual General Meeting for the financial year 2022-23

Date	24th August 2023
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
Dividend Payment Date	Not Applicable

B. Calendar of financial year ended 31st March, 2023

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 2022-23 were held on the following dates:

First Quarter Results	July 23, 2022
Second Quarter and Half yearly Results	October 19, 2022
Third Quarter Results	February 10, 2023
Fourth Quarter and Annual Results	May 13, 2023

C. Financial Calendar for 2023-24 (Tentative)

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year 2023-24 are as follows:

First Quarter Results	On or before 14th August, 2023
Second Quarter and Half yearly Results	On or before 14th November, 2023
Third Quarter Results	On or before 14th February, 2024
Fourth Quarter and Annual Results	On or before 30th May, 2024

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D. Details of Demat/Unclaimed Suspense Account

Not Applicable

E. Distribution of Shareholding as on 31st March, 2023

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	33457	94.76	19014430.00	10.18
5001 To 10,000	877	2.48	6780060.00	3.63
10001 To 20,000	528	1.50	7906540.00	4.23
20001 To 30,000	136	0.39	3530330.00	1.89
30001 To 40,000	82	0.23	2912290.00	1.56
40001 To 50,000	52	0.15	2448470.00	1.31
50001 To 1,00,000	95	0.27	6745990.00	3.61
1,00,000 and above	81	0.23	137439380.00	73.58
Total	35308	100.00	186777490.00	100.00

F. Shareholding Category as on March 31, 2023.

Category	No. of Equity Shares held	% to total shareholding
Promoter and Promoter Group	93,59,167	50.11
Mutual Funds	65,283	0.35
Foreign Portfolios	88,829	0.48
Financial Institutions / Banks	3,873	0.02
Insurance Companies	3,98,953	2.14
Non-Institution: Bodies Corporate	12,85,428	6.88
NRI's	1,50,822	0.81
Individual Shareholders	66,18,223	35.43
HUF	4,25,739	2.28
Others (NBFCs, trust, Clearing members, Firms and IEPF)	2,81,432	1.51
Grand Total	1,86,77,749	100.00

G. Registrar and Transfer Agents:

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

H. Share Transfer System

Pursuant to SEBI notification dated 24th January 2022, requests for effecting transfer of securities in physical form, shall not be processed by the Company. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

As required under Regulation 40 of the SEBI LODR Regulations, a certificate on yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Corporate Governance Report

I. Top 10 Shareholders as on 31st March, 2023

Sr. No.	Name of the Shareholder	Number of Shares	% of Total Shareholding
1.	Hemant Bharat Ram	9359149	50.11
2.	M. G. Shares and Stocks Pvt. Ltd.	440000	2.36
3.	Anil Kumar Goel	432000	2.31
4.	LIC ASM	398953	2.14
5.	Bhavesh Dhiresb Bhai Shah	252396	1.35
6.	IEPF	232621	1.25
7.	Vivek Rajesh Kumar Tapiawala	207289	1.11
8.	Online Securities India Pvt Ltd	201487	1.08
9.	Tarun Kumar Jhajharia	144127	0.77
10.	Zaki Abbas Nasser	105000	0.56

J. Bifurcation of shares held in physical and demat form as on 31st March, 2023

Particulars	No of Shares	%
Physical Segment	506075	2.71
Demat Segment		
NSDL (A)	14261470	76.36
CDSL (B)	3910204	20.93
Total (A+B)	18171674	97.29
Total	18677749	100.00

K. Market Capitalisation

(in Lakhs except Rank)

Financial year Ended	BSE*		NSE#	
	M-cap	Rank	M-cap	Rank
31.03.2023	25215	1515	25215	1363
31.03.2022	43743	1261	43482	1164
31.03.2021	16054	1429	15867	1194

* Source: [Weblink](#) of the Bombay Stock Exchange.

Source: [Weblink](#) of the National Stock Exchange Limited

L. 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.

Corporate Governance Report

M. Listing Details

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

N. Listing Fees to Stock Exchanges:

The listing fee for the financial year 2022-23 has been paid to the above Stock Exchanges.

O. Custodial Fees to Depositories

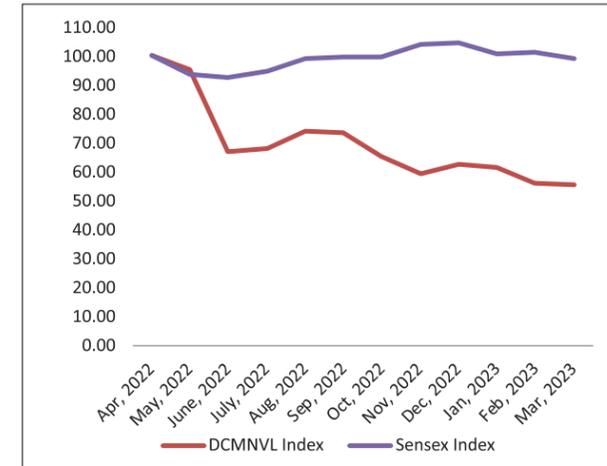
The fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has been paid.

P. 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, 2023 are as under:

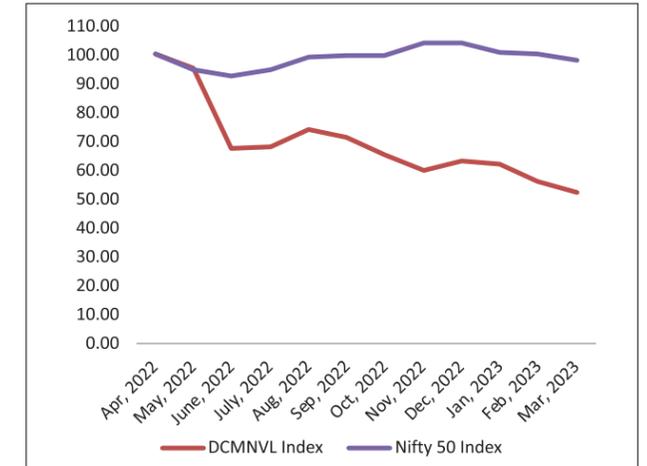
Month	National Stock Exchange			BSE Ltd.		
	Highest (₹)	Lowest (₹)	Volume (Nos.) (In Lakhs)	Highest (₹)	Lowest (₹)	Volume (Nos.) (In Lakhs)
Apr, 2022	289.80	232.25	18.28	290.35	233	2.83
May, 2022	277.00	172.20	11.77	277.5	172.4	2.02
June, 2022	195.00	140.10	6.63	194.9	142.75	1.36
July, 2022	197.80	162.25	11.75	198.1	166.35	2.41
Aug, 2022	214.70	176.00	14.97	214.7	177	1.72
Sep, 2022	207.00	172.15	13.97	214	171.6	1.56
Oct, 2022	189.70	138.20	9.80	189.7	139	1.49
Nov, 2022	173.70	136.05	12.52	172.6	134.8	1.06
Dec, 2022	182.80	144.15	8.48	182.15	145	1.12
Jan, 2023	179.85	155.85	6.46	179.3	150.3	0.65
Feb, 2023	163.00	129.00	7.11	163.6	127	0.79
Mar, 2023	151.30	129.45	9.63	161.8	129.5	0.76

Corporate Governance Report

BSE SENSEX Vs DCMNVL Share Price (Indexed)



NSE NIFTY Vs DCMNVL share price (Indexed)



Q. Trading of shares of the Company:

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

R. Plant Location:

Textile Division,
Post Box No 59, Near Mela Ground, Hisar, Haryana-125001

S. Credit Ratings:

During the year ended March 31, 2023, CRISIL Limited, a renowned credit rating downgraded rating of the Company for Long term borrowings to CRISIL BBB/

Stable from BBB+/Stable) and for short term borrowing to CRISIL A3+ from CRISIL A2.

T. Address for Investor 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

U. Corporate Identity Number (CIN)

L17309DL2016PLC307204

Lower Parel, Mumbai - 400 013
Tel No. 022-2499 4200 Fax No. 022-2497 6351
E-mail: info@nsdl.co.in Website: www.nsdl.co.in

V. Depository Services

Members may write to the respective Depository or to Skyline Financial Services Pvt for guidance on depository services.

National Securities Depository Limited
Trade World, 'A' Wing,
4th Floor Kamala Mills Compound

Central Depository Services (India) Limited
Marathon Futurex, 25th floor
N. M. Joshi Marg, Lower Parel (East)
Mumbai, Maharashtra
Tel: 022-2302 3333 Fax: 022-2300 2035
E-mail: investors@cdslindia.com
Website: www.cdslindia.com

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W. Nomination Facility

Members are encouraged to make a nomination in respect of shares held by them. Members holding shares in demat form are requested to give the nomination request to their respective DPs directly. Members holding shares in physical form and intending to make / change the nomination in respect of their shares, may submit their requests to Skyline Financial or download the form from the website of the Company at the [weblink](#).

8. Corporate Policies / Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. Code of Conduct for Board Members and Senior Management and to regulate insider trading and also policies such as Whistle Blower Policy / Vigil Mechanism, Prevention of Sexual Harassment, are given below:

A. Code of Conduct for Board Members and Senior Management

The Board adopted the Code of Conduct for Directors and Senior Management personnel of the Company and is available on the website of the Company and can be accessed through [weblink](#). The Code highlights corporate governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association. The Code is applicable to all Directors and specified Senior Management personnel. The Code impresses upon Directors and Senior Management personnel to uphold the interest of the Company and its stakeholders and to endeavor to fulfil all their fiduciary obligations. Another important principle on which the Code is based is that the Directors and Senior Management personnel shall act in accordance with the highest standard of honesty, integrity, fairness, and ethical conduct and shall exercise utmost good faith and due care in performing their duties.

Declaration affirming compliance of Code of Conduct:

The Company has received confirmations from the Directors as well as Senior Management personnel regarding compliance with the Code of Conduct and

that there was no pecuniary relationship or transaction with the Company during the year under review. A declaration by the Managing Director and CEO (Textile Business) affirming compliance by the Board Members and Senior Management Personnel to the Code, is also annexed herewith.

The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed herewith.

B. 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 [weblink](#).

C. 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 [weblink](#).

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 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

Corporate Governance Report

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.

D. 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 [weblink](#).

E. 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 [weblink](#).

F. Policy for Prevention of Sexual Harassment

The Company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a policy and duly constituted Internal Complaints Committees across locations. To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. The Policy is available on the website of the Company at [weblink](#).

The details of number of complaints filed, disposed off and pending during the financial year ended March 31, 2023, are as follows:

Number of complaints filed during the financial year 2022-23	Nil
Number of complaints disposed off during the financial year 2022-23	Nil
Number of complaints pending as on end of the financial year	Nil

G. Whistle Blower Policy/ Vigil Mechanism

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 Chairman of the Audit Committee. The Policy is available on the website of the Company at [weblink](#).

During the year ended March 31, 2023, 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.

9. Affirmation & Disclosures

- There were no materially significant related party transactions, which could be considered to have potential conflict with the interests of the Company at large.
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the Listing Regulations:
 - The Auditor's Reports on the statutory Financial Statement of the Company are unmodified.
 - The Internal Auditor presents the findings to the Audit Committee.
- The Internal Auditor briefs the Audit Committee through discussions and presentations covering observations, review, comments, and recommendations, etc.
- The Company has formulated a 'Whistle Blower Policy' and has established a 'Vigil Mechanism'. No personnel have been denied access to the Audit Committee in case of concerns / grievances.
- The Policies on Material Subsidiaries and on dealing

Corporate Governance Report

- with Related Party Transactions are available on the website of the Company at the [weblink](#).
- f) Details of Familiarisation Programmes for Independent Directors are available on the website of the Company at the [weblink](#). The induction program is an exhaustive one that covers the background of the Company and its growth, various milestones in the Company's existence since its incorporation, the present structure, policies and practices, charter documents and an overview of the businesses and functions.
- g) The Company issues a formal letter of appointment to the independent Directors outlining their role, duties, and responsibilities. The format of the letter is available on the website of the Company at the [weblink](#).
- h) The Company has adopted a Commodity Risk Management Policy and a Foreign Exchange Risk Policy to mitigate the risk of foreign exchange price fluctuations.
- i) **Disclosure of commodity price risk or foreign exchange risk and hedging activities:**
In terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November 2018, the required information is provided as under:
- i. **Risk Management policy of the Company with respect to commodities including through hedging:**
The Company has adopted a Commodity Risk Management Policy.
- ii. **Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:**
- Total exposure of the Company to commodities is INR: ` 69624.13 Lacs
 - 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	` 69624.13 Lacs	35891.94 MT	Nil	Nil	Nil	Nil	Nil

- iii. **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.
 - During the year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note no. 44 to the standalone financial statement
- j) **Disclosure of Accounting Treatment.**
The Company prepared its Financial Statements to comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Standalone Financial Statements includes Balance Sheet as at 31 March 2023, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of changes in equity for the year ended 31 March 2023, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").
- k) The total fees of 26.64 lakhs were paid on a consolidated basis to the Statutory Auditor and all the entities in the network firm / network entity of which the Statutory Auditor is a part for all services availed by the Company.
- l) None of the Independent Directors of the Company resigned before the expiry of their tenure.

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- m) The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.

10. Adoption of non-mandatory requirements as detailed below:

Particulars	Status
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 listed entity may move towards a regime of financial statements with unmodified opinion	Complied. There is no qualification in the Audit Report. Auditor has issued an unqualified opinion without any matter of emphasis in the preceding three financial years. There have been no adverse remarks / concerns from statutory auditors since listing of the company.
Reporting of Internal Auditors The Internal Auditor may report directly to the Audit Committee	Complied - The Internal Auditors of the Company are present in Audit Committee Meetings, and they report to the Audit committee.
Independence, Competence, Experience of Auditors: Statutory Auditors Internal Auditors Secretarial Auditors Cost Auditors	The Board confirmed the independence, competence, and experience of the Auditors. The Independent Directors met with the Statutory and Internal Auditors without the presence of the Management. There were no adverse remarks or statements made by the Auditors

11. Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2022-23 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.

12. Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2022-23 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.

13. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The Audit Report, inter alia, confirms that the Register of Members is duly updated and that demat / remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

14. No-Disqualification Certificate from Company Secretary in Practice

None of the Directors of the Company have been

Corporate Governance Report

debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI or the Ministry of Corporate Affairs or any such Statutory Authority. A Certificate to this effect, duly signed by Pragnya Parimita Pradhan Practising Company Secretary (ACS: 32778), is annexed to this Report.

15. 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	Stakeholder's & Finance Facilitation 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

16. Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination.

SEBI, vide its Circulars SEBI, vide Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 & SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021, had 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 October, 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 are available on the website of the Company at the [weblink](#). 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.

17. 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.

The Company had complied with rules and regulations prescribed by SEBI and any other statutory authority relating to capital market.

Your Company, being a listed Company pursuant to proviso of regulation 29 (2) of SEBI (LODR) Regulation 2015, was required to intimate regarding the Board meeting at least five days in advance (excluding the date of the intimation and date of the meeting) but inadvertently the same could not be intimated within the prescribed time. As per the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, a penalty of ₹ 20,000/- for non-compliance shall be imposed by the Stock Exchanges. Accordingly, the Company had paid 20,000/- without holding of any tax to BSE and NSE each, as penalty for delayed submission of notice of board meeting.

There were no fines, penalties, or instances of violation of ethical and behavioural norms by the Directors, KMPs and SMPs during the year.

18. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations Not Applicable, as the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations during the year under review.

Not Applicable

Corporate Governance Report

19. Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount

Not Applicable, as the Company has not given any loans and advances in loans to firms/companies in which Directors are interested by name and amount, during the year under review.

20. 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.

21. Declaration by the CEO on Code of Conduct as required by Schedule V of Listing Regulations

As required under Regulation 34(3) read with Part D of Schedule V of Listing Regulations, A Certificate to this effect, duly signed by Mr. Hemant Bharat Ram, Managing Director of the Company, is annexed to this Report.

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, 2023.

Date: 13.05.2023
Place: New Delhi

Hemant Bharat Ram
Managing Director

Corporate Governance Report

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
DCM Nouvelle Limited

- I have examined the compliance of conditions of Corporate Governance by DCM Nouvelle Limited ('the Company') for the year ended March 31, 2023, 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.
- 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.
- 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.
- 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 nor an expression of opinion on the financial statements of the Company.
- 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").

- 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.
- 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.
- 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**
Company Secretaries

Pragnya Parimita Pradhan
Proprietor
Membership No.: 32778

Place: New Delhi
Date: 21-07-2023

UDIN No.: A032778E000659437
Peer Review No: 1564/2021

Corporate Governance Report

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, India (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, 2023 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:

Sr 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.	*07137715	SHAHANA BASU

* 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**
Company Secretaries

Pragnya Parimita Pradhan
Proprietor
Membership No: 32778
CP No: 12030
UDIN: A032778E000659404
Peer Review No: 1564/2021

Place: New Delhi
Date: 21.07.2023

Corporate Governance Report

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, 2023

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, 2023 and we hereby certify and confirm to the best of our knowledge and belief the following:

- 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;
- 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;
- There are no transactions entered in to by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of Company's Code of Conduct;
- 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;
- There have been no significant changes in the above-mentioned internal controls over financial reporting during the financial year 2022-23;
- That there have been no significant changes in the accounting policies during the financial year 2022-23.
- 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: 13.05.2023

Sandeep Kumar Jain
Chief Financial Officer

Hemant Bharat Ram
Managing Director

Management Discussion And Analysis Report

GLOBAL TEXTILE INDUSTRY

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

INDIAN TEXTILE INDUSTRY

India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2022-23. Domestic consumption for the 2022-23 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) cotton including accessories stood at US\$ 7.68 billion till January 2023. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

Production of fibre in India reached 2.40 MT while for yarn, the production stood at 4,762 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22-23, a 41% increase YoY. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY23. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY23.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

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 decentralized 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\$ 38 billion for 2023.

