



**June 25, 2020**

**BSE Limited,  
New Trading Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Mumbai-40001  
Scrip Code: 542729**

**National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra East  
Mumbai, Maharashtra - 400051  
Symbol: DCMNVL**

**Sub: Outcome of the Board Meeting**

**Dear Sir,**

Pursuant to Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we would like to inform you that the Board of Directors in their meeting held today i.e. June 25, 2020, have considered and approved the Annual Audited Financial Results for the quarter/ financial year ended March 31, 2020 along with the audit report of the statutory auditor.

We are enclosing herewith the followings:

- a) Annual Audited Financial Results for the quarter/financial year ended March 31, 2020, along with the Audit Report by the Statutory Auditors of the Company;
- b) A declaration by CFO confirming that the Auditors have given an Unmodified Opinion on the Annual Audited Financial Results of the Company for the financial year ended March 31, 2020, as required under second proviso to regulation 33(3)(d) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

The Company will not be publishing these financial results in the newspaper under Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in view of SEBI circular dated May 12, 2020, read with circular dated March 26, 2020, and on account of



restrictions imposed by the Government of India. However, the same will be available on the website of the Company i.e. [www.dcmnvl.com](http://www.dcmnvl.com).

The Board Meeting commenced at 05:30 pm and concluded at 07:40 Pm.

This is for information and record.

Thanking you,

**For DCM Nouvelle Limited**

A handwritten signature in black ink, appearing to read 'Kunal Agrawal', written over a faint horizontal line.

**Kunal Agrawal**  
**Company Secretary**  
**ICSI Membership No: A35213**

# B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B  
DLF Cyber City, Phase-II  
Gurugram – 122 002, India

Telephone: +91 124 7191000  
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## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF DCM NOUVELLE LIMITED

#### Report on the audit of the Annual Financial Results

##### Opinion

We have audited the accompanying annual financial results of DCM Nouvelle Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 on the annual financial results.

##### Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the annual financial results, 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 through a separate report on the complete set of financial statements 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 in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Other Matters

The annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Also, the comparative Ind AS financial information of the Company for the quarter and year ended 31 March 2019, included in these financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 24 April 2019 expressed an unmodified opinion. As explained in note 2 to the accompanying financial results, the appointed date for the Scheme was 1 April 2019 and in accordance with the requirements of the applicable Indian Accounting Standard, the comparative Ind AS financial information has been restated as if the demerger had occurred from the beginning of the preceding period i.e. 1 April 2018.

Our opinion is not modified in respect of these matters.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

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**KISHORE** Digitally signed by  
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Kaushal Kishore  
Partner

Membership Number: 090075  
UDIN: 20090075AAAAAN1640

Place: New Delhi  
Date: 25 June 2020

FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in Laacs)

S. No.	Particulars	Quarter ended			Year ended	
		31 March	31 December	31 March	31 March	31 March
		2020	2019	2019	2020	2019
		Audited (refer notes 2 and 4)	Unaudited	Audited (refer notes 2 and 5)	Audited (refer note 2)	Audited (refer note 2)
1	<b>Revenue</b>					
	(a) Revenue from operations	14,052	15,053	17,984	58,522	66,750
	(b) Other income	(113)	137	141	377	786
	<b>Total Revenue</b>	<b>13,939</b>	<b>15,190</b>	<b>18,125</b>	<b>58,899</b>	<b>67,536</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	9,486	10,142	11,233	42,139	45,707
	(b) Changes in inventories of finished goods and work in progress	(40)	538	2,112	(557)	390
	(c) Employee benefits expense	1,063	1,003	977	4,139	3,811
	(d) Finance costs	291	275	462	1,186	1,443
	(e) Depreciation and amortization expense	408	415	409	1,647	1,701
	(f) Other expenses (refer note 8)	2,448	2,334	2,701	9,689	10,572
	<b>Total expenses</b>	<b>13,656</b>	<b>14,707</b>	<b>17,894</b>	<b>58,243</b>	<b>63,624</b>
3	<b>Profit before tax</b>	<b>283</b>	<b>483</b>	<b>231</b>	<b>656</b>	<b>3,912</b>
4	<b>Income tax expense</b>					
	Current tax charge	301	203	-	454	-
	Deferred tax credit	(189)	(58)	-	(230)	-
	<b>Total tax expense</b>	<b>112</b>	<b>145</b>	<b>-</b>	<b>224</b>	<b>-</b>
5	<b>Profit for the period</b>	<b>171</b>	<b>338</b>	<b>231</b>	<b>432</b>	<b>3,912</b>
6	<b>Other comprehensive income/ (expense)</b>					
	Items that will not be reclassified to profit or loss:					
	Re-measurement (loss)/ gain of defined benefit obligations	49	(15)	(56)	4	(47)
	Income tax relating to remeasurement of defined benefit obligations	(10)	3	-	(1)	-
	<b>Other comprehensive income/ (expense), net of tax</b>	<b>39</b>	<b>(12)</b>	<b>(56)</b>	<b>3</b>	<b>(47)</b>
7	<b>Total comprehensive income/ (loss) for the period</b>	<b>210</b>	<b>326</b>	<b>175</b>	<b>435</b>	<b>3,865</b>
8	Paid up equity share capital (Face value Rs. 10/- per share) (refer note 3)	1,868	1,868	1,868	1,868	1,868
9	Other equity (refer note 2)				13,494	13,060
10	<b>Earnings per equity share (EPS) of Rs. 10/- each</b>					
	Basic and diluted (Rs.) (not annualised)	0.92	1.81	1.24	2.31	20.94