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.

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 2023.

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.

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 ₹ 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.

Management Discussion And Analysis Report



Spinning Industry Overview

In 2023 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 of all types of spun yarn.

China is the largest importer of cotton yarn (28% share) from India, followed by Bangladesh with 23% share respectively. The top five importers 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, combed & Compact yarns in single and two-ply forms of count range Ne 12s to 40s. The Company has spindle capacity of 1,57,872 located at Hisar with approx. 3400 MT of monthly production at present. 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 finest clothing. The company had successfully engraved its name in domestic markets and have exported to more than 30 countries. Moving on the path Total Quality Management (TQM), its improved processes & products to achieve ultimate goal of "CUSTOMER DELIGHTNESS".

Management Discussion And Analysis Report

Brands: -

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

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



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

From the New Spinning Unit IV, "FUTURO" a brand of premium 100% Cotton Combed Compact Yarn was launched in 2023. FUTURO brand of products are processed through advance spinning technology equipped with Uster Jossi Vision Shield & Magic Eye-2. It allows total contamination control with Autoconer equipped with Uster Quantum 4.0 PP clearing devices at link coner.

Management Discussion And Analysis Report

Sustainability

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



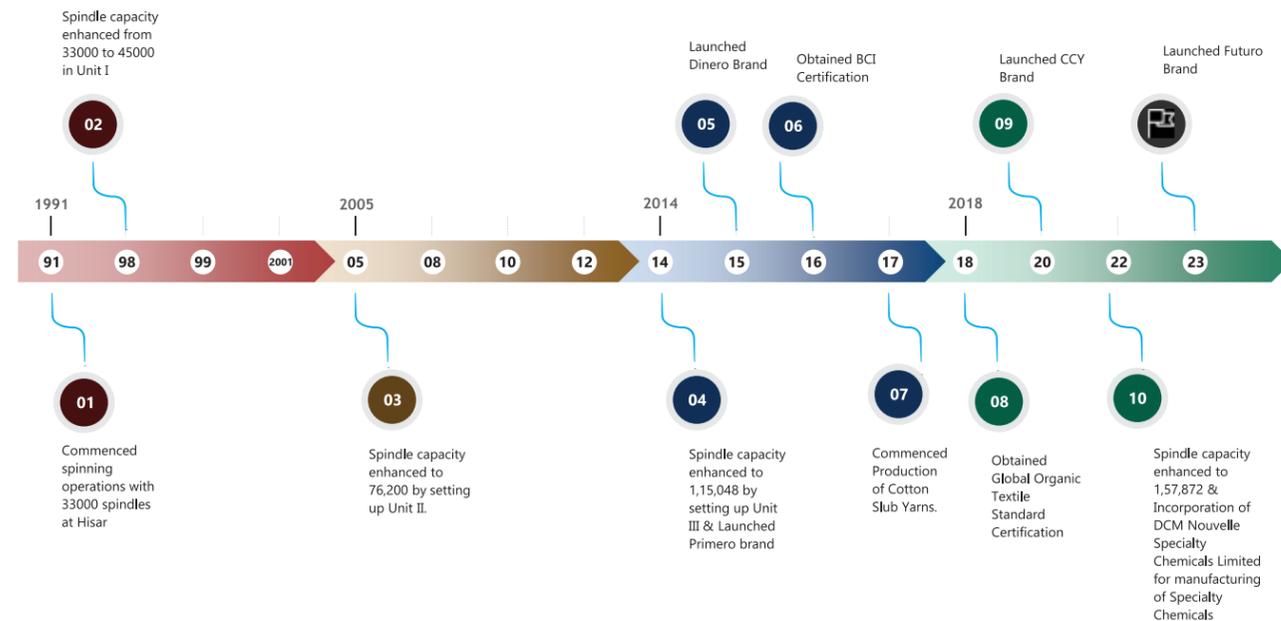
As Proud Member of BCI, We Stand at forefront to achieve BCI objective to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future



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



Our Journey



Management Discussion And Analysis Report

Export Markets

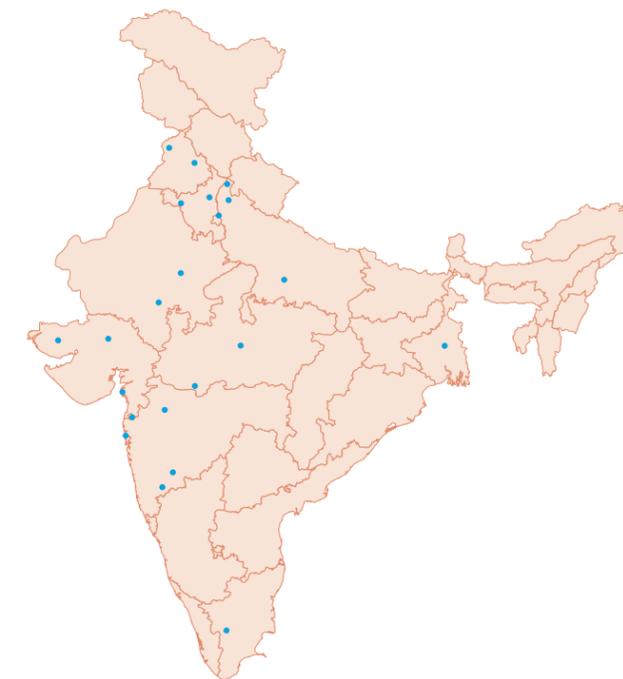


textiles industry contributes approximately 2.3% to India's GDP and 14% to overall Index of Industrial Production (IIP). The textile sector is among the largest contributors to India's exports, and has the potential to reach US\$ 500 billion in size according to a study.

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 3rd largest economy by 2028. India's exports are also expected to improve in coming years.

Domestic Markets



RISK & CONCERNS

Textile spinning sector globally seems to be quite unpredictable and uncertain for various reasons including stagnant demand as against growing supply side, 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 balance out the demand supply position for spinning sector.

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems have been designed to handle the dynamic and complex nature of the business operations of the Company effectively and efficiently. 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

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

Management Discussion And Analysis Report

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 over the last many years. 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 achieves 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 2132. The industrial relation continued to remain cordial during the year.

FINANCIAL AND OPERATIONAL PERFORMANCE:

The financial performance of the Company for the year ended March 31, 2023 is

(Amount in Lacs)

S. No.	Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
1.	Sales in Quantity (MT)	25722	29100
2.	Production (MT)	26523	29886
3.	Sales & other Income	87,033	91,764
4.	Total Expenditure	83,334	73,478
5.	Profit before finance cost, Depreciation, Amortization & Tax	3699	18,286
6.	Finance Cost	(616)	(617)
7.	Depreciation	(999)	(1236)
8.	Profit before Tax	2084	16,433

During the year under review, the Profit Before Tax (PBT) was lower as ` 2084 lacs as against ` 16433 lacs in previous financial year 2021-22 on account of lower realization of cotton yarn and high price of cotton.

FINANCIAL RATIOS

Particulars	FY 2022-23	FY 2021-22	Change (%)	Explanation
Current Ratio (Times)	1.55	2.08	-25%	Lower operating profits in current year.
Debt Equity Ratio (Times)	0.82	0.51	62%	Availment of term loan and lower profit in current year.
Debt service coverage ratio (Times)	7.39	7.39	-16%	Lower operating profits in current year.
Return on equity ratio (Percentage)	4.55	50.04	-91%	Lower operating profits in current year.
Inventory turnover ratio(Times)	3.07	3.15	3%	-
Trade receivable turnover ratio(Times)	12.23	10.37	18%	Lower realization in current year as compared to previous year.
Trade payable turnover ratio (Times)	53.28	62.34	15%	-
Net capital turnover ratio (Times)	6.00	6.65	-10%	Lower operating profits in current year.
Net profit ratio (Percentage)	1.65	13.50	-88%	Lower operating profits in current year.
Return on capital employed (Percentage)	9.33	55.60	-83%	Lower operating profits in current year.
Return on investments (Percentage)	3.72	32.56	-89%	Lower operating profits in current year.

Management Discussion And Analysis Report

CAUTIONARY NOTE

Statements in the Management Discussion & Analysis report describing the Company's objectives, estimates or projections may be forward looking statements within the meaning of applicable securities law and regulations. Actual

results may materially differ from those expressed or implied. Important factors that can make a difference to the Company's operations include change in the main client's purchase procedures, changes in Government regulations, tax regimes, economic outlook in India and the USA and other incidental factors.

Independent Auditor's Report

for the year ended 31 March 2023

To the Members of
DCM Nouvelle Limited

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of DCM Nouvelle Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, 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 notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
- 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 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
- We have determined the matter described below to be the key audit matter to be communicated in our report.

Basis for Opinion

- 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

- 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.

Independent Auditor's Report

for the year ended 31 March 2023

Key audit matter	How our audit addressed the key audit matter
<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. 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"> 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 standalone Ind AS financial statements in accordance with the applicable accounting standards.</p>
<p>Capitalisation of Property, Plant and Equipment</p> <p>Refer note 3 to the accompanying standalone financial statements.</p> <p>As a part of expansion plan, during the current year, the Company has incurred significant capital expenditure of ₹ 16,089.30 lacs in commencing a new production unit ('new production unit') at its existing textile plant at Hisar comprising of 43.38 % of gross carrying value of total Property, Plant and Equipment ('PPE') as at 31 March 2023.</p> <p>Such capital expenditure includes purchase costs and costs directly attributable for bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management, which have been capitalised under various classes of PPE in accordance with the principles of Ind AS 16, Property, Plant and Equipment ('Ind AS 16').</p>	<p>Our audit work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of the business process relating to capitalisation of PPE and assessed the appropriateness of the accounting policy adopted by the Company in accordance with Ind AS 16; Evaluated the design and tested operating effectiveness of internal controls with respect to the capitalisation of PPE; Tested the additions made to PPE on a sample basis by checking underlying supporting documents such as invoices, goods received notes (GRNs), material receipt forms, etc. to ensure such items are recorded accurately with correct amount, in the correct class of PPE and in the correct period;

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Inventories</p> <p>At the balance sheet date 31 March 2023, the Company holds inventories comprising of raw materials and components, finished goods, work-in-progress aggregating to ₹ 22,805.65 lacs as disclosed in note 9 to the accompanying standalone financial statements of the Company. Such inventory is carried at cost, or net realisable value whichever is lower, as per the accounting policy disclosed in note 2(d).</p> <p>Determination of cost of inventory involves allocation of various production and administration overheads incurred to bring the inventory to its present location and condition, which involves management judgement and estimation.</p>	<p>Our audit work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> Evaluated the appropriateness of the Company's accounting policy and valuation method of inventory in accordance with the applicable accounting standards. Assessed the design and implementation of controls in respect of the inventory valuation and tested the effectiveness of key inventory controls. 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.

Independent Auditor's Report for the year ended 31 March 2023

Key audit matter	How our audit addressed the key audit matter
<p>The above non-recurring event for the Company required significant management efforts and judgement to identify costs incurred that meet the recognition criteria under Ind AS 16, determine timing of capitalisation and classification of PPE, estimate useful lives and assign residual values to various items capitalised as PPE in relation to the new production unit set up during the year.</p> <p>The aforesaid capitalisation is a significant non-recurring event during the year and accounting for the same has been identified as a significant risk for our audit that required significant auditor attention and efforts.</p> <p>Considering the magnitude of capital expenditure incurred and the significant efforts and judgement involved, we have determined this matter to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> For the new unit capitalised during the year, reviewed the completion/ installation certificate provided by the chief technical officer to determine appropriateness of timing of capitalisation; On a test check basis, we have physically verified existence of additions made to such new unit during our site visits. Assessed the appropriateness of useful economic lives and residual values assigned to various items of PPE capitalised during the year, with reference to the Company's historical experience, technical evaluation, requirements of Schedule II to the Companies Act, 2013, and our understanding of the Company's business; and Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards.

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

6. The Company's Board of Directors 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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

- 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.
- In preparing the financial statements, the Board of Directors are responsible for assessing the Company's

Independent Auditor's Report for the year ended 31 March 2023

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.

- 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

- 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.
- 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 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 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 information/financial statements of the Company to express an opinion on the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 - We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 - From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial

Independent Auditor's Report for the year ended 31 March 2023

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:
 - 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 accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) 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 2023 from being appointed as a director in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
- 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
 - i. The Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2023
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.
 - iii. 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 2023.
 - iv.
 - a. 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(s) 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;
 - b. The management has represented that, to the best of its knowledge and belief, as

Independent Auditor's Report for the year ended 31 March 2023

- disclosed in note 52 to the standalone financial statements, no funds have been received by the Company from any person(s) 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
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused 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 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Rohit Arora
Partner

Place: New Delhi
Date: 13 May 2023

Membership No.: 504774
UDIN: 23504774BGTGQD6518

Independent Auditor's Report for the year ended 31 March 2023

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 2023

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 held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Hisar with gross carrying values of ₹ 687.10 lacs as at

31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

- (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 Prohibition of Benami Property Transactions Act, 1988 (as amended) 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 as compared to book records.
- (b) The Company has been sanctioned a working capital limit in excess of ₹ 5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

(Amount in Lacs)

Name of the Bank/ financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
Punjab National Bank	15,200	Entire current assets	Quarter 3	7,258.71	7,257.61	1.10
			Quarter 4	11,913.22	11,708.76	204.46

Independent Auditor's Report for the year ended 31 March 2023

- (iii) (a) The Company has made investments in subsidiaries and provided loans to others during the year as per details given below.

Particulars	Investments (₹ In lacs)	Loans (₹ In lacs)
Aggregate amount provided during the year		
- Subsidiaries	2064.50	-
- Others	-	20.00
Balance outstanding as at balance sheet date in respect of above:		
- Subsidiaries	2064.50	-
- Others	-	17.83

- (b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans and advances in the nature of loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal are regular. Further, no interest is receivable on such loans.
- (d) There is no overdue amount in respect of loans granted to such other parties.
- (e) The Company has granted loans which had fallen due during the year but such loans have not been renewed or extended nor has the company granted fresh loans to settle the overdue amounts of existing loans given to the same parties.
- (f) The Company has not granted any loans, which are repayable on demand or without specifying any terms or period of repayment.
- (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 made, 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 granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits 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.
- (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.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing 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, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) 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:

Independent Auditor's Report for the year ended 31 March 2023

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Employee state insurance act, 1948	Demand raised by ESIC Department	0.79	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 previously 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 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 subsidiaries.
(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 and on the basis of our examination of the records of the Company, 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 no material fraud on the Company has been noticed or reported during the period covered by our audit.
(b) No report under sub-section 12 of section 143 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

Independent Auditor's Report for the year ended 31 March 2023

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 per the provisions of 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 its directors and accordingly, 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 clauses 3(xvi) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current financial year 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 indicating 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 has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act,
- (xxi) The reporting under clause 3(xxii) 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 Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Place: New Delhi
Date: 13 May 2023
Membership No.: 504774
UDIN: 23504774BGTGQD6518

Independent Auditor's Report for the year ended 31 March 2023

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 2023

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 2023, 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

Independent Auditor's Report for the year ended 31 March 2023

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 2023, 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 Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner

Place: New Delhi

Date: 13 May 2023

Membership No.: 504774

UDIN: 23504774BGTGQD6518

Standalone Balance Sheet

as at 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	26,306.77	12,367.30
Capital work-in-progress	3	177.73	1,540.20
Investment property	4	-	826.39
Financial assets			
(i) Investments	5	2,064.55	7.60
Deferred tax assets (net)	6	-	82.59
Non-current tax assets (net)	7	476.18	251.85
Other non-current assets	8	2,042.13	1,950.98
Total non-current assets		31,067.36	17,026.91
Current assets			
Inventories	9	22,805.65	22,041.88
Financial assets			
(i) Trade receivables	10	5,901.15	8,235.81
(ii) Cash and cash equivalents	11	90.61	415.82
(iii) Bank balances other than (ii) above	12	-	144.36
(iv) Loans	13	48.33	32.00
(v) Other financial assets	14	330.89	1,273.01
Other current assets	15	1,773.10	1,298.79
Assets held for sale	16	1,891.99	-
Total current assets		32,841.72	33,441.67
Total assets		63,909.08	50,468.58
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,867.77	1,867.77
Others equity	18	30,238.55	28,797.93
Total equity		32,106.32	30,665.70
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	9,753.37	2,856.11
(ii) Other financial liabilities	20	13.80	15.60
Provisions	21	405.18	592.13
Deferred tax liabilities (net)	6	497.44	-
Total non-current liabilities		10,669.79	3,463.84
Current liabilities			
Financial liabilities			
(i) Borrowings	22	16,653.47	12,735.74
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		230.08	97.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,626.92	1,036.01
(iii) Other financial liabilities	24	1,061.97	1,202.88
Other current liabilities	25	212.83	121.83
Contract liabilities	26	154.65	51.67
Provisions	27	1,193.05	1,093.55
Total current liabilities		21,132.97	16,339.04
Total liabilities		31,802.76	19,802.88
Total equity and liabilities		63,909.08	50,468.58

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

As per our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rohit Arora
Partner
Membership No. : 504774