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STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020

Particulars	(Rupees in Lacs)	
	As at 31 March	As at 31 March
	2020	2019
	Audited (refer note 2)	Audited (refer note 2)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,471	9,442
Capital work-in progress	1,238	20
Financial assets		
(i) Loans	6	332
(ii) Other financial assets	-	1
Deferred tax assets (net)	229	-
Other non-current assets	1,596	154
<b>Total non-current assets</b>	<b>12,540</b>	<b>9,949</b>
<b>Current assets</b>		
Inventories	17,984	16,944
Financial assets		
(i) Trade receivables	5,662	6,630
(ii) Cash and cash equivalents	22	1,016
(iii) Bank balances other than cash and cash equivalents	80	0
(iv) Loans	32	25
(v) Other financial assets	781	774
Current tax assets (net)	10	-
Other current assets	660	424
<b>Total current assets</b>	<b>25,231</b>	<b>25,813</b>
<b>Total assets</b>	<b>37,771</b>	<b>35,762</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,868	1,868
Other equity	13,494	13,060
<b>Total equity</b>	<b>15,362</b>	<b>14,928</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	4,331	4,606
(ii) Other financial liabilities	12	8
Provisions	674	636
<b>Total non-current liabilities</b>	<b>5,017</b>	<b>5,250</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	12,497	11,677
(ii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	81	77
(b) Total outstanding dues of creditors other than micro and small enterprises	1,407	724
(iii) Other financial liabilities	2,166	2,314
Other current liabilities	84	141
Contract liabilities	403	248
Provisions	754	403
<b>Total current liabilities</b>	<b>17,392</b>	<b>15,584</b>
<b>Total liabilities</b>	<b>22,409</b>	<b>20,834</b>
<b>Total equity and liabilities</b>	<b>37,771</b>	<b>35,762</b>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in Lacs)

Particulars	Year ended	
	31 March	31 March
	2020	2019
	Audited (refer note 2)	Audited (refer note 2)
<b>Cash flow from operating activities</b>		
Profit before tax	655	3,912
Adjustments for :		
Depreciation and amortisation expense	1,647	1,701
Profit on sale of property, plant and equipment (net)	(0)	(3)
Unrealised foreign exchange difference	164	(48)
Interest income	(96)	(154)
Finance costs	1,186	1,443
<b>Operating cash flows before working capital changes</b>	<b>3,557</b>	<b>6,851</b>
<b>Changes in assets and liabilities</b>		
Decrease/ (increase) in inventories	(1,040)	1,189
Decrease in trade receivables	968	226
Increase in loans	319	(1)
Decrease/ (Increase) in other financial assets	(85)	(556)
Decrease/ (Increase) in other assets	(1,007)	1,092
(Decrease)/increase in trade payable	687	(3,546)
Increase in provisions	392	544
Increase in financial liabilities	96	271
Increase in other liabilities	98	116
<b>Cash generated from operations</b>	<b>3,985</b>	<b>6,186</b>
Income-taxes paid	(464)	-
<b>Net cash generated from operating activities (A)</b>	<b>3,521</b>	<b>6,186</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(3,566)	(1,327)
Proceeds from sale of property, plant & equipment	0	8
Interest received	96	156
Deposits matured not considered as cash and cash equivalents	80	0
<b>Net cash generated used in investing activities (B)</b>	<b>(3,390)</b>	<b>(1,163)</b>
<b>Cash flow from financing activities</b>		
Repayment of term loans	(1,332)	(1,537)
Proceeds from term loans	831	136
Net proceeds/ (repayment) of loans repayable on demand	656	(1,199)
Finance costs	(1,199)	(1,427)
<b>Net cash used in financing activities (C)</b>	<b>(1,045)</b>	<b>(4,028)</b>
<b>Net cash flows [(decrease)/increase] during the year (A+B+C)</b>	<b>(914)</b>	<b>996</b>
Cash and cash equivalents at the beginning of the year	1,016	20
Cash and cash equivalents at the end of the year	102	1,016
Components of cash & cash equivalents		
Cash on hand	15	9
Balances with banks:		
- Current accounts	7	1,007
- Deposit accounts	80	0
<b>Cash and cash equivalents at the end of the year</b>	<b>102</b>	<b>1,016</b>

Notes:

1 The Cash flow statement has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2. Changes in liabilities arising from financing activities

Particulars	As at 31 March	As at 31 March
	2020	2019
<b>Opening balance of borrowings</b>		
Term loans (including current maturities)	5,931	7,332
Current borrowings	11,677	12,876
<b>Cash flows</b>		
Repayment of term loan	(1,332)	(1,537)
Proceeds from term loan	831	136
Change in current borrowings (net)	656	(1,199)
<b>Closing balance of borrowings</b>		
Term loan (including current maturities)	5,429	5,931
Current borrowings	12,333	11,677



## FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

### Notes:

1. This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under Section 133 of the Companies Act, 2013, as amended, and other recognized accounting practices and policies to the extent applicable.
2. The National Company Law Tribunal (“NCLT”), vide its order dated 1 May 2019, approved the Scheme of Arrangement (‘the Scheme’) between DCM Limited and DCM Nouvelle Limited (‘the Company’), for the demerger of the Textile Division of DCM Limited, on a going concern basis with effect from 1 April 2019 (i.e. the appointed date). Consequently, the assets and liabilities aggregating Rs. 35,758 lacs and Rs. 20,833 lacs respectively, of the Textile Division of DCM Limited have been transferred with effect from the aforesaid appointed date to the Company at their carrying values, determined in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Pursuant to the demerger, as per the scheme, the Company issued share capital of Rs. 1,868 lacs and recorded securities premium of Rs. 5,519 lacs and retained earnings of Rs. 7,544 lacs. Further, pursuant to the aforesaid Scheme, the entire share capital held by DCM Limited as on the effective date (1 April 2019) in the Company has been cancelled.

The financial results for the comparative periods have been restated to include the financial information of the Textile Division of DCM Limited as if the demerger of Textile Division from DCM Limited had occurred from the beginning of the preceding period i.e 1 April 2018, irrespective of the actual date of the demerger, in accordance with the requirements of Ind AS 103, “Business Combination”.

3. Pursuant to the aforesaid Scheme, the Board of Directors of the Company, at its meeting held on 4 June 2019 has allotted 18,677,749 number of equity shares of Rs.10 each to the shareholders of DCM Limited. The said equity shares were listed with BSE Ltd. and National Stock Exchange of India Ltd. with effect from 16 July 2019. Accordingly, these are the fourth financial results of the Company, first being for the quarter ended 30 June 2019.
4. The figures for the quarter ended 31 March 2020 are balancing figures between audited figures of the full financial year and the published year to date figures up to 31 December 2019. Figures up to the end of third quarter ended 31 December 2019 were only reviewed and not audited.
5. The figures for the quarter ended 31 March 2019 are restated figures on account of demerger of Textile Division and are not audited. Also, refer note 2 above.
6. The Company’s business activities fall within a single primary business segment viz. “Yarn Manufacturing”. The operating segment has been defined based on regular review by the Company’s Chief Operating Decision Maker to assess the performance of the Company and to make decision about allocation of resources.
7. Effective 1 April 2019, the Company has adopted Ind AS 116 “Leases” using modified retrospective approach. The adoption would result in recognizing right of use assets and lease liability as on 1 April 2019. The adoption of the Standard did not have any material impact on the financial results of the Company.
8. The Company has been accruing interest subsidy on the term loan taken for installation of plant and machinery, eligible under Textile Upgradation Fund (“TUF”) schemes issued by the Ministry of

Textiles. During the quarter ended 31 March 2020, inspections have been carried out by authorities and have shared their draft observations with the Company. Basis initial observations received and considering the additional clarifications for computation of the subsidy, the management, on a best estimate basis, has recorded a provision of Rs. 282 lacs (including interest) in respect of the amounts which had already been received in the prior years and have also recognized an impairment allowance of Rs. 24 lacs against receivables from the authorities in respect of TUF subsidy. This has an impact of Rs. 306 lacs as additional expenses recognized in the financial results for the quarter and year ended 31 March 2020.

9. In the month of March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has evaluated the effect of the pandemic on its business operations and on the carrying amounts of receivables, inventories, tangible and intangible assets and other assets/ liabilities and has not identified any material impact to be incorporated in these financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company has considered internal and external information available till the date of approval of these financial results.

In the above context and based on the current estimates, the Company does not foresee any material adverse impact in the medium to long term on the business, its liquidity and the ability to service its debt or other obligations. The overall economic situation being uncertain due to the evolving scenario of the pandemic, the Company would continue to closely monitor any developments in future economic conditions as they emerge and consider their impact on the financial results of the relevant periods.

10. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25 June 2020. The audit report of the Statutory Auditor is being filed with BSE Ltd. and National Stock Exchange of India Ltd. For more details on the results, visit Company's website [www.dcmnvl.com](http://www.dcmnvl.com) and Financial Results under Corporate section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

**For and on behalf of the Board**

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**Hemant Bharat Ram**  
*Managing Director*  
DIN: 00150933

Place: New Delhi  
Date: 25 June 2020

June 25, 2020

**BSE Limited,  
New Trading Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Mumbai-40001  
Scrip Code: 542729**

**National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra East  
Mumbai, Maharashtra - 400051  
Symbol: DCMNVL**

**Sub: Declaration in terms of regulation 33(3)(d) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

In terms of second proviso to regulation 33(3)(d) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, we confirm that the M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors have given an Unmodified Opinion on the Annual Audited Financial Results of the Company for the financial year ended March 31, 2020.

Thanking you,

**For DCM Nouvelle Limited**

**Sandeep Kumar Jain  
Chief Financial Officer**