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: 13 May 2023

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256

Mohd Sagir
Company Secretary
M. No. : F11061

Place: New Delhi
Date: 13 May 2023

Standalone Statement of profit and loss

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	28	86,440.81	90,932.14
Other income	29	591.95	831.41
Total income		87,032.76	91,763.55
Expenses			
Cost of materials consumed	30	70,627.97	60,001.89
Changes in inventories of finished goods, work-in-progress and scrap	31	(1,848.21)	(3,671.42)
Employee benefits expense	32	5,079.51	5,476.42
Finance costs	33	616.32	617.36
Depreciation expense	34	998.81	1,236.32
Other expenses	35	9,180.23	11,670.25
Total expenses		84,654.63	75,330.82
Profit before exceptional items and tax		2,378.13	16,432.73
Exceptional items	36	294.08	-
Profit before tax		2,084.05	16,432.73
Tax expense			
Current tax	37	81.54	3,899.35
Deferred tax	37	575.47	253.92
Total tax expense		657.01	4,153.27
Profit for the year		1,427.04	12,279.46
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain of defined benefit obligations	37	18.15	(39.17)
Income tax relating to remeasurement of defined benefit obligations		4.57	(9.86)
Total other comprehensive income, net of tax		13.58	(29.31)
Total comprehensive income for the year		1,440.62	12,250.15
Earnings per equity share (face value of ` 10 each)			
Basic	39	7.64	65.75
Diluted	39	7.64	65.75

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

As per our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. : 001076N/N500013

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M. No. : F11061

Standalone Cash flow statement

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flows from operating activities		
Net profit before tax	2,084.05	16,432.73
Adjustments for :		
Depreciation expense	998.81	1,236.32
(Profit)/loss on sale of property, plant and equipment (net)	(9.02)	(5.32)
Loss on sale of investment property	56.97	-
Loss on assets held for sale	237.11	-
Unrealised foreign exchange gain	(55.07)	(20.51)
Interest income	(73.00)	(31.68)
Miscellaneous balances written back	(127.76)	(6.63)
Provision against TUF subsidy	1.86	1.85
Provision against doubtful advances	-	12.55
Interest expense	616.32	617.36
Operating profit before working capital changes	3,730.27	18,236.67
Movements in working capital:		
(Increase) in inventories	(763.77)	(8,350.37)
Decrease in trade receivables	2,350.09	1,119.41
(Increase) in loans	(16.33)	(9.80)
Decrease/(Increase) in other financial assets	985.96	(543.76)
(Increase)/Decrease in other assets	(1,690.75)	2,169.31
Increase/(Decrease) in trade payable	851.41	(25.21)
(Decrease)/Increase in provisions	(87.45)	162.04
(Decrease)/Increase in financial liabilities	(62.31)	236.28
Increase/(Decrease) in other liabilities	194.65	(6.07)
Cash generated from operations	5,491.77	12,988.50
Income-taxes paid (net of refunds)	(434.91)	(4,379.90)
Net cash flow generated from operating activities (A)	5,056.86	8,608.60
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital advance and capital creditors)	(13,870.38)	(6,480.75)
Proceeds from sale of property, plant and equipment	155.59	7.35
Investment in subsidiary	(2,056.95)	(7.60)
Interest received	68.02	47.70
Fixed deposit (made) /matured during the year	144.36	(132.50)
Net cash (used in) investing activities (B)	(15,559.36)	(6,565.80)
C. Cash flows from financing activities		
Repayment of long-term borrowings	(25.21)	(1,858.05)
Proceeds from long-term borrowings	7,703.42	2,200.03
(Repayment of)/proceeds from short-term borrowings (net)	3,130.72	(1,359.13)
Finance charges paid	(631.64)	(621.72)
Net cash (used in) financing activities (C)	10,177.29	(1,638.87)

Standalone Cash flow statement

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
D. Net Increase/(decrease) in cash and cash equivalents during the year (A+B+C)	(325.21)	403.93
E. Cash and cash equivalents at the beginning of the year	415.82	11.89
F. Cash and cash equivalents at the end of the year	90.61	415.82
G. Components of cash and cash equivalents		
i. Balances with banks:		
- Current accounts	56.01	0.26
- Cash credit accounts	28.16	409.02
ii. Cash on hand	6.44	6.54
Cash and cash equivalents as at the end of the year	90.61	415.82

Reconciliation of financial liabilities arising from financing activities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balances		
Non-current borrowings (including current maturities)	2,873.85	2,531.87
Current borrowings	12,718.00	14,036.51
Cash flows during the year		
Repayment of non-current borrowings	(25.21)	(1,858.05)
Proceeds from non-current borrowings	7,703.42	2,200.03
Proceeds/(repayment of) short-term borrowings (net)	3,130.72	(1,359.13)
Exchange fluctuation loss on reinstatement of current borrowings	6.06	44.98
Finance charges incurred	616.32	617.36
Finance charges paid	(616.32)	(621.72)
Closing balances		
Non-current borrowings (including current maturities)	10,552.06	2,873.85
Current borrowings	15,854.78	12,718.00

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 **Walker Chandiook & 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: 13 May 2023

Place: New Delhi
Date: 13 May 2023

Standalone statement of changes in equity

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

A. EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount
Balance as at 01 April 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
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	1,86,77,749	1,867.77

B. OTHER EQUITY

Particulars	Reserve and surplus		Total
	Securities premium	Retained earnings	
Balance as at 01 April 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
Profit for the year	-	1,427.04	1,427.04
Other comprehensive income for the year	-	13.58	13.58
Balance as at 31 March 2023	5,518.63	24,719.92	30,238.55

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

As per our report of even date attached
For Walker Chandio & 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
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Place: New Delhi
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Chairperson and Director
DIN : 06866256

Mohd Sagir
Company Secretary
M. No. : F11061

Place: New Delhi
Date: 13 May 2023

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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 have been prepared on accrual and going concern basis. The accounting policies have been consistently applied to all the periods presented in the financial statements except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements were authorised for issue by the Company's Board of Directors on 13 May 2023.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian

Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Significant Accounting Policies

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

c. Use of estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 2023 is included in the following notes:

Note 2 (b) - measurement of fair values

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

Note 2 (d) – Valuation of inventory

Note 2 (e) – 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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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. 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,

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

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.

Asset category	As per Schedule II
Computers	3 years
Furniture and Fixtures	10 Years
Building	30-60 years
Vehicles	8-10 years
Plant and machinery (on triple shift basis)	7.5 years
Office equipment	5 years
Servers and networks	6 years
Road	5 Years
Electrical Installation	10 Years

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

d. 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.

e. 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

f. Investment in subsidiary

Investments in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and 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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

Notes to Standalone Financial Statements

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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.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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 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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 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 26 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.

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- 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 is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

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

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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.

Short-term leases and leases of low-value assets

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

I. Income taxes

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

i. Current tax

Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rate (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amount, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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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

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for the year ended 31 March 2023

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 & 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. Assets classified as held for sale

Non-current assets comprising of assets and liabilities are classified as 'held for sale when all the following criteria are met:

- decision has been made to sell
- the assets are available for immediate sale in its present condition.
- the assets are being actively marketed, and

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for the year ended 31 March 2023

- d) sale has been agreed or is expected to be concluded within 12 months of the Balance sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell.

u. 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. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

Ind AS 1 Presentation of Financial Statement

Requirement to disclose 'material accounting

policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.

Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors

Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

Ind AS 12 Income Taxes

Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.

The Company is currently evaluating the impact of amendments to the aforementioned accounting standards on its financial statements.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

3 Property, plant and equipment and capital work-in-progress:

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Roads	Total	Capital work-in-progress
Gross carrying value									
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
As at 1 April 2022	2,188.35	3,269.77	16,516.23	21.78	43.77	209.56	-	22,249.46	1,540.20
Additions[refer note (v) below]	-	3,219.38	13,093.63	6.95	17.11	23.49	79.05	16,439.61	15,077.14
Disposals/adjustments	-	-	89.30	-	1.07	10.62	-	100.99	16,439.61
Transfer to Assets held for sale (Refer note 16)	1,501.25	-	-	-	-	-	-	1,501.25	-
Balance as at 31 March 2023	687.10	6,489.15	29,520.56	28.73	59.81	222.43	79.05	37,086.83	177.73
Accumulated depreciation									
As at 1 April 2021	-	563.20	7,972.45	14.85	22.21	112.07	-	8,684.78	-
Charge for the year	-	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	-
Charge for the period	-	137.99	815.33	1.67	9.70	19.88	1.25	985.82	-
Disposals/adjustments	-	-	84.73	-	1.05	2.14	-	87.92	-
Transfer to Assets held for sale	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	-	815.97	9,757.88	18.03	35.87	151.06	1.25	10,780.06	-
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	1,540.20
As at 31 March 2023	687.10	5,673.18	19,762.68	10.70	23.94	71.37	77.80	26,306.77	177.73

- (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 ` Nil (31 March 2022: ` 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 admeasuring 267.625 acres at Hisar amounting to ` 687.10 lacs (31 March 2022 : ` 2,188.35 lacs) are registered in the name of Company. Further company has entered into Agreement to sell for 1000 square metres of land amounting to ` 1501.25 lacs at Gurugram and classified it as Assets held for sale in financial statements.
- (v) Out of total additions of ` 16,439.61 lacs, addition of INR 16089.30 lacs pertains to capitalization of Property, Plant and Machinery for new unit at its existing textile plant at Hisar which includes borrowing cost(net) of ` 267.50 lacs (31 March 2022 : Nil) on borrowings specifically attributable to the project which is capitalised as per Ind As 23. The rate used to determine amount of borrowing costs eligible for capitalisation is 8%, which is the effective interest rate of specific borrowing.

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2023 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	
Textile Unit	177.73	-	-	-	177.73
	177.73	-	-	-	177.73

There are no such projects under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023 and 31 March 2022.

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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	
Textile Unit	1,540.20	-	-	-	1,540.20
	1,540.20	-	-	-	1,540.20

4. Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
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	826.39	-
Additions	-	826.39
Disposals	(193.45)	-
Transferred to Assets held for sale	(632.94)	-
Balance as at the end of the year	-	826.39
Accumulated depreciation		
Balance as at the beginning of the year	-	-
Additions	12.98	-
Disposals	(2.98)	-
Transferred to Assets held for sale	(10.00)	-
Balance as at the end of the year	-	-
Carrying amount		
Balance as at the beginning of the year	826.39	-
Balance as at the end of the year	-	826.39

The fair value of investment property had 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. These valuations are based on valuations performed by Registered Valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. 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

Fair value hierarchy for investment property have been provided in Note 46.

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

5. Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in subsidiary (fully paid up), valued at cost		
Unquoted		
76,000 (31 March 2022: 76,000) equity shares of DCM Nouvelle Specialty Chemicals Limited of ` 10 each	7.60	7.60
68,40,000 (31 March 2022: nil) equity shares of DCM Nouvelle Specialty Chemicals Limited of ` 10 each at premium of ` 7.90 per share	1,224.36	-
70,68,000 (31 March 2022: nil) partly paid equity shares of DCM Nouvelle Specialty Chemicals Limited of ` 10 each (Paid ` 5) and at premium of ` 7.90 per share (Paid ` 3.95)	632.59	-
Share Application Money		
DCM Nouvelle Specialty Chemicals Limited	200.00	-
	2,064.55	7.60

6. Deferred tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting deferred tax assets		
Provision for gratuity and compensated absences	226.85	263.32
Provision for bonus	88.54	77.49
Provision against TUF subsidy	82.09	81.62
Provision for trade receivables and other advances	26.86	26.86
Expenses related to business combination	15.83	31.66
Others	11.21	21.15
Deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	(948.82)	(419.51)
Deferred tax assets/(liabilities) (net)	(497.44)	82.59

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Movement in deferred tax assets/liabilities during year ended 31 March 2023

Particulars	Balance as at 31 March 2022	Recognised in profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2023
Deferred tax assets				
Provision for gratuity and compensated absences	263.32	(31.90)	(4.57)	226.85
Provision for bonus	77.49	11.05	-	88.54
Provision against TUF subsidy	81.62	0.47	-	82.09
Provision for trade receivables and other advances	26.86	-	-	26.86
Expenses related to business combination	31.66	(15.83)	-	15.83
Others	21.15	(9.94)	-	11.21
Deferred tax liabilities				
Difference between accounting base and tax base of property, plant and equipment	(419.51)	(529.31)	-	(948.82)
Deferred tax assets/(liabilities) (net)	82.59	(575.46)	(4.57)	(497.44)

Movement in deferred tax assets/(liabilities) during year ended 31 March 2022

Particulars	Balance as at 31 March 2021	Recognised in profit and loss	Recognised in other comprehensive 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	0.00	-	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/liabilities (net)	326.65	(253.92)	9.86	82.59

7. Non-current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for income-tax of ` 72.24 lacs (31 March 2022: ` 3,956.20 lacs))	476.18	251.85
	476.18	251.85

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

8. Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good)		
Capital advances	34.23	1,164.50
Balance with government authorities	1,201.90	-
Security deposits	770.74	734.84
Prepaid expenses	35.26	51.64
(Unsecured, considered doubtful)		
Balance with government authorities	12.55	12.55
	2,054.68	1,963.53
Less: provision for doubtful advances	12.55	12.55
	2,042.13	1,950.98

9. Inventories#

(valued at lower of cost or net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	13,406.40	14,410.23
Work-in-progress	1,388.98	1,137.47
Finished goods*	7,025.77	5,769.93
Stores and spares**	122.76	203.38
Scrap	861.74	520.87
Total	22,805.65	22,041.88

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

* Includes finished goods-in-transit amounting to ` 2146.09 lacs (31 March 2022: ` 3,380.98 lacs).

** Includes packing materials of ` 46.06 lacs (31 March 2022: ` 42.68 lacs) and lubricants and oil of ` 25.05 lacs (31 March 2022 : ` 32.96 lacs).

10. Trade receivables# (other than related party)

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good-secured	5,396.00	7,160.64
Considered good-unsecured	505.15	1,075.17
Credit impaired-unsecured	106.71	106.71
	6,007.86	8,342.52
Less: loss allowance for expected credit loss	(106.71)	(106.71)
	5,901.15	8,235.81

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Ageing for trade receivables as at March 31, 2023:

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	408.29	5,490.74		2.12	-	-	5,901.15
Disputed trade receivables - credit impaired	-	-	-	-	-	106.71	106.71
	408.29	5,490.74	-	2.12	-	106.71	6,007.86
Less: allowance for expected credit loss							106.71
Total							5,901.15

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

11. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	56.01	0.26
- in cash credit accounts	28.16	409.02
Cash on hand	6.44	6.54
	90.61	415.82

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

12. Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Margin money*	-	144.36
	-	144.36

*Margin Money as at 31 March 2023 is Nil.

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

13. Loans

(Unsecured-considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans and advances to employees*	48.33	32.00
	48.33	32.00

*This includes loan to employees of ` 17.83 lacs that are interest free and repayable within a timeframe of 12 months.

14. Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured-considered doubtful)		
Technology upgradation fund (TUF) subsidy receivable	165.59	165.59
Less: loss allowance (refer note 38)	43.87	42.01
	121.72	123.58
(Unsecured-considered good)		
Advances recoverable in cash or in kind (refer note 44)	-	148.06
Export incentive receivable	169.46	985.36
Forward gain receivables	39.63	15.93
Others	0.08	0.08
	330.89	1,273.01

15. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to suppliers	342.92	213.53
Balance with government authorities	1,370.24	1,022.77
Prepaid expenses	52.22	57.21
Other advances	7.72	5.28
	1,773.10	1,298.79

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

16. Assets held for sale

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment		
Gross carrying value(including security deposit given)	2,139.10	-
Less: Accumulated depreciation	(10.00)	-
Less: Loss on sale of assets held for sale	(237.11)	-
Total assets classified as held for sale	1,891.99	-

During the year, the company has sold/agreed to sale certain immovable properties resulting in the loss.

17. Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
a) Authorised share capital		
20,050,000 (31 March 2022: 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 2022: 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 2023		As at 31 March 2022	
	Number of shares	Amount ` in lacs	Number of shares	Amount ` 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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding
Mr. Hemant Bharat Ram	93,59,149	50.11%	93,53,424	50.08%
Life Insurance Corporation of India	-	-	11,48,512	6.15%

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

f) Details of promoters shareholders holding in the Company

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
	Number of shares	% Holding	Number of shares	% Holding	% Change during the year	% Change during the year
Mr. Hemant Bharat Ram	93,59,149	50.11%	93,53,424	50.08%	0.03%	0.08%
Mr. Sumant Bharat Ram	6	0.00%	6	0.00%	0.00%	-0.07%
Mr. Rahil Bharat Ram	2	0.00%	2	0.00%	0.00%	-0.03%
Mr. Yuv Bharat Ram	10	0.00%	10	0.00%	0.00%	-0.03%

(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.

18. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
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	23,279.30	11,029.15
Add: transferred from statement of profit and loss	1,427.04	12,279.46
Add: other comprehensive income	13.58	(29.31)
Balance at the end of the year	24,719.92	23,279.30
Total	30,238.55	28,797.93

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Retained earnings

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

19. Non-current financial liabilities-borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans from banks		
Term loan	10,552.06	2,873.85
Total non-current borrowings	10,552.06	2,873.85
Less: current maturities of non-current borrowings (refer note 22)	798.69	17.74
	9,753.37	2,856.11

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

- Term loan aggregating to ` 123.35 lacs (31 March 2022: ` 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 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%-7.95% per annum (31 March 2022: 7.60%-7.65% per annum). Also, refer note 47 for details of assets pledged as security.
- Term loan aggregating to ` 509.33 lacs (31 March 2022: ` 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 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%-9.05% per annum (31 March 2022: 7.90%-9.50% per annum). Also, refer note 47 for details of assets pledged as security.
- Term loan aggregating to ` 9,871.16 lacs (31 March 2022: ` 2177.99 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 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%-8.50% per annum (31 March 2022: 8%). Also, refer note 47 for details of assets pledged as security.
- Vehicle loans aggregating to ` 48.22 lacs (31 March 2022: ` 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. Repayable in equated monthly installments. The loans carry an interest rate ranging between 8.30%-10.05% per annum. (31 March 2022: 7.40%-8.20% per annum)
- There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

20. Other non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	13.80	15.60
	13.80	15.60

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

21. Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (refer note 43)	405.18	592.13
	405.18	592.13

22. Current financial liabilities-borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans		
Loans repayable on demand from banks	15,854.78	12,718.00
Current maturities of long-term borrowings (refer note 19)	798.69	17.74
Total	16,653.47	12,735.74

Cash credit, Cash credit pledge, packing credit and bill discounting facilities aggregating to ` 15,854.78 lacs (31 March 2022: ` 12,718 lacs) carries interest rate ranging from 8% - 8.45% p.a. for Cash Credit/Pledge facilities, LIBOR/SOFR + 1.10%-1.25% p.a. for Packing Credit in Foreign Currency (PCFC)/Bill Discounting (EBR) Facilities and 7.40%-8.50% p.a. for Packing Credit/Bill Discounting in INR 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 sanctioned (in lakhs)	Working capital limit offered as security	Nature of current assets	Quarter as per return (A) (INR in lakhs)	Amount disclosed books of accounts (B) (INR in lakhs)	Amount as per (B-A)	Difference	Reason
PNB Bank	15,200	Entire current assets	Quarter 1	16,119.55	16,119.55	-	Due to reclassification of current and non current assets
			Quarter 2	9,274.30	9,274.30	0.00	
			Quarter 3	7,258.71	7,257.61	1.10	
			Quarter 4	11,913.22	11,708.76	204.46	

23. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises[MSME] (refer note below)	230.08	97.36
Total outstanding dues of creditors other than micro enterprises and small enterprises [MSME]	1,626.92	1,036.01
	1,857.00	1,133.37

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Ageing for trade payables outstanding as at March 31, 2023 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	77.05	153.03	-	-	-	-	230.08
Othes	294.79	1329.48	0.66	1.75	0.18	0.06	1626.92
Total	371.84	1482.51	0.66	1.75	0.18	0.06	1857.00

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

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 2023 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 2023	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);	315.56	129.23
(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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

24. Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Employee dues payables	805.04	880.86
Creditors for capital goods		
Payable to micro enterprises and small enterprises*	87.27	33.66
Payable to other than micro enterprises and small enterprises	169.12	287.81
Security deposits received	0.54	0.55
Total	1,061.97	1,202.88

* Refer note 23

25. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payables	182.83	121.83
Other liabilities	30.00	-
Total	212.83	121.83

26. Contract liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue received in advance	154.65	51.67
Total	154.65	51.67

27. Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 43)	260.64	141.68
Provision for compensated absences (refer note 43)	253.68	273.26
Provision against TUF Scheme (refer note 38)	282.28	282.28
Provision against electricity duty on open access power (refer note 42)	396.45	396.33
Total	1,193.05	1,093.55

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

28. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of product (Cotton yarn)		
Domestic sales	49,078.75	32,458.61
Export sales	28,026.98	49,756.49
	77,105.73	82,215.10
Other operating revenues		
Process waste sale	7,882.02	5,795.02
Duty drawback and other export incentives	1,377.43	2,872.32
Other scrap sales	75.63	49.70
	9,335.08	8,717.04
Revenue from operations	86,440.81	90,932.14

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Contract Balances		
Receivables- trade receivables (refer note 10)	5,901.15	8,235.81
Contract liabilities- advances from customers (refer note 26)	154.65	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.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(b) Reconciliation of revenue from sale of products with the contracted price		
Contracted price	77,497.24	82,495.15
Reduction towards variable consideration components*	(391.51)	(280.05)
Sale of products	77,105.73	82,215.10

*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 2023	For the year ended 31 March 2022
Revenue by geography		
Domestic	49,078.75	32,458.61
Export	28,026.98	49,756.49
Total	77,105.73	82,215.10

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

(d) Significant changes in contract assets and liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	51.67	75.19
Add: addition during the year	154.65	51.67
Less: revenue recognised during the year from opening liability	51.67	75.19
Closing balance	154.65	51.67

29. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial assets at amortised cost		
- Other interest income	73.00	31.68
Net gain on foreign currency transactions	321.96	722.95
Profit on sale of property, plant and equipment (net)	9.02	5.32
Miscellaneous balances written back	127.76	6.63
Profit on sale of investments	-	1.90
Miscellaneous income	60.21	62.93
Total	591.95	831.41

30. Cost of raw materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year	14,410.23	9,821.73
Add: purchases during the year	69,624.14	64,590.39
	84,034.37	74,412.12
Less: Inventories at the end of the year	13,406.40	14,410.23
Cost of raw materials consumed	70,627.97	60,001.89

31. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year:		
Finished goods- cotton yarn	7,025.77	5,769.93
Work in progress	1,388.97	1,137.47
Scrap	861.74	520.87
Total	9,276.48	7,428.27
Inventories at the beginning of the year:		
Finished goods- cotton yarn	5,769.93	2,320.72
Work in progress	1,137.47	676.48
Scrap	520.87	759.65
Total	7,428.27	3,756.85
(Increase)/decrease in inventory	(1,848.21)	(3,671.42)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

32. Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	4,500.91	4,929.73
Contribution to provident and other funds	348.48	337.16
Gratuity expense (refer note 43)	116.54	106.12
Staff welfare expenses	113.58	103.41
Total	5,079.51	5,476.42

33. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses	425.16	355.31
Other borrowing costs*	191.16	262.05
Total	616.32	617.36

*primarily includes processing fee and interest expense on bill discounting of export documents.

34. Depreciation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	998.81	1,236.32
Total	998.81	1,236.32

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

35. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	1,540.89	1,789.99
Power, fuel and water	4,462.59	5,364.46
Rent	8.69	12.72
Repairs and maintenance		
- Building	84.62	108.59
- Plant and machinery	70.27	75.70
- Others	28.70	18.08
Freight and forwarding	1,751.62	2,814.98
Insurance	97.60	83.87
Rates and taxes	25.28	18.62
Directors' sitting fees (refer note 44)	24.50	9.20
Legal and professional	235.67	204.43
Payment to Auditor (refer note (i) below)	25.64	24.12
Travelling and conveyance	126.53	118.19
Commission to selling agents	295.86	712.81
Security expenses	113.68	102.15
Corporate social responsibility expenses (refer note 45)	138.15	26.49
Provision against TUF subsidy (refer note 38)	1.86	1.85
Allowance for doubtful advances	-	12.55
Miscellaneous expenses	148.08	171.45
Total	9,180.23	11,670.25
(i) Payment to Auditor		
Statutory audit fee	11.00	11.00
Tax audit fee	1.00	1.00
Other services	11.50	10.00
Re-imburement of expenses	2.14	2.12
Total	25.64	24.12

36. Exceptional items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss on sale of immovable properties*	294.08	-
Total	294.08	-

*During the year, the company has sold/agreed to sale certain immovable properties resulting in the loss

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

37. Income tax expense

The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Statement of Profit and loss:

(a) Profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
Current income tax charge	72.24	3,956.20
Tax relating to earlier years	9.30	(56.85)
	81.54	3,899.35
Deferred tax:		
In respect of current year	575.47	253.92
Income tax expense reported in the statement of profit and loss	657.01	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 2023	For the year ended 31 March 2022
Items that will not be reclassified to profit or loss		
Re-measurement (loss)/gain of defined benefit obligations	18.15	(39.17)
Income tax relating to remeasurement of defined benefit obligations	4.57	(9.86)
Net other comprehensive income not to be reclassified subsequently to profit or loss, net of income tax	13.58	(29.31)

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before income-tax expense	2,084.05	16,432.73
Amount of tax at statutory income tax rate @ 25.17% (31 March 2022: 25.17%)	524.52	4,135.78
Non deductible expenses for tax purposes:		
Impact of non deductible expenses	109.31	25.16
Others	23.18	(7.67)
At the effective income tax rate	657.01	4,153.27
Income tax expenses reported in the statement of profit and loss	657.01	4,153.27

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(All amounts in ` lacs, unless stated otherwise)

38. Government grants

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	1,108.94	318.97
Government grant received during the year	2,151.32	2,040.34
Released to the Statement of Profit and Loss	1,377.43	2,872.32
Impairment allowance*	(43.87)	(42.01)
Closing balance	291.18	1,108.94
Current portion	291.18	1,108.94

Nature of Government grants (refer note 14)

Particulars	As at 31 March 2023	As at 31 March 2022
TUF scheme	121.72	123.58
Export incentives (RoDTEP/duty drawback)	169.46	985.36
Total	291.18	1,108.94

* 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 shared its 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 ` 282.28 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 total accumulated impairment allowance of ` 43.87 lacs (upto 31 March 2022: ` 42.01 lacs) against liabilities payable to the authorities in respect of TUF subsidy in the current year. This has led to recognition of expense of ` 1.86 lacs (31 March 2022: ` 1.85 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 hearing is underway. The next date of hearing is 18.09.2023. The Company, as an interim measure has deposited ` 190.82 lacs with the Registrar General of High Court of Delhi.

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 2023	For the year ended 31 March 2022
Profit attributable to equity holders	1,427.04	12,279.46
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 `)	7.64	65.75

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023	For the year ended 31 March 2022
India (a)	58,413.83	41,175.65
Outside India		
China	3,431.80	11,974.54
Bangladesh	9,246.36	22,287.21
Egypt	3,974.03	2336.99
Other countries	11,374.79	13,157.75
Outside India (b)	28,026.98	49,756.49
Total (a+b)	86,440.81	90,932.14

During the year ended 31 March 2023 and 31 March 2022, 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 2023	For the year ended 31 March 2022
India	28,526.63	16,684.87
Outside India	-	-
Total	28,526.63	16,684.87

41. Contingent liabilities and commitments

A. Contingent liabilities in respect of:

Particulars	As at 31 March 2023	As at 31 March 2022
Claim against the Company not acknowledged as debts		
- Claim by employees	20.45	11.14
- Demand raised by Market Committee, Hisar	-	12.55
- Demand raised by ESIC Department	0.79	0.79
- Demand raised by income tax authorities	-	43.48

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

B. Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	21.12	10,106.24

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 @ ` 0.10/KWH chargeable to the short term 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 ` 396.45 lacs (31 March 2022: ` 396.33 lacs) (refer note 27) in the financial statements equivalent to the amount under dispute.

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	396.33	366.65
Addition during the year	0.12	29.68
Balance at the end of the year	396.45	396.33

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 32):

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident fund	236.64	229.78
Contribution to superannuation fund	35.54	31.37
Contribution to Employee's state insurance	76.30	76.01
Total	348.48	337.16

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023	For the year ended 31 March 2022
Obligations at the beginning of year	733.81	641.24
Current service cost	61.80	62.57
Interest cost	52.69	43.55
Amount recognised in statement of profit and loss	114.49	106.12
Remeasurements		
Actuarial loss/(gain) recognised in other comprehensive income	(18.15)	39.16
Benefits paid	(164.33)	(52.71)
Obligation at the end of year	665.82	733.81
Non-current	405.18	592.13
Current	260.64	141.68

ii) Liabilities recognised in the balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit liability- Gratuity	665.82	733.81
Non current	405.18	592.13
Current	260.64	141.68
Total	665.82	733.81

iii) Defined benefit obligations cost for the year :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	61.80	62.57
Interest cost	52.69	43.55
Actuarial loss/(gain) recognised in other comprehensive income	(18.15)	39.16
Net cost	96.34	145.28

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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 2023	For the year ended 31 March 2022
Financial assumptions		
Discount rate per annum	7.36%	7.18%
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 2023, the weighted average duration of the defined benefit obligation was 16.36 years (31 March 2022: 19.29 years)

v) Bifurcation of actuarial gain/loss on obligation

Particulars	For the year ended 31 March 2023	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	(7.29)	(17.16)
Actuarial (gain)/loss on arising from change in experience assumption	(10.86)	56.32

vi) Expected contributions to the fund in next year :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity	117.41	120.78

vii) Sensitivity analysis

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase in obligation	Decrease in obligation	Increase in obligation	Decrease in obligation
Discount rate per annum (0.50 %)	(19.76)	21.33	(20.97)	22.63
Future salary growth rate (0.50 %)	21.72	(20.29)	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

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023	31 March 2022
Year 1	260.64	141.68
Year 2	21.52	224.26
Year 3	12.43	17.95
Year 4	22.23	11.18
Year 5	33.90	19.93
Year 6	50.19	29.32
Next to 6 years	264.91	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:

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase
- Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

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. Dr. Vinay Bharat Ram	Executive Director
2. Dr. Meenakshi Nayar	Chairperson and Independent Director
3. Mr. Hemant Bharat Ram	Managing Director
4. Mr. Jitendra Tuli	Non-Executive Director
5. Mr. Kulbir Singh	Independent Director
6. Mr. Rakesh Goel	Non Dependent Director w.e.f. 01 Jan 2023(Till 31 Dec 2022 Executive Director)
7. Mr.Vivek Chhachhi	Independent Director
8. Ms. Shahana Basu	Non-Executive Director (Till 26 May 2022)
9. Mr. Bipin Maira	Independent Director (Till 09 June 2021)
10. Mr. Ravi Vira Gupta	Independent Director (Till 16 Oct 2021)
11. Mr. Sandeep Kumar Jain	Chief Financial Officer
12. Mr. Mohd. Sagir	Company Secretary

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Subsidiary Company

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

Enterprise over which directors and KMPs having control or significant influence

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

Post employment benefit entity

DCM Nouvelle Limited Superannuation Trust

Transactions with related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement services		
The Delhi Golf Club	-	45.00
Investment in subsidiary		
DCM Nouvelle Specialty Chemicals Limited	2,056.95	10.00
Sale of investment in subsidiary		
DCM Nouvelle Specialty Chemicals Limited	-	2.40
Management consultancy services		
DCM Nouvelle Specialty Chemicals Limited	12.00	-
Sundry credit balance written back		
DCL	127.69	-
Advance receivable in cash or in kind		
DCM Nouvelle Specialty Chemicals Limited	-	148.06
Mr. Mohd. Sagir	3.00	-
Advance received in cash or in kind		
DCM Nouvelle Specialty Chemicals Limited	148.06	-
Professional fee		
Candle Techserv Private Limited	15.60	14.20
Contribution to post Employment Benefits		
DCM Nouvelle Limited Sperannuation Trust	34.96	31.37
CSR Expenses		
The Delhi Golf Club	61.00	-
H T M Educational Society	26.41	26.49

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Transactions with key management personnel

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remuneration paid to key managerial personnel		
Salary, allowance and contribution to provident fund	747.11	1,135.24
Director sitting fees	24.50	9.20
Post-employment defined benefit plan	347.52	332.48
Other long term defined benefit plan	60.89	60.40
Total compensation paid/payable to key management personnel	1,180.02	1,537.32

Year end balances

Particulars	As at 31 March 2023	As at 31 March 2022
Receivable		
DCM Nouvelle Specialty Chemicals Limited	4.32	-
Mr. Mohd. Sagir	1.35	-
Payables		
Candle Techserv Private Limited	1.17	1.17
DCL	-	127.69
DCM Nouvelle Limited Sperannuation Trust	3.28	2.64
Director sitting fee payable	4.50	1.71
Salary payable	15.16	16.08
Investment in subsidiary		
DCM Nouvelle Specialty Chemicals Limited	2,064.55	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.

45. Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Gross amount required to be spent by the Company during the year	141.58	31.71
Excess of previous year carried forward as per sec 135 of Companies Act 2013	4.22	9.44
Balance amount required to be spent during the year	137.36	22.27
(ii) Amount spent during the year:		
Promotion of education	123.15	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	15.00	-
(iv) The Company has contributed CSR to HTM Educational Society, a related party covered under Ind AS 24, Related party disclosures.	123.15	26.49

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- (v) The Company has one ongoing project to set up Artificial Intelligence Lab (AI) through implementing agency IIT, Delhi. In case of Section 135(6)(Ongoing project), details are given below

Opening Balnace in separate CSR Account	Amount required to be spent during the year	Amount spent during the year	Closing balance in separate CSR Account
-	15.00	-	15.00

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 2023

Particulars	Carrying value					Fair value measurement using		
	FVTPL	FVOCI	At Cost	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non-current								
Investments	-	-	2,064.55	-	2,064.55	-	-	-
Loans *	-	-	-	-	-	-	-	-
Current								
Trade receivables *	-	-	-	5,901.15	5,901.15	-	-	-
Cash and cash equivalents *	-	-	-	90.61	90.61	-	-	-
Loans *	-	-	-	48.33	48.33	-	-	-
Other financial assets *	-	-	-	330.89	330.89	-	-	-
Total	-	-	2,064.55	6,370.98	8,435.53	-	-	-
Financial liabilities								
Non-current								
Borrowings #	-	-	-	9,753.37	9,753.37	-	-	-
Other financial liabilities *	-	-	-	13.80	13.80	-	-	-
Current								
Borrowings #	-	-	-	16,653.47	16,653.47	-	-	-
Trade payables *	-	-	-	1,857.00	1,857.00	-	-	-
Other current financial liabilities*	-	-	-	1,061.97	1,061.97	-	-	-
Total	-	-	-	29,339.61	29,339.61	-	-	-
Assets for which fair value are disclosed								
Investment Property	-	-	-	-	-	-	-	-

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(All amounts in ` lacs, unless stated otherwise)

ii. As on 31 March 2022

Particulars	Carrying value				Fair value measurement using			
	FVTPL	FVOCI	At Cost	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non-current								
Investments	-	-	7.60	-	7.60	-	-	-
Loans *	-	-	-	-	-	-	-	-
Other financial assets *	-	-	-	-	-	-	-	-
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 *	-	-	-	1,273.01	1,273.01	-	-	-
Total	-	-	7.60	10,101.00	10,108.60	-	-	-
Financial liabilities								
Non-current								
Borrowings #	-	-	-	2,856.11	2,856.11	-	-	-
Other financial liabilities *	-	-	-	15.60	15.60	-	-	-
Current								
Borrowings #	-	-	-	12,735.74	12,735.74	-	-	-
Trade payables *	-	-	-	1,133.37	1,133.37	-	-	-
Other current financial liabilities *	-	-	-	1,202.88	1,202.88	-	-	-
Total	-	-	-	17,943.70	17,943.70	-	-	-
Assets for which fair value are disclosed								
Investment Property ##	-	-	-	-	-	-	-	833.56

* 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.

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.

For valuation techniques and inputs used, refer note 4 of financial statements

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2023 and 31 March 2022.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023	As at 31 March 2022
Trade receivables (net of allowances for expected credit loss)	5,901.15	8,235.81
Cash and cash equivalents	90.61	415.82
Balances other than cash and cash equivalents	-	144.36
Loans	48.33	32.00
Other financial assets	2,395.44	1,280.61

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:

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

The Company's exposure to credit risk and loss allowance for trade receivables are as follows:

Particulars	Gross carrying amount as at 31 March 2023	Expected loss rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment) as at 31 March 2023	Gross carrying amount as at 31 March 2022	Expected loss rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment) as at 31 March 2022
0-30 days due	2,607.38	0%	-	2,607.38	2,162.52	0%	-	2,162.52
31-90 days past due	3,009.11	0%	-	3,009.11	4,330.29	0%	-	4,330.29
91 to 180 days past due	282.54	0%	-	282.54	1,743.00	0%	-	1,743.00
More than 180 days past due	2.12	0%	-	2.12	-	0%	-	-
More than 365 days past due	106.71	100%	106.71	-	106.71	100%	106.71	-
Total	6,007.86		106.71	5,901.15	8,342.52		106.71	8,235.81

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 2023	For the year ended 31 March 2022
Balance at the beginning of the year	106.71	106.71
Add: impairment loss recognised	-	-
Less: loss allowance reversed	-	-
Balance at the end of the year	106.71	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 Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it would be able to approach and materialise new financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximise liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023	As at 31 March 2022
From banks	13,371.92	7,528.07

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the 31 March 2023. 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*	26,406.84	18,281.37	8,372.13	3,748.97	30,402.47
Other financial liabilities*	1,075.77	1063.17	16.20	-	1,079.37
Trade payables	1,857.00	1,857.00	-	-	1,857.00
Total	29,339.61	21,201.54	8,388.33	3,748.97	33,338.84

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*	15,591.85	12,981.35	2,093.47	1,646.13	16,720.95
Other financial liabilities*	1,218.48	1,204.06	17.96	-	1,222.02
Trade payables	1,133.37	1,133.37	-	-	1,133.37
Total	17,943.70	15,318.78	2,111.43	1,646.13	19,076.34

*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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023 and 31 March 2022 are as below:

Particulars	As at	As at
	31 March 2023	31 March 2022
	Exposure in USD	Exposure in USD
Financial assets		
Trade receivables	5,396.00	7,160.64
Advance to suppliers	1.73	2.42
Capital Advances	-	90.42
Total	5,397.73	7,253.48
Financial liabilities		
Borrowings	1,105.72	12,373.19
Trade payables	87.82	119.73
Advance from customers	146.41	22.16
Total	1,339.95	12,515.08

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2023 (previous year ended as on 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.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
1% depreciation/appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2023				
USD	40.58	(40.58)	30.37	(30.37)
Total	40.58	(40.58)	30.37	(30.37)
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 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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
USD/INR sell/Purchase forward	11	11	103.91	48.15	8,599.88	3,786.91

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.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
1% depreciation/appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2023				
USD	(86.00)	86.00	(64.35)	64.35
Total	(86.00)	86.00	(64.35)	64.35
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

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations expose the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2023	As at 31 March 2022
Term loans from banks	10,552.06	2,873.85
Loans repayable on demand from banks	15,854.78	12,718.00
Total	26,406.84	15,591.85

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	increase	decrease	increase	decrease
Interest on term loans from banks				
For the year ended 31 March 2023	(80.43)	80.43	(60.19)	60.19
For the year ended 31 March 2022	(106.22)	106.22	(79.49)	79.49

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 2023	As at 31 March 2022
Current		
Financial assets		
i) Trade receivables	5,901.15	8,235.81
ii) Cash and cash equivalent	90.61	415.82
iii) Bank balances other than (ii) above	-	144.36
iv) Loans	48.33	32.00
v) Other financial assets	330.89	1,273.01
Non-financial assets		
i) Inventories	22,805.65	22,041.88
ii) Other current assets	1,773.10	1,298.79
iii) Assets held for sale	1,891.99	-
Total current assets pledged as security	32,841.72	33,441.67
Non-current		
Non-financial assets		
i) Property, plant and equipment	26,484.50	13,907.50
Total non-current assets pledged as security	26,484.50	13,907.50
Total assets pledged as security	59,326.22	47,349.17

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).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	26,406.84	15,576.53
Less: cash and bank balances	90.61	560.18
Adjusted net debt (A)	26,316.23	15,016.35
Total equity (B)	32,106.32	30,665.70
Adjusted net debt to total equity ratio (A/B)	0.82	0.49

49. DCM Nouvelle Specialty Chemicals Limited, subsidiary of the company has entered into lease agreement from DMIC, Ujjain for 99 years in May,2022 and has now started construction of specialty chemical plant which is likely to be started by the end of 2023-24

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 2023 and 31 March 2022.

51. Ratios

Sr. No.	Ratios	Formulas for Computation	Measures	31 March 2023	31 March 2022	Variation	Remarks
(i)	Current ratio	Current assets/ current liabilities	Times	1.55	2.08	-25%	Lower operating profits in current year.
(ii)	Debt-equity ratio	Total debts/net worth	Times	0.82	0.51	62%	Availment of of term loans and lower profit in current year.
(iii)	Debt service coverage ratio	EBITDA/debt service	Times	6.22	7.39	-16%	Lower operating profits in current year.
(iv)	Return on equity ratio	PAT/average total equity	Percentage	4.55	50.04	-91%	Lower operating profits in current year.
(v)	Inventory turnover ratio	COGS/average Inventory	Times	3.07	3.15	-3%	
(vi)	Trade receivable turnover ratio	Revenue from operations / average Debtors	Times	12.23	10.37	18%	Lower 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	53.28	62.34	-15%	
(viii)	Net capital turnover ratio	Revenue from operations/Average working capital (i.e total current assets less total current liabilities)	Times	6.00	6.65	-10%	Lower operating profits in current year.
(ix)	Net profit ratio	PAT/revenue from operations	Percentage	1.65	13.50	-88%	Lower operating profits in current year.
(x)	Return on capital employed	EBIT/capital employed (net worth + lease liabilities + deferred tax liabilities)	Percentage	9.33	55.60	-83%	Lower operating profits in current year.
(xi)	Return on investments	PBT/total assets	Percentage	3.72	32.56	-89%	Lower operating profits in current year.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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.

53. Previous year's figures have been regrouped or reclassified wherever necessary to correspond with the current year classification/ disclosure, which are not considered material to these standalone financial statements.

As per our report of even date attached

For Walker Chandio & 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: 13 May 2023

Dr. Meenakshi Nayar

Chairperson and Director

DIN : 06866256

Mohd Sagir

Company Secretary

M. No. : F11061

Place: New Delhi

Date: 13 May 2023

Consolidated Independent Auditor's Report

for the year ended 31 March 2023

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 2023, 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 reports of the other auditors 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 2023, and their consolidated profit (including other comprehensive income),

5. We have determined the matters 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
Valuation of Inventories At the balance sheet date 31 March 2023, the Company holds inventories comprising of raw materials and components, finished goods, work-in-progress aggregating to ` 22,805.65 lacs as disclosed in note 8 to the accompanying standalone financial statements of the Company. Such inventory is carried at cost, or net realisable value whichever is lower, as per the accounting policy disclosed in note 2(d).	Our audit work included, but was not limited to, the following procedures: <ul style="list-style-type: none"> • Evaluated the appropriateness of the Company's accounting policy and valuation method of inventory in accordance with the applicable accounting standards. • Assessed the design and implementation of controls in respect of the inventory valuation and tested the effectiveness of key inventory controls.

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 auditors in terms of their reports referred to in paragraph 15 of the Other Matter(s) 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 reports of the other auditors on separate financial statements of the subsidiaries, 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.

Consolidated Independent Auditor's Report for the year ended 31 March 2023

Consolidated Independent Auditor's Report for the year ended 31 March 2023

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. Evaluated the appropriateness and adequacy of disclosures made in the standalone Ind AS financial statements in accordance with the applicable accounting standards
<p>Capitalisation of Property, Plant and Equipment</p> <p>Refer note 3 to the accompanying standalone financial statements.</p> <p>As a part of expansion plan, during the current year, the Holding Company has incurred significant capital expenditure of ₹ 16,089.30 lacs in commencing a new production unit ('new production unit') at its existing textile plant at Hisar comprising of 43.36 % of gross carrying value of total Property, Plant and Equipment ('PPE') as at 31 March 2023.</p>	<p>Our audit work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of the business process relating to capitalisation of PPE and assessed the appropriateness of the accounting policy adopted by the Holding Company in accordance with Ind AS 16; Evaluated the design and tested operating effectiveness of internal controls with respect to the capitalisation of PPE;

Key audit matter	How our audit addressed the key audit matter
<p>Such capital expenditure includes purchase costs and costs directly attributable for bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management, which have been capitalised under various classes of PPE in accordance with the principles of Ind AS 16, Property, Plant and Equipment ('Ind AS 16').</p> <p>The above non-recurring event for the Company required significant management efforts and judgement to identify costs incurred that meet the recognition criteria under Ind AS 16, determine timing of capitalisation and classification of PPE, estimate useful lives and assign residual values to various items capitalised as PPE in relation to the new production unit set up during the year.</p> <p>The aforesaid capitalisation is a significant non-recurring event during the year and accounting for the same has been identified as a significant risk for our audit that required significant auditor attention and efforts.</p> <p>Considering the magnitude of capital expenditure incurred and the significant efforts and judgement involved, we have determined this matter to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> Tested the additions made to PPE on a sample basis by checking underlying supporting documents such as invoices, goods received notes (GRNs), material receipt forms, etc. to ensure such items are recorded accurately with correct amount, in the correct class of PPE and in the correct period; For the new unit capitalised during the year, reviewed the completion/ installation certificate provided by the chief technical officer to determine appropriateness of timing of capitalisation; On a test check basis, we have physically verified existence of additions made to such new unit during our site visits. Assessed the appropriateness of useful economic lives and residual values assigned to various items of PPE capitalised during the year, with reference to the Company's historical experience, technical evaluation, requirements of Schedule II to the Companies Act, 2013 and our understanding of the Company's business; and Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards.
<p>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.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>	<p>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.</p> <p>Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements</p> <p>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</p>

Consolidated Independent Auditor's Report for the year ended 31 March 2023

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 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 Board of Directors' 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

Consolidated Independent Auditor's Report for the year ended 31 March 2023

- 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 information/ 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 entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 ` 2,831.03 lacs and net assets of ` 2571.92 lacs as at 31 March 2023, total revenues of ` Nil, and net cash inflows amounting to ` 405.26 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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 these, 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 reports of the other auditors.

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 reports of the other auditors.

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 incorporated in India 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 respective other auditors as mentioned in paragraph 15 above, of

Consolidated Independent Auditor's Report for the year ended 31 March 2023

companies 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 reports of the other auditors 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;
- 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 reports of the other auditors,
- 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;
- 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;
- 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 reports of the statutory auditors 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 2023 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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 I' wherein we have expressed an unmodified opinion; and

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 auditors on separate financial statements and other financial information of the subsidiary:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 41 to the consolidated financial statements;
- 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 2023;
- iii. There were no amounts which were required to be 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 2023;
- 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 53 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

Consolidated Independent Auditor's Report for the year ended 31 March 2023

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;

- 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 53 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
- c. Based on such audit procedures performed by us and that performed by

the auditors 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 auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Holding Company and its subsidiary company have not declared or paid any dividend during the year ended 31 March 2023
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Rohit Arora
Partner

Place: New Delhi
Date: 13 May 2023

Membership No.: 504774
UDIN: 23504774BGTGQE5384

Consolidated Independent Auditor's Report for the year ended 31 March 2023

Annexure I 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 2023

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 2023, 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

Consolidated Independent Auditor's Report for the year ended 31 March 2023

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 2023, 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 ₹ 2,831.03 lakhs and net liabilities of ₹ 259.12 lakhs as at 31 March 2023, total revenues of ₹ Nil and net cash inflows amounting to ₹ 411.61 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 Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner

Place: New Delhi
Date: 13 May 2023

Membership No.: 504774
UDIN: 23504774BGTGQE5384

Consolidated Balance Sheet

as at 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	26,321.68	12,367.30
Capital work-in-progress	3A	1,113.07	1,585.54
Right of use assets	3B	1,313.70	
Investment property	4	-	826.39
Deferred tax assets (net)	5	-	82.59
Non-current tax assets (net)	6	477.28	251.85
Other non-current assets	7	2,065.66	2,028.80
Total non-current assets		31,291.39	17,142.47
Current assets			
Inventories	8	22,805.65	22,041.88
Financial assets			
(i) Trade receivables	9	5,896.83	8,235.81
(ii) Cash and cash equivalents	10	502.23	422.17
(iii) Bank balances other than (ii) above	11	-	144.36
(iv) Loans	12	48.33	32.00
(v) Other financial assets	13	330.89	1,124.95
Other current assets	14	1,904.68	1,308.49
Assets held for sale	15	1,891.99	-
Total current assets		33,380.60	33,309.66
Total assets		64,671.99	50,452.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,867.77	1,867.77
Others equity	17	30,020.61	28,778.22
Equity attributable to owners of the Company		31,888.38	30,645.99
Non-controlling interests		725.81	2.40
Total equity		32,614.19	30,648.39
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	9,753.37	2,856.11
(ii) Lease liabilities	19	82.81	-
(iii) Other financial liabilities	20	13.80	15.60
Provisions	21	405.18	592.13
Deferred tax liabilities (net)	5	497.44	-
Total non-current liabilities		10,752.60	3,463.84
Current liabilities			
Financial liabilities			
(i) Borrowings	22	16,653.47	12,735.74
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		230.09	97.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,775.75	1,036.73
(iii) Other financial liabilities	24	1,075.84	1,202.99
Other current liabilities	25	222.35	121.86
Contract liabilities	26	154.65	51.67
Provisions	27	1,193.05	1,093.55
Total current liabilities		21,305.20	16,339.90
Total liabilities		32,057.80	19,803.74
Total equity and liabilities		64,671.99	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 Chandiook & 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: 13 May 2023

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256

Mohd Sagir
Company Secretary
M. No. : F11061

Place: New Delhi
Date: 13 May 2023

Consolidated Statement of profit and loss

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	28	86,440.81	90,932.14
Other income	29	583.15	831.41
Total income		87,023.96	91,763.55
Expenses			
Cost of materials consumed	30	70,627.97	60,001.89
Changes in inventories of finished goods, work-in-progress and scrap	31	(1,848.21)	(3,671.42)
Employee benefits expense	32	5,183.55	5,476.55
Finance costs	33	621.94	617.36
Depreciation expense	34	1,001.69	1,236.32
Other expenses	35	9,319.88	11,689.83
Total expenses		84,906.82	75,350.53
Profit before exceptional items and tax		2,117.14	16,413.02
Exceptional items	36	294.08	-
Profit before tax		1,823.06	16,413.02
Tax expense			
Current tax	37	81.54	3,899.35
Deferred tax	37	575.47	253.92
Total tax expense		657.01	4,153.27
Profit for the year		1,166.05	12,259.75
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement (loss)/gain of defined benefit obligations	37	18.15	(39.17)
Income tax relating to remeasurement of defined benefit obligations		4.57	(9.86)
Total other comprehensive income, net of tax		13.58	(29.31)
Total comprehensive income for the year		1,179.63	12,230.44
Net profit attributable to			
a) Owners of the Holding Company		1,228.81	12,259.75
b) Non-controlling interest		(62.76)	-
		1,166.05	12,259.75

Consolidated Statement of profit and loss

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Other comprehensive income attributable to			
a) Owners of the Holding Company		13.58	(29.31)
b) Non-controlling interest		-	-
		13.58	(29.31)
Total comprehensive income attributable to			
a) Owners of the Holding Company		1,242.39	12,230.44
b) Non-controlling interest		(62.76)	-
		1,179.63	12,230.44
Earnings per equity share (face value of ` 10 each)			
Basic	39	6.24	65.64
Diluted	39	6.24	65.64

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

As per our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rohit Arora
Partner
Membership No. : 504774

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: 13 May 2023

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256

Mohd Sagir
Company Secretary
M. No. : F11061

Place: New Delhi
Date: 13 May 2023

Consolidated Cash flow statement

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flows from operating activities		
Net profit before tax	1,823.06	16,413.02
Adjustments for :		
Depreciation expense	1,001.69	1,236.32
Profit on sale of property, plant and equipment (net)	(9.02)	(5.32)
Loss on sale of immovable property	56.97	-
Loss on assets held for sale	237.11	-
Unrealised foreign exchange (gain)/loss	(55.07)	(20.51)
Interest income	(76.20)	(31.68)
Miscellaneous balances written back	(127.76)	(6.63)
Provision against TUF subsidy	1.86	1.86
Provision against doubtful advances	-	12.55
Interest expense	621.94	617.36
Operating profit before working capital changes	3,474.58	18,216.97
Movements in working capital:		
Increase in inventories	(763.77)	(8,350.37)
Decrease in trade receivables	2,354.41	1,119.40
Increase in loans	(16.33)	(9.80)
Decrease/ (Increase) in other financial assets	837.90	(395.71)
(Increase)/decrease in other assets	(1,835.72)	2,161.53
Increase/(Decrease) in trade payable	999.51	(24.44)
(Decrease)/Increase in provisions	(87.45)	162.04
Increase in financial liabilities	34.26	236.39
Increase/ (Decrease) in other liabilities	202.65	(6.04)
Cash generated from operations	5,200.04	13,109.97
Income-taxes paid (net of refunds)	(435.26)	(4,379.90)
Net cash flow generated from operating activities (A)	4,764.78	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)	(16,013.73)	(6,603.47)
Proceeds from sale of property, plant and equipment	155.59	7.35
Proceeds from issue of equity share capital and share premium	786.17	-
Interest received	71.22	47.70
Fixed deposits (made)/matured during the year	144.36	(132.50)
Net cash (used in) investing activities (B)	(14,856.39)	(6,680.92)
C. Cash flows from financing activities		
Repayment of long-term borrowings	(25.21)	(1,858.05)
Proceeds from long-term borrowings	7,703.42	2,200.03
(Repayment of)/proceeds from short-term borrowings (net)	3,130.72	(1,359.13)
Finance charges paid	(631.08)	(621.72)
Lease Liability paid	(6.18)	-
Net cash (used in) financing activities (C)	10,171.67	(1,638.87)
D. Net Increase/(decrease) in cash and cash equivalents during the year (A+B+C)	80.06	410.28
E. Cash and cash equivalents at the beginning of the year	422.17	11.89
F. Cash and cash equivalents at the end of the year	502.23	422.17

Consolidated Cash flow statement

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
G. Components of cash and cash equivalents		
i. Balances with banks:		
- Current accounts	467.63	6.61
- Cash credit accounts	28.16	409.02
ii. Cash on hand	6.44	6.54
Cash and cash equivalents as at the end of the year	502.23	422.17

Reconciliation of financial liabilities arising from financing activities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balances		
Non-current borrowings (including current maturities)	2,873.85	2,531.87
Current borrowings	12,718.00	14,036.51
Lease Liability	-	-
Non Cash Changes		
Creation of lease liability during the year	83.40	-
Interest expenses on lease liability	5.59	-
Cash flows during the year		
Repayment of non-current borrowings	(25.21)	(1,858.05)
Proceeds from non-current borrowings	7,703.42	2,200.03
(Repayment of)/proceeds from short-term borrowings (net)	3,130.72	(1,359.13)
Exchange fluctuation loss/(gain) on reinstatement of current borrowings	6.06	44.98
Finance charges incurred	621.94	617.36
Finance charges paid	(621.94)	(621.72)
Lease Liability paid	(6.18)	-
Closing balances		
Non-current borrowings (including current maturities)	10,552.06	2,873.85
Current borrowings	15,854.78	12,718.00
Lease Liability	82.81	-

The above consolidated 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 Walker Chandiook & 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: 13 May 2023

Place: New Delhi
Date: 13 May 2023

Consolidated statement of changes in equity

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

A. EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount
Balance as at 01 April 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
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	1,86,77,749	1,867.77

B. Other equity

Particulars	Reserve and surplus		Total	Non Controlling Interests
	Securities premium	Retained earnings		
Balance as at 01 April 2021	5,518.63	11,029.15	16,547.78	-
Acquisition of subsidiary	-	-	-	2.40
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	2.40
Increase in stake of subsidiary	-	-	-	786.17
Profit for the year	-	1,228.81	1,228.81	(62.76)
Other comprehensive income for the year	-	13.58	13.58	-
Balance as at 31 March 2023	5,518.63	24,501.98	30,020.61	725.81

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

As per our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rohit Arora
Partner
Membership No. : 504774

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: 13 May 2023

Place: New Delhi
Date: 13 May 2023

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

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.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies have been consistently applied to all the periods presented in the financial statements except where newly issued accounting standard is initially adopted or a revision to an existing accounting

standard requires a change in the accounting policy hitherto in use.

The Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 13 May 2023.

New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

a. Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary as at 31 March 2023. 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:

- o Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee,
- o Exposure, or rights, to variable returns from its involvement with the investee, and
- o 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:

- o The size of Group's holding of voting rights;

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- o Potential voting rights held by the Group;
- o Rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses 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.

Non-controlling interests in the net assets of consolidated subsidiary are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

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.
- 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).

The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

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.

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

Notes to Consolidated Financial Statements for the year ended 31 March 2023

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

c. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Holding Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Holding Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

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 2023 is included in the following notes:

Note 1.2(a) – Judgement and assumptions used in determining that it has control over investee company

Note 2 (b) - measurement of fair values

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

Note 2 (d) – Valuation of inventory

Note 2 (e) – Estimated impairment of financial assets.

Note 2 (f) – Estimated impairment of non-financial assets

Note 2 (g) – Measurement of defined benefit obligations

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

Note 2 (k) – 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;

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- 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. 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.

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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.

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.

Asset category	As per Schedule II
Computers	3 years
Furniture and Fixtures	10 Years
Building	30-60 years
Vehicles	8-10 years
Plant and machinery (on triple shift basis)	7.5 years
Office equipment	5 years
Servers and networks	6 years
Road	5 Years
Electrical Installation	10 Years

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

d. 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

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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.

e. 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

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 & 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

Notes to Consolidated Financial Statements for the year ended 31 March 2023

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 & loss.

f. 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.

g. 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

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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 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.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

h. 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

Notes to Consolidated Financial Statements for the year ended 31 March 2023

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.

i. 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 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 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 26 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

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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 is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

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.

j. 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 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-

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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.

Short-term leases and leases of low-value assets

The Group has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

k. Income taxes

Income tax comprises current and deferred tax. Current tax expenses is recognised in the statement of profit & 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

Notes to Consolidated Financial Statements for the year ended 31 March 2023

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 subsidiary 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 evidence 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 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.

I. 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 two reportable business segments based on the organisation structure – textiles and chemicals.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

m. 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.

n. 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.

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.

o. 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.

p. 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.

q. 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

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 & loss.

r. 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.

s. Assets classified as held for sale

Non-current assets comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

- decision has been made to sell
- the assets are available for immediate sale in its present condition.
- the assets are being actively marketed, and

- sale has been agreed or is expected to be concluded within 12 months of the Balance sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell.

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. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

Ind AS 1 Presentation of Financial Statement

Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.

Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors

Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

Ind AS 12 Income Taxes

Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.

The Group is currently evaluating the impact of amendments to the aforementioned accounting standards on its financial statements.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

3A. Property, plant and equipment and capital work-in-progress:

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Roads	Total	Capital work-in-progress
Gross carrying value									
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	5,636.98
Disposals/adjustments	-	-	36.24	0.03	0.23	4.47	-	40.97	4,052.75
As at 1 April 2022	2,188.35	3,269.77	16,516.23	21.78	43.77	209.56	-	22,249.46	1,585.54
Additions[refer note (v) below]	-	3,219.38	13,102.61	12.45	19.66	23.49	79.05	16,456.64	16,085.58
Disposals/adjustments	-	-	89.30	-	1.07	10.62	-	100.99	16,558.05
Transfer to Assets held for sale (Refer note 15)	1,501.25	-	-	-	-	-	-	1,501.25	-
Balance as at 31 March 2023	687.10	6,489.15	29,529.54	34.23	62.36	222.43	79.05	37,103.86	1,113.07
Accumulated depreciation									
As at 1 April 2021	-	563.20	7,972.45	14.85	22.21	112.07	-	8,684.78	-
Charge for the year	-	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	-
Charge for the period	-	137.99	816.98	1.83	10.01	19.88	1.25	987.94	-
Disposals/adjustments	-	-	84.73	-	1.05	2.14	-	87.92	-
Transfer to Assets held for sale (Refer note 15)	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	-	815.97	9,759.53	18.19	36.18	151.06	1.25	10,782.18	-
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
As at 31 March 2023	687.10	5,673.18	19,770.01	16.04	26.18	71.37	77.80	26,321.68	1,113.07

- Refer note 18, 22 and 47 for charge created on property, plant and equipment as security against borrowings.
- Refer note 41 for disclosure on contractual commitments for acquisition of property, plant and equipment.
- Capital work-in-progress includes borrowing cost (net) capitalised of ` Nil (31 March 2022: ` 9.55 lacs). The rate used to determine amount of borrowing costs eligible for capitalisation is 8%, which is the EIR of specific borrowing.
- Land admeasuring 267.625 acres at Hisar amounting to ` 687.10 lacs (31 March 2022 : ` 2,188.35 lacs) are registered in the name of Company. Further company has entered into Agreement to sell for 1000 square metres of land amounting to ` 1501.25 lacs at Gurugram and classified it as Assets held for sale in financial statements.
- Out of total additions of ` 16,456.64 lacs, addition of INR 16089.30 lacs pertains to capitalization of Property, Plant and Machinery for new unit at existing textile plant of Holding Company at Hisar which includes borrowing cost (net) of ` 267.50 lacs (31 March 2022 : Nil) on borrowings specifically attributable to the project which is capitalised as per Ind As 23. The rate used to determine amount of borrowing costs eligible for capitalisation is 8%, which is the Effective Interest Rate of specific borrowing.

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2023 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	1,113.07	-	-	-	1,113.07
	1,113.07	-	-	-	1,113.07

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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

There are no such projects under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023 and 31 March 2022.

3B. Right of use assets

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March, 2022	Addition	As at 31 March, 2023	As at 31 March, 2022	Addition	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Right of use assets	-	1,314.46	1,314.46	-	0.76	0.76	-	1,313.70
	-	1314.46	1314.46	-	0.76	0.76	-	1313.70

4. Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
Residential flats	826.39	826.39
	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	826.39	-
Additions	-	826.39
Disposals	(196.43)	-
Transferred to Assets held for sale	(629.96)	-
Balance as at the end of the year	-	826.39
Accumulated depreciation		
Balance as at the beginning of the year	-	-
Additions	12.98	-
Disposals	(2.98)	-
Transferred to Assets held for sale	(10.00)	-
Balance as at the end of the year	-	-
Carrying amount		
Balance as at the beginning of the year	826.39	-
Balance as at the end of the year	-	826.39

The fair value of investment property had been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

being valued. These valuations are based on valuations performed by Registered Valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. 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

Fair value hierarchy for investment property have been provided in Note 46.

5. Deferred tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting deferred tax assets		
Provision for gratuity and compensated absences	226.85	263.32
Provision for bonus	88.54	77.49
Provision against TUF subsidy	82.09	81.62
Provision for trade receivables and other advances	26.86	26.86
Expenses related to business combination	15.83	31.66
Others	11.21	21.15
Deferred tax liabilities		
Difference between accounting base and tax base of property, plant and equipment	(948.82)	(419.51)
Deferred tax assets/(liabilities) (net)	(497.44)	82.59

Movement in deferred tax assets during year ended 31 March 2023

Particulars	Balance as at 31 March 2022	Recognised in profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2023
Deferred tax assets				
Provision for gratuity and compensated absences	263.32	(31.90)	(4.57)	226.85
Provision for bonus	77.49	11.05	-	88.54
Provision against TUF subsidy	81.62	0.47	-	82.09
Provision for trade receivables and other advances	26.86	-	-	26.86
Expenses related to business combination	31.66	(15.83)	-	15.83
Others	21.15	(9.94)	-	11.21
Deferred tax liabilities				
Difference between accounting base and tax base of property, plant and equipment	(419.51)	(529.31)	-	(948.82)
Deferred tax assets (net)	82.59	(575.46)	(4.57)	(497.44)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 comprehensive 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	0.00	-	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/(liabilities) (net)	326.65	(253.92)	9.86	82.59

6. Non-current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for income-tax of ` 72.24 lacs (31 March 2022: ` 3,956.20 lacs))	477.28	251.85
	477.28	251.85

7. Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good)		
Capital advances	34.23	1,241.88
Balance with government authorities	1,201.90	-
Security deposits	794.27	735.28
Prepaid expenses	35.26	51.64
(Unsecured, considered doubtful)		
Balance with government authorities	12.55	12.55
	2,078.21	2,041.35
Less: provision for doubtful advances	12.55	12.55
	2,065.66	2,028.80

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

8. Inventories#

(valued at lower of cost or net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	13,406.40	14,410.23
Work-in-progress	1,388.98	1,137.47
Finished goods*	7,025.77	5,769.93
Stores and spares**	122.76	203.38
Scrap	861.74	520.87
Total	22,805.65	22,041.88

Refer note 18, 22 and 47 for charge created on inventories as security against borrowings.

* Includes finished goods-in-transit amounting to ` 2,146.09 lacs (31 March 2022: ` 3,380.98 lacs).

** Includes packing materials of ` 46.06 lacs (31 March 2022: ` 42.68 lacs) and lubricants and oil of ` 25.05 lacs (31 March 2022 : ` 32.96 lacs).

9. Trade receivables# (other than related party)

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good-secured	5,391.68	7,160.64
Considered good-unsecured	505.15	1,075.17
Credit impaired-unsecured	106.71	106.71
	6,003.54	8,342.52
Less: loss allowance for expected credit loss	(106.71)	(106.71)
	5,896.83	8,235.81

Refer note 18, 22 and 47 for charge created on trade receivables as security against borrowings.

Ageing for trade receivables as at March 31, 2023:

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	408.29	5,486.42	-	2.12	-	-	5,896.83
Disputed trade receivables - credit impaired	-	-	-	-	-	106.71	106.71
	408.29	5,486.42	-	2.12	-	106.71	6,003.54
Less: allowance for expected credit loss							106.71
Total							5,896.83

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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

10. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	467.63	6.61
- in cash credit accounts	28.16	409.02
Cash on hand	6.44	6.54
	502.23	422.17

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

11. Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Margin money*	-	144.36
	-	144.36

*Margin Money as at 31 March 2023 is Nil

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

12. Loans

(Unsecured-considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans and advances to employees*	48.33	32.00
	48.33	32.00

*This includes loan to employees of ` 17.83 lacs(31 March 2022) that are interest free and repayable within a timeframe of 12 months.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

13. Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured-considered doubtful)		
Technology upgradation fund (TUF) subsidy receivable	165.59	165.59
Less: loss allowance (refer note 38)	43.87	42.01
	121.72	123.58
(Unsecured-considered good)		
Export incentive receivable	169.46	985.36
Forward gain receivables	39.63	15.93
Others	0.08	0.08
	330.89	1,124.95

14. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to suppliers	363.20	214.67
Balance with government authorities	1,480.86	1,030.90
Prepaid expenses	52.90	57.64
Other advances	7.72	5.28
	1,904.68	1,308.49

15. Assets held for sale

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment		
Gross carrying value(including security deposit given)	2139.10	-
Less: Accumulated depreciation	(10.00)	-
Less: Loss on assets held for sale	(237.11)	-
Total assets classified as held for sale	1,891.99	-

During the year company has agreed to sale certain immovable properties. No liability is attached to these assets.

16. Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
a) Authorised share capital		
20,050,000 (31 March 2022: 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 2022: 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

c) Terms and rights attached to equity shares

The Holding Company has issued one class of equity shares having at par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of shares held by shareholder. There is no restriction on distribution of dividend. However, distribution of dividend is subject to the approval of the shareholders in the Annual General Meeting.

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount ` in lacs	Number of shares	Amount ` 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 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding
Mr. Hemant Bharat Ram	93,59,149	50.11%	93,38,705	50.00%
Life Insurance Corporation of India	-	-	11,48,512	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 Company

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding	% Change during the year	% Change during the year		
Mr. Hemant Bharat Ram	93,59,149	50.11%	93,53,424	50.08%	0.03%	0.08%		
Mr. Sumant Bharat Ram	6	0.00%	6	0.00%	0.00%	-0.07%		
Mr. Rahil Bharat Ram	2	0.00%	2	0.00%	0.00%	-0.03%		
Mr. Yuv Bharat Ram	10	0.00%	10	0.00%	0.00%	-0.03%		

(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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

17. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
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	23,259.59	11,029.15
Add: transferred from statement of profit and loss	1,228.81	12,259.75
Add: other comprehensive income	13.58	(29.31)
Balance at the end of the year	24,501.98	23,259.59
Total	30,020.61	28,778.22

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 Company's profits to meet future (known or unknown) obligations.

18. Non-current financial liabilities-borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans from banks		
Term loan	10,552.06	2,873.85
Total non-current borrowings	10,552.06	2,873.85
Less: current maturities of non-current borrowings (refer note 22)	798.69	17.74
	9,753.37	2,856.11

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

- Term loan aggregating to ` 123.35 lacs (31 March 2022: ` 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 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%-7.95% per annum (31 March 2022: 7.60%-7.65% per annum). Also, refer note 47 for details of assets pledged as security.
- Term loan aggregating to ` 509.33 lacs (31 March 2022: ` 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 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%-9.05% per annum (31 March 2022: 7.90%-9.50% per annum). Also, refer note 47 for details of assets pledged as security.

Notes to Consolidated Financial Statements

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(All amounts in ` lacs, unless stated otherwise)

- (c) Term loan aggregating to ` 9,871.16 lacs (31 March 2022: ` 2177.99 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 23, 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%-8.50% per annum (31 March 2021: 8%). Also, refer note 47 for details of assets pledged as security.
- (d) Vehicle loans aggregating to ` 48.22 lacs (31 March 2022: ` 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. Repayable in equated monthly installments. The loans carry an interest rate ranging between 8.30%-10.05% per annum. (31 March 2022: 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.

19. Non-current financial liabilities-Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	82.81	-
	82.81	-

20. Other non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	13.80	15.60
	13.80	15.60

21. Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (refer note 43)	405.18	592.13
	405.18	592.13

22. Current financial liabilities-borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans		
Loans repayable on demand from banks	15,854.78	12,718.00
Current maturities of long-term borrowings (refer note 18)	798.69	17.74
Total	16,653.47	12,735.74

Cash credit, Cash credit pledge, packing credit and bill discounting facilities aggregating to ` 15,854.78 lacs (31 March 2022: ` 12,718 lacs) carries interest rate ranging from 8% - 8.45% p.a. for Cash Credit/Pledge facilities, LIBOR/SOFR + 1.10%-1.25% p.a. for Packing Credit in Foreign Currency (PCFC)/Bill Discounting (EBR) Facilities and 7.40%-8.50% p.a. for Packing Credit/Bill Discounting in INR 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

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(All amounts in ` lacs, unless stated otherwise)

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 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	16,119.55	16,119.55	-	Due to reclassification of current and non current assets
			Quarter 2	9,274.30	9,274.30	0.00	
			Quarter 3	7,258.71	7,257.61	1.10	
			Quarter 4	11,913.22	11,708.76	204.46	

23. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	230.09	97.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,775.75	1,036.73
	2,005.84	1,134.09

Ageing for trade payables outstanding as at March 31, 2023 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	77.05	153.03	-	-	-	-	230.08
Othes	409.12	1363.99	0.66	1.75	0.18	0.06	1775.76
Total	486.17	1517.02	0.66	1.75	0.18	0.06	2005.84

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	1036.73
Total	87.47	1018.10	26.28	1.83	0.06	0.35	1134.09

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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 2023 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 2023	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);	315.57	129.23
(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

24. Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Employee dues payables	818.91	880.97
Creditors for capital goods		
Payable to micro enterprises and small enterprises*	87.27	33.66
Payable to other than micro enterprises and small enterprises	169.12	287.81
Security deposits received	0.54	0.55
	1,075.84	1,202.99

* Refer note 23

25. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payables	192.35	121.86
Other liabilities	30.00	
Total	222.35	121.86

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

26. Contract liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue received in advance	154.65	51.67
	154.65	51.67

27. Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 43)	260.64	141.68
Provision for compensated absences (refer note 43)	253.68	273.26
Provision against TUF Scheme (refer note 38)	282.28	282.28
Provision against electricity duty on open access power (refer note 42)	396.45	396.33
	1,193.05	1,093.55

28. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of product (Cotton yarn)		
Domestic sales	49,078.75	32,458.61
Export sales	28,026.98	49,756.49
	77,105.73	82,215.10
Other operating revenues		
Process waste sale	7,882.02	5,795.02
Duty drawback and other export incentives	1,377.43	2,872.32
Other scrap sales	75.63	49.70
	9,335.08	8,717.04
Revenue from operations	86,440.81	90,932.14

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Contract Balances		
Receivables- trade receivables (refer note 9)	5,896.83	8,235.81
Contract liabilities- advances from customers (refer note 26)	154.65	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.

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(b) Reconciliation of revenue from sale of products with the contracted price		
Contracted price	77,497.24	82,495.15
Reduction towards variable consideration components*	(391.51)	(280.05)
Sale of products	77,105.73	82,215.10

*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 2023	For the year ended 31 March 2022
Revenue by geography		
Domestic	49,078.75	32,458.61
Export	28,026.98	49,756.49
Total	77,105.73	82,215.10

(d) Significant changes in contract assets and liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	51.67	75.19
Add: addition during the year	154.65	51.67
Less: revenue recognised during the year from opening liability	51.67	75.19
Closing balance	154.65	51.67

29. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial assets at amortised cost		
- Other interest income	76.20	31.68
Net gain on foreign currency transactions	321.96	722.95
Profit on sale of property, plant and equipment (net)	9.02	5.32
Miscellaneous balances written back	127.76	6.63
Profit on sale of investments	-	1.90
Miscellaneous income	48.21	62.93
Total	583.15	831.41

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(All amounts in ` lacs, unless stated otherwise)

30. Cost of raw materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year	14,410.23	9,821.73
Add: purchases during the year	69,624.14	64,590.39
	84,034.37	74,412.12
Less: inventories at the end of the year	13,406.40	14,410.23
Cost of raw materials consumed	70,627.97	60,001.89

31. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year:		
Finished goods- cotton yarn	7,025.77	5,769.93
Work-in-progress	1,388.97	1,137.47
Scrap	861.74	520.87
Total	9,276.48	7,428.27
Inventories at the beginning of the year:		
Finished goods- cotton yarn	5,769.93	2,320.72
Work-in-progress	1,137.47	676.48
Scrap	520.87	759.65
Total	7,428.27	3,756.85
(Increase)/decrease in inventory	(1,848.21)	(3,671.42)

32. Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	4,599.67	4,929.86
Contribution to provident and other funds	352.43	337.16
Gratuity expense (refer note 43)	116.54	106.12
Staff welfare expenses	114.91	103.41
Total	5,183.55	5,476.55

33. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses on:		
- Borrowings	419.57	355.31
- Lease Liability	5.59	-
Other borrowing costs*	196.78	262.05
Total	621.94	617.36

*primarily includes processing fee and interest expense on bill discounting of export documents.

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for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

34. Depreciation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	1,000.93	1,236.32
Depreciation on right of use assets	0.76	-
Total	1,001.69	1,236.32

35. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	1,559.65	1,789.99
Power, fuel and water	4,469.89	5,364.46
Rent	15.28	12.94
Repairs and maintenance		
- Building	84.62	108.59
- Plant and machinery	71.93	75.70
- Others	29.18	18.08
Freight and forwarding	1,751.62	2,814.98
Insurance	97.96	83.87
Rates and taxes	52.37	18.87
Directors' sitting fees (refer note 44)	24.50	9.20
Legal and professional	238.42	204.43
Payment to Auditor (refer note (i) below)	26.65	24.37
Travelling and conveyance	149.80	118.19
Commission to selling agents	295.86	712.81
Security expenses	113.68	102.15
Corporate social responsibility expenses (refer note 45)	138.15	26.49
Provision against TUF subsidy (refer note 38)	1.86	1.86
Preliminary expenses	-	18.85
Allowance for doubtful advances	-	12.55
Miscellaneous expenses	198.46	171.45
Total	9,319.88	11,689.83
(i) Payment to Auditor		
Statutory audit fee	12.00	11.25
Tax audit fee	1.00	1.00
Other services	11.50	10.00
Re-imbursment of expenses	2.14	2.12
Total	26.64	24.37

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for the year ended 31 March 2023

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36. Exceptional items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss on sale of immovable properties*	294.08	-
Total	294.08	-

*During the year, the company has sold/agreed to sale certain immovable properties resulting in the loss

37. Income tax expense

The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Statement of Profit and loss:

(a) Profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
Current income tax charge	72.24	3,956.20
Tax relating to earlier years	9.30	(56.85)
	81.54	3,899.35
Deferred tax:		
In respect of current year	575.47	253.92
Income tax expense reported in the statement of profit and loss	657.01	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 2023	For the year ended 31 March 2022
Items that will not be reclassified to profit or loss		
Re-measurement (loss)/gain of defined benefit obligations	18.15	(39.17)
Income tax relating to remeasurement of defined benefit obligations	4.57	(9.86)
Net other comprehensive income not to be reclassified subsequently to profit or loss, net of income tax	13.58	(29.31)

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(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before income-tax expense	2,084.06	16,413.02
Amount of tax at statutory income tax rate @ 25.17% (31 March 2022: 25.17%)	524.52	4,130.82
Non deductible expenses for tax purposes:		
Impact of non deductible expenses	109.31	25.16
Others	23.18	(7.67)
At the effective income tax rate	657.01	4,148.31
Income tax expenses reported in the statement of profit and loss	657.01	4,153.27

38. Government grants

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	318.97	246.65
Government grant received during the year	1,361.35	445.85
Released to the Statement of Profit and Loss*	1,377.43	558.33
Impairment allowance**	(43.87)	(40.16)
Closing balance	291.18	318.97
Current portion	291.18	318.97

Nature of Government grants (refer note 13)

Particulars	As at 31 March 2023	As at 31 March 2022
TUF scheme	121.72	123.58
Export incentives (RoDTEP/duty drawback)	169.46	985.36
Total	291.18	1,108.94

* 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 shared its 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 ` 282.28 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 total accumulated impairment allowance of ` 43.87 lacs (upto 31 March 2022: ` 42.01 lacs) against liabilities payable to the authorities in respect of TUF subsidy in the current year. This has led to recognition of expense of ` 1.86 lacs (31 March 2022: ` 1.85 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 hearing is underway. The next date of hearing is 18.09.2023. The Company, as an interim measure has deposited ` 190.82 lacs with the Registrar General of High Court of Delhi.

Notes to Consolidated Financial Statements

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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 2023	For the year ended 31 March 2022
Profit attributable to equity holders	1,166.05	12,259.75
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 `)	6.24	65.64

40. 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:

- textiles
- chemicals

The measurement principles of segments are consistent with those used in significant accounting policies.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1 Segment revenue		
(a) textiles	86,440.81	90,932.14
(b) chemicals	-	-
Total Segment revenue	86,440.81	90,932.14
2 Segment profits		
(a) textiles	2,706.49	17,050.09
(b) chemicals	(261.49)	(19.71)
Total segment results (before finance costs and tax)	2,445.00	17,030.38
Less: finance costs	621.94	617.36
Total profit before tax	1,823.06	16,413.02
3 Segment assets		
(a) Textiles	63,909.83	50,468.59
(b) Chemicals	2,831.03	138.66
(c) Elimination of inter segment assets	(2,068.87)	(155.12)
Total segment assets	64,671.99	50,452.13

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
4 Segment liabilities		
(a) Textiles	31,802.75	19,802.88
(b) Chemicals	259.13	148.90
(c) Elimination of inter segment liabilities	(4.08)	(148.04)
Total segment liabilities	32,057.80	19,803.74
5 Segment revenue- Geographical information		
(a) Textiles		
India	58,413.83	41,175.65
Rest of the world	28,026.98	49,756.49
Sub-total (a)	86,440.81	90,932.14
(b) Chemicals		
India	-	-
Rest of the world	-	-
Sub-total (a)	-	-
Total (a)+(b)	-	-

During the year ended 31 March 2023, there is no single customer who contributes 10% or more to the Group's revenue.

41. Contingent liabilities and commitments

A. Contingent liabilities in respect of:

Particulars	As at 31 March 2023	As at 31 March 2022
Claim against the Group not acknowledged as debts		
- Claim by employees and others	20.45	11.14
- Demand raised by Market Committee, Hisar	-	12.55
- Demand raised by ESIC Department	0.79	0.79
- Demand raised by income tax authorities	-	43.48

In case of Subsidiary Company, discount amount on purchase of Land of ` 374.65 Lacs (25% of total land cost) can be withdraw by DMIC if subsidiary company didn't start manufacturing within 2 years from date of allotment of land i.e up to 05 April 2024.

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 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	663.07	11,265.97

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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42. 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 short term 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 ` 396.45 lacs (31 March 2022: ` 396.33 lacs) (refer note 27) in the financial statements equivalent to the amount under dispute.

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	396.33	366.65
Addition during the year	0.12	29.68
Balance at the end of the year	396.45	396.33

43. 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.

Amount recognised in the statement of profit and loss is as follows (refer note 32):

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident fund	240.59	229.78
Contribution to superannuation fund	35.54	31.37
Contribution to Employee's state insurance	76.30	76.01
Total	352.43	337.16

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.

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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 2023	For the year ended 31 March 2022
Obligations at the beginning of year	733.81	641.24
Current service cost	61.80	62.57
Interest cost	52.69	43.55
Amount recognised in statement of profit and loss	114.49	106.12
Remeasurements		
Actuarial loss/(gain) recognised in other comprehensive income	(18.15)	39.16
Benefits paid	(164.33)	(52.71)
Obligation at the end of year	665.82	733.81
Non-current	405.18	592.13
Current	260.64	141.68

ii) Liabilities recognised in the balance sheet

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Defined benefit liability- Gratuity	665.82	733.81
Non current	405.18	592.13
Current	260.64	141.68
Total	665.82	733.81

iii) Defined benefit obligations cost for the year :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	61.80	62.57
Interest cost	52.69	43.55
Actuarial loss/(gain) recognised in other comprehensive income	(18.15)	39.16
Net cost	96.34	145.28

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for the year ended 31 March 2023

(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 2023	For the year ended 31 March 2022
Financial assumptions		
Discount rate per annum	7.36%	7.18%
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 2023, the weighted average duration of the defined benefit obligation was 16.36 years (31 March 2022: 19.29 years)

v) Bifurcation of actuarial gain/loss on obligation

Particulars	For the year ended 31 March 2023	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	(7.29)	(17.16)
Actuarial (gain)/loss on arising from change in experience assumption	(10.86)	56.32

vi) Expected contributions to the fund in next year :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity	117.41	120.78

vii) Sensitivity analysis

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase in obligation	Decrease in obligation	Increase in obligation	Decrease in obligation
Discount rate per annum (0.50 %)	(19.76)	21.33	(20.97)	22.63
Future salary growth rate (0.50 %)	21.72	(20.29)	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

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(All amounts in ` lacs, unless stated otherwise)

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 2023	31 March 2022
Year 1	260.64	141.68
Year 2	21.52	224.26
Year 3	12.43	17.95
Year 4	22.23	11.18
Year 5	33.90	19.93
Year 6	50.19	29.32
Next to 6 years	264.91	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:

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase
- Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

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. Dr. Vinay Bharat Ram	Executive Director
2. Dr. Meenakshi Nayar	Chairperson and Independent Director
3. Mr. Hemant Bharat Ram	Managing Director
4. Mr. Jitendra Tuli	Non-Executive Director
5. Mr. Kulbir Singh	Independent Director
6. Mr. Rakesh Goel	Non Dependent Director w.e.f. 01 Jan 2023 (Till 31 Dec 2022 Executive Director)
7. Mr. Vivek Chhachhi	Independent Director
8. Ms. Shahana Basu	Non-Executive Director (Till 26 May 2022)
9. Mr. Bipin Maira	Independent Director (Till 09 June 2021)
10. Mr. Ravi Vira Gupta	Independent Director (Till 16 Oct 2021)
11. Mr. Sandeep Kumar Jain	Chief Financial Officer
12. Mr. Mohd. Sagir	Company Secretary

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Enterprise over which directors and KMPs having control or significant influence

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

Post employment benefit entity

DCM Nouvelle Limited Superannuation Trust

Transactions with related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement services		
The Delhi Golf Club	-	45.00
Advertisement services		
The Delhi Golf Club	-	45.00
Sundry credit balance written back		
DCL	127.69	-
Advance receivable in cash or in kind		
Mr. Mohd. Sagir	3.00	-
Professional fee		
Candle Techserv Private Limited	15.60	14.20
Advance to post Employment Benefits		
DCM Nouvelle Limited Sperannuation Trust	34.96	31.37
CSR Expenses		
The Delhi Golf Club	61.00	-
H T M Educational Society	26.41	26.49

Transactions with key management personnel

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remuneration paid to key managerial personnel		
Salary, allowance and contribution to provident fund	747.11	1,135.24
Director sitting fees	24.50	9.20
Post-employment defined benefit plan	347.52	332.48
Other long term defined benefit plan	60.89	60.40
Total compensation paid/payable to key management personnel	1,180.02	1,537.32

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Year end balances

Particulars	As at 31 March 2023	As at 31 March 2022
Receivable		
Mr. Mohd. Sagir	1.35	-
Payables		
Candle Techserv Private Limited	1.17	1.17
DCL	-	127.69
DCM Nouvelle Limited Sperannuation Trust	3.28	2.64
Director sitting fee payable	4.50	1.71
Salary payable	15.16	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.

44 A. Ind AS 116 - Leases

During the year, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts. The Group has entered into 99 years lease at Industrial Township DMIC Vikram Udhyogpuri Ltd, Village Narvar, Ujjain, Madhya Pradesh. ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.

a. Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the period	-	-
Additions during the period	1,314.46	-
Deletions/adjustment during the period	-	-
Depreciation expense during the period	0.76	-
Balance at the end of the year	1,313.70	-

b. The movement in lease liabilities during the period is as follows :

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	-	-
Additions during the period	83.40	-
Finance cost accrued during the period	5.59	-
Deletions during the period	-	-
Payment of lease liabilities during the period	6.18	-
Balance at the end of the period	82.81	-

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c. The details of the contractual maturities of lease liabilities as at March 31,2023 on an undiscounted basis are as follows :

Particulars	31 March 2023	31 March 2022
Not later than 1 year	6.18	-
Later than 1 year and not later than 5 years	24.72	-
Later than 5 years	568.64	-

d. The following is the break-up of current and non-current Lease liabilities:

Particulars	31 March 2023	31 March 2022
Current lease liabilities	0.00	-
Non-current lease liabilities	82.81	-
Closing balance	82.81	-

e. The following are recorded in the statement of profit and loss:

Particulars	31 March 2023	31 March 2022
Depreciation on ROU Asset	0.76	-
Interest on lease liabilities	5.59	-
Total	6.35	-

f. Total cash outflow in respect of leases in the year amounting to ` 6.18 lacs (31 March 2022 Nil)

45. Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Gross amount required to be spent by the Company during the year	141.58	31.71
Excess of previous year carried forward as per sec 135 of Companies Act 2013	4.22	9.44
Balance amount required to be spent during the year	137.36	22.27
(ii) Amount spent during the year:		
Promotion of education	123.15	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	15.00	-
(iv) The Group has contributed CSR to HTM Educational Society, a related party covered under Ind AS 24, Related party disclosures.	123.15	26.49

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- (v) The Group has one ongoing project to set up Artificial Intelligence Lab (AI) through implementing agency IIT, Delhi. In case of Section 135(6)(Ongoing project), details are given below:

Opening Balace in separate CSR Account	Amount required to be spent during the year	Amount spent during the year	Closing balance in separate CSR Account
-	15.00	-	15.00

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 2023

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current	-	-	-	-	-	-	-
Current							
Trade receivables *	-	-	5,896.83	5,896.83	-	-	-
Cash and cash equivalents *	-	-	502.23	502.23	-	-	-
Loans *	-	-	48.33	48.33	-	-	-
Other financial assets *	-	-	330.89	330.89	-	-	-
Total	-	-	6,778.28	6,778.28	-	-	-
Financial liabilities							
Non-current							
Borrowings #	-	-	9,753.37	9,753.37	-	-	-
Lease Liability	-	-	82.81	82.81	-	-	-
Other financial liabilities *	-	-	13.80	13.80	-	-	-
Current							
Borrowings #	-	-	16,653.47	16,653.47	-	-	-
Trade payables *	-	-	2,005.84	2,005.84	-	-	-
Other current financial liabilities *	-	-	1,075.84	1,075.84	-	-	-
Total	-	-	29,585.13	29,585.13	-	-	-
Assets for which fair value are disclosed							
Investment Property	-	-	-	-	-	-	-

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ii. 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 *	-	-	-	-	-	-	-
Other financial assets *	-	-	-	-	-	-	-
Current							
Trade receivables *	-	-	8,235.81	8,235.81	-	-	-
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 *	-	-	1,124.95	1,124.95	-	-	-
Total	-	-	9,959.29	9,959.29	-	-	-
Financial liabilities							
Non-current							
Borrowings #	-	-	2,856.11	2,856.11	-	-	-
Other financial liabilities *	-	-	15.60	15.60	-	-	-
Current							
Borrowings #	-	-	12,735.74	12,735.74	-	-	-
Trade payables *	-	-	1,134.09	1,134.09	-	-	-
Other current financial liabilities *	-	-	1,202.99	1,202.99	-	-	-
Total	-	-	17,944.53	17,944.53	-	-	-
Assets for which fair value are disclosed							
Investment Property ##	-	-	-	-	-	-	826.39

* 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.

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.

For valuation techniques and inputs used, refer note 4 of financial statements.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2023 and 31 March 2022.

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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 2023	As at 31 March 2022
Trade receivables (net of allowances for expected credit loss)	5,896.83	8,235.81
Cash and cash equivalents	502.23	422.17
Balances other than cash and cash equivalents	-	144.36
Loans	48.33	32.00
Other financial assets	330.89	1,124.95

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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The Company's exposure to credit risk and loss allowance for trade receivables are as follows:

Particulars	Gross carrying amount as at 31 March 2023	Expected loss rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment) as at 31 March 2023	Gross carrying amount as at 31 March 2022	Expected loss rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment) as at 31 March 2022
0-30 days due	2,603.06	0%	-	2603.06	2,162.52	0%	-	2,162.52
31-90 days past due	3,009.11	0%	-	3009.11	4,330.29	0%	-	4,330.29
91 to 180 days past due	282.54	0%	-	282.54	1,743.00	0%	-	1,743.00
More than 180 days past due	2.12	0%	-	2.12	0	0%	-	-
More than 365 days past due	106.71	100%	106.71	0.00	106.71	100%	106.71	-
Total	6,003.54		106.71	5896.83	8,342.52		106.71	8235.81

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 2023	For the year ended 31 March 2022
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 9 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, 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.

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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 2023	As at 31 March 2022
From banks	13,371.92	5,183.17

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the 31 March 2023. 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*	26,406.84	18,281.37	8,372.13	3,748.97	30,402.47
Other financial liabilities*	1,089.64	1,077.04	16.20	-	1,093.24
Trade payables	2,005.84	2,005.84	-	-	2,005.84
Lease Liability	82.81	6.18	24.72	568.64	599.54
Total	29,585.13	21,370.44	8,413.05	4,317.61	34,101.09

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*	15,576.53	12,966.03	2,093.47	1,646.13	16,705.63
Other financial liabilities*	1,233.91	1,219.49	17.96	-	1,237.45
Trade payables	1,134.09	1,134.09	-	-	1,134.09
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

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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 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 2023	As at 31 March 2022
	Exposure in USD	Exposure in USD
Financial assets		
Trade receivables	5,391.68	7,160.64
Advance to suppliers	1.73	2.42
Capital Advances	-	90.42
Total	5,393.41	7,253.48
Financial liabilities		
Borrowings	1,105.72	12,373.19
Trade payables	87.82	119.73
Advance from customers	146.41	22.16
Total	1,339.95	12,515.08

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2023 would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
1% depreciation/appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2023				
USD	40.53	(40.53)	30.33	(30.33)
Total	40.53	(40.53)	30.33	(30.33)
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

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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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
USD/INR sell/Purchase forward	11	11	103.91	48.15	8,599.88	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.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
1% depreciation/appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2023				
USD	(86.00)	86.00	(64.35)	64.35
Total	(86.00)	86.00	(64.35)	64.35
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

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	As at 31 March 2023	As at 31 March 2022
Term loans from banks	10,552.06	2,873.85
Loans repayable on demand from banks	15,854.78	12,718.00
Total	26,406.84	15,591.85

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Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss) before tax		Credit or (debit) to equity (net of tax)	
	increase	decrease	increase	decrease
Interest on term loans from banks				
For the year ended 31 March 2023	(80.43)	80.43	(60.19)	60.19
For the year ended 31 March 2022	(106.22)	106.22	(79.49)	79.49

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 2023	As at 31 March 2022
Current		
Financial assets		
i) Trade receivables	5,896.83	8,235.81
ii) Cash and cash equivalent	502.23	415.56
iii) Bank balances other than (ii) above	-	144.36
iv) Loans	48.33	32.00
v) Other financial assets	330.89	1,124.95
Non-financial assets		
i) Inventories	22,805.65	22,041.88
ii) Other current assets	1,904.68	1,308.49
iii) Assets held for sale	1,891.99	-
Total current assets pledged as security	33,380.60	33,303.05
Non-current		
Non-financial assets		
i) Property, plant and equipment	27,434.75	13,952.84
Total non-current assets pledged as security	27,434.75	13,952.84
Total assets pledged as security	60,815.35	47,255.89

48. 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).

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	26,406.84	15,591.85
Less: cash and bank balances	502.23	566.53
Adjusted net debt (A)	25,904.61	15,025.32
Total equity (B)	31,888.38	30,645.99
Adjusted net debt to total equity ratio (A/B)	0.81	0.49

49. DCM Nouvelle Specialty Chemicals Limited, subsidiary of the company has entered into lease agreement from DMIC, Ujjain for 99 years in May,2022 and has now started construction of spcialty chemical plant which is likely to be started by the end of 2023-24

50. 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 2023.

51. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to schedule III to the act:

(i) (a) Subsidiary

As on 31 March 2023

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	32,106.32	98.44%	1,427.04	122.38%	13.58	100.00%	1,440.62	122.12%
Subsidiary Company								
DCM Nouvelle Specialty Chemicals Limited	2,571.91	7.89%	(261.49)	-22.43%	-	0.00%	(261.49)	-22.17%
Sub-total	34,678.23		1,165.55		13.58		1,179.13	
Non- Controlling Interest	725.81	2.23%	(62.76)	-5.38%	-	-	(62.76)	-5.32%
Consolidation Adjustment/ Eliminations	(2,789.85)	-8.55%	63.26	5.42%	-	-	63.26	5.36%
Total	32,614.19	100.00%	1,166.05	100.00%	13.58	100.00%	1,179.63	100.00%

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

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%	12,279.46	100.16%	(29.31)	100.00%	12,250.15	100.16%
Subsidiary Company								
DCM Nouvelle Specialty Chemicals Limited	(9.71)	-0.03%	(19.71)	-0.16%	-	0.00%	(19.71)	-0.16%
Sub-total	30,655.99		12,259.75		(29.31)		12,230.44	
Non- Controlling Interest	2.40	0.01%	-	0.00%	-	0.00%	-	-
Consolidation Adjustment/ Eliminations	(10.00)	-0.03%	(0.00)	0.00%	-	0.00%	(0.00)	(0.00)
Total	30,648.39	100.00%	12,259.75	100.00%	(29.31)	100.00%	12,230.44	100.00%

(ii) Non-controlling interest

Set out below is summarized financial information for DCM Nouvelle Specialty Chemicals Limited that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized balance sheet	As at 31 March 2023	As at 31 March 2022
Current assets	543.18	16.05
Current liability	176.32	148.92
Net current assets	366.87	(132.87)
Non-current assets	2287.84	123.16
Non-current liabilities	82.81	0.00
Net non-current assets	2205.03	123.16
Total net assets	2571.89	(9.71)
Accumulated non controlling interest	725.81	2.40

Summarized Statement of profit and loss	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue	-	-
Profit/(loss) for the period	(261.49)	(19.71)
Other comprehensive income/(loss)	-	-
Total comprehensive income	(261.49)	(19.71)
Gain/(loss) allocated to non controlling interest	(62.76)	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

Summarized Statement of Cash flows	For the year ended 31 March 2023	For the year ended 31 March 2022
Net cash used in operating activity	(293.54)	41.69
Net cash flows from investing activity	(2,221.50)	(45.34)
Net cash used in financing activity	2920.30	10.00
Net increase/ (decrease) in cash and cash equivalents	405.26	6.35

52. Group information

Information about subsidiary

The Group's details as at 31 March 2023 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	Principal place of business	% voting power/ ownership interest held by the group		% voting power/ ownership interest held by the NCI	
			As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
DCM Nouvelle Specialty Chemicals Limited	Specialty Chemical	India	76%	76%	24%	24%

53. 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,
- (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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts in ` lacs, unless stated otherwise)

54. Previous year's figures have been regrouped or reclassified wherever necessary to correspond with the current year classification/ disclosure, which are not considered material to 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: 13 May 2023

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: 13 May 2023

Dr. Meenakshi Nayar
Chairperson and Director
DIN : 06866256

Mohd Sagir
Company Secretary
M. No. : F11061



Notice of 7th Annual General Meeting

Notice is hereby given that the Seventh Annual General Meeting of DCM Nouvelle Limited ('the Company') will be held on Thursday, August 24, 2023 at 11:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - To receive, consider and adopt

- the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon

Item No. 2- Appointment of Jitendra Tuli as a director, liable to retire by rotation

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded for 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."

SPECIAL BUSINESS:

Item No. 3- To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024.

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 2023-24 on a remuneration of ` 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- Approval for making Loans, and providing securities/guarantees.

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 Section 185 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force) and rules and regulations made thereunder, if any, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to grant a loan (Proposed Loan) up to ` 45 Cr (Rupees Forty Five Crores only) to DCM Nouvelle Specialty Chemicals Limited, a subsidiary of the Company ("DCMSCL") (CIN No. U24290DL2022PLC393180), in one or more tranches, for the business activities of DCMSCL related to setting-up manufacturing facility in Madhya Pradesh for production of specialty chemicals in a phase-wise manner, as per the requirements of DCMSCL, on such terms and conditions as may be mutually agreed between the Company and DCMSCL.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Board of Directors of the Company and/or any person authorized by the Board from time to time, be and is hereby empowered and authorised to take all such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to finalise the terms and conditions as may be considered necessary and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds,

Notice of 7th Annual General Meeting

matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By order of the Board

Mohd Sagir

Company Secretary

Membership No. FCS-11061

Date: 01.08.2023

Place: New Delhi

NOTES:

- The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA 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.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 2 to 4 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 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.
- In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-

2/P/CIR/2023/4 dated January 5, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.

- 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.
- Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.dcmnvl.com, websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
- 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.
- 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.,



Notice of 7th Annual General Meeting

- a) For shares held in electronic form: to their Depository Participants (DPs) share certificates shall be processed in dematerialized form.
- b) For shares held in physical form: to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details are being sent by the Company.
8. 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 can be accessed through the [weblink](#) and on the website of the Company's RTA, Skyline Financial Services Private Limited ("Skyline") at <https://www.skylinerta.com/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
9. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Skyline, for assistance in this regard.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Skyline, 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
11. As per the provisions of Section 72 of the Act, 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 accessed through the [weblink](#). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Skyline in case the shares are held in physical form.
12. 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.
13. 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 18, 2023 through email on info@dcmnvl.com. The same will be replied by the Company suitably.
14. 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.
15. The Company has fixed Friday, August 18, 2023 as the "Cut-off" date for the purpose of determining shareholders for voting Purpose for the financial year ended March 31, 2023.
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. Instructions for e-voting and joining the AGM are as follows:

Notice of 7th Annual General Meeting

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Monday, August 21, 2023 (9:00 a.m. IST) and ends on Wednesday, August 23, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, August 18, 2023 i.e., cut-off date, may cast their vote electronically.
- The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing from August 21, 2023 to August 23, 2023 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.
- iv. The Board of Directors has appointed Pragnya Parimita Pradhan (Membership No. ACS 32778) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the

Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if he/ she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "**Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.**"

- vii. The details of the process and manner for remote e-voting are explained herein below:

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

Step 2: Cast your vote electronically on NSDL e-voting system

Details on Step 1 are mentioned below

I. **Login method for remote e-voting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode**

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/ P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Notice of 7th Annual General Meeting

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.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. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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. 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.
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Notice of 7th Annual General Meeting

Type of shareholders	Login Method
	<ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 detail
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

ii. 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.nsd.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsd.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.



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5. Your User ID details are given below:

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

6. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

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.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding

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shares and whose voting cycle and General Meeting is in active status.

- 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".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 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 <https://www.evoting.nsdl.com> to reset the password.
- In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on +91 22 48867000 and +91 22 24997000 or send the request to Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in.
- Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number / Folio number, client

master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained above.

4. The instructions for members for e-voting on the day of the AGM are mentioned in point number 17(A).

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER

- Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for login to NSDL e-voting system. After successful login, you can see VC/OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu.
- 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. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
- Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.

Other Instructions

- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.dcmnvl.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock



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Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By order of the Board

Mohd Sagir

Date: 01.08.2023

Company Secretary

Place: New Delhi

Membership No.FCS-11061

Registered Office

407, Vikrant Tower, 04,
Rajendra Place, New Delhi-1100 08,
India Tel: 91 1143678490
CIN: L17309DL2016PLC307204
Email: info@dcmnvl.com
Website: www.dcmnvl.com

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

The following Statement sets out all material facts relating to Item No. 2, 3 & 4 mentioned in the accompanying Notice.

ITEM NO. 2

The Shareholders at the 04th Annual General meeting of the Company held on September 25, 2020 had appointed Mr. Jitendra Tuli as Non-Executive Director, liable to retire by rotation, by way of Special Resolution pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation").

Pursuant to the said SEBI Listing Regulations since Mr. Jitendra Tuli is of more than 75 years of age consent of the shareholders by way of special resolution is required for his re-appointment.

Mr. Jitendra Tuli has vast experience and wide knowledge about the nitty gritty of the business and corporate governance. The Board is of the view that his continuance as a director on the board would be beneficial for the Company. His profile and other details as required under Regulation 36(3) of SEBI Listing Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is appended herewith.

The Board of Directors recommends the resolution as set out under item no. 2 of this Notice for the approval of members of the Company.

Except Mr. Jitendra Tuli, 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 2.

ITEM NO. 3

The Board of Directors of the Company, on recommendation of the Audit Committee, at the meeting held on July 21, 2023 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 ₹ 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 2023-24.

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, 2024.

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 Company has received a request from DCM Nouvelle Specialty Chemicals Limited, subsidiary of the Company ("DCMSCL") to grant financial assistance (Proposed Loan) related to setting-up manufacturing facility in Madhya Pradesh for production of specialty chemicals in a phase-wise manner. DCMSCL, a subsidiary company of DCMNVL,

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was incorporated in 2022 for diversification into specialty chemicals business.

In respect of the same, the Board of Directors of the Company proposes to grant loans, give guarantee, or provide security to DCMSCL as and when required. The said Loan(s)/ guarantee(s)/ security(ies) shall be utilised by DCMSCL for its principal business activities and the matters connected and incidental thereto (the "Principal Business Activities"), specifically including setting up of plant and related infrastructure of the manufacturing facility.

In terms of Section 185 of the Act, the Proposed Loan requires approval of the members of the Company by way of a Special Resolution. In this case, votes of all members shall be considered to approve the resolution under Item number 4.

The above proposal is expected to be in the best interest of the Company and the Board accordingly recommends the Resolution as set out at Item No. 4 for approval by the members of the Company.

None of the directors, key managerial personnel, and their relatives, other than Mr. Hemant Bharat Ram, are interested or concerned, financially or otherwise, in the aforesaid resolution as set out under Item No. 4.

By order of the Board

Mohd Sagir

Date: 01.08.2023

Company Secretary

Place: New Delhi

Membership No.FCS-11061



DCM Nouvelle Limited

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