

Transcript of the 05th Annual General Meeting July 27, 2021
11:00 A.M. IST to 11:28 A.M. IST

Board of Directors and Key Managerial Personnel:

Dr. Meenakshi Nayar
Chairperson & Independent Director

Mr. Hemant Bharat Ram
Managing Director

Dr. Vinay Bharat Ram
Whole Time Director

Mr. Rakesh Goel
Whole Time Director

Ms. Shahana Basu
Non-Executive Director

Mr. Jitendra Tuli
Non-Executive Director

Mr. Kulbir Singh
Independent Director

Mr. Ravi Vira Gupta
Independent Director

Mr. Vivek Chhachhi
Independent Director

Mr. Sandeep Kumar Jain
Chief Financial Officer

Mr. Mohd Sagir
Company Secretary

Statutory auditors - Walker & Chandiook & Co. LLP,
Secretarial Auditor, Ms. Pragnya Parimita Pradhan and

Shareholders

Welcome Address- Mr. Sandeep Kumar Jain, CFO

Good morning, Dear Shareholders.

I welcome you all on behalf of your company DCM Nouvelle Limited to its 05th Annual General meeting which is being held today through video conferencing. Before I hand over the proceedings to the Chairperson to declare the meeting open, I would like to highlight certain points here. The joining to this meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 11:00 am and it will remain open for another 15 minutes after the end of the meeting. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches. As mentioned in the notice, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available for 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key-managerial personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee, and Stakeholder Relationship & Finance Committee as well as the Auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.

Subsequent to the MCA circular, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means and participate and cast their votes through e-voting. The registered office of the company situated at New Delhi shall be

deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made here at.

We have received requests from our members for registration as a speaker shareholder in the AGM today. The registered shareholders have been provided specific links to log in to the meeting and we shall be allowing them to speak once the Chairperson directs the same. We request speakers to limit their speeches so that all registered shareholders can speak. The Chairperson/authorised person would be responding to such queries at the end of the meeting. With this, I now hand over the proceedings to the Chairperson. Thank you. Over to you, Mam

Chairperson's Dr. Meenakshi Nayar

Thank you, Sandeep, and Namaskar & A very good morning to each and every one present here. I, Meenakshi Nayar, on behalf of the Board of Directors of DCM Nouvelle Limited, welcome you all to the 5th Annual General Meeting of your Company. At the outset I may mention that in view of the on-going Covid-19 pandemic, this AGM is held through Video-Conferencing ('VC') in accordance with the Circulars issued by the Ministry of Corporate Affairs and SEBI.

The notice convening this meeting and the Annual Report had already been sent through email to those shareholders who had registered their email ids with the Company. The notice and Annual Report are also available on the website of the Company, hence there being taken as read. I also welcome my colleagues on the board of your company to the 5th Annual General Meeting.

For safety reasons, my colleagues are attending this meeting from their respective locations.

Before I proceed further, let me introduce your board of directors who are joining this AGM through Video Conferencing.

1. Mr. Hemant Bharat Ram, Managing Director of your Company and Chairman of CSR Committee, is joining this AGM from Mexico.

2. Dr. Vinay Bharat Ram, Whole Time Director is joining this AGM from Delhi.

3. Mr. Jitendra Tuli, Director and also the Chairman of Stakeholder Relationship & Finance Committee, is joining this AGM from Delhi.

4. Mr. Kulbir Singh, Independent Director and the Chairman of the Audit Committee is joining this AGM from Delhi.

5. Mr. Vivek Chhachhi, Independent Director and the Chairman of the Nomination and Remuneration Committee, is joining this AGM from Delhi.

6. Mr. Ravi Vira Gupta, Independent Director, is joining this AGM from Delhi.

7. Mr. Rakesh Goel, Whole Time Director is joining this AGM from Gurgaon.

8. Ms. Shahana Basu, Director, is joining the AGM from Washington, USA.

Thank you all. We also have key executives of the Company who have joined this meeting through VC from their respective locations. Representatives of Statutory Auditors, M/s Walker & Chandiok, Chartered Accountants LLP and Representative of Secretarial Auditor, Pragnya Pradhan & Associates, Practising Company Secretaries have also joined this meeting through VC.

I thank all the shareholders and other participants who have joined this meeting through VC. I hope you all are safe and in good health.

Since, we have the requisite quorum present for the meeting through VC. I call this meeting to order. I wish to mention that participation of members through VC can be reckoned for the purpose of quorum in accordance with the Circulars issued by the Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013.

The Statutory Auditors viz., M/s Walker Chandiook & Co. LLP, Chartered Accountants and Secretarial Auditors, Pragnya Pradhan & Associates, Company Secretaries, have expressed unqualified opinion in their respective audit reports for the financial year 2020-21. Since there are no qualifications, observations or adverse comments on the financial statements and matters which have any material bearing on the functioning of the Company, I take the Reports as read.

Chairperson's Address- Dr. Meenakshi Nayar

Let me now give you picture & overview of your Company. Your Company is a leading manufacturer & exporter of 100% cotton carded and combed yarns. The company has successfully made its name in both domestic and export markets. Your Company exports cotton yarn to over 30 countries. We, at DCM Nouvelle, derive more than half of the revenue from exports and keep ourselves hedged against any downturn in the domestic economy.

The covid-19 epidemic in 2020 has continue to be a major disaster. 2020-21 has been tough for the industry. Like most of other industries, there were ripples within the textile sector too. Widespread job losses and reduction income among the general population resulted in reduced discretionary spending, and consumption of clothing saw a sharp downturn. At the same time, industry faced labour shortages resulting in loss of production.

However, with the relentless drive of our management team and cooperation of all our employees, we were able to continue production and export large quantities, as a result of which the company has shown significantly better overall performance.

Our profits for the year increased from Rs. 4.35 Crore in 2019-20 to Rs. 30.53 Crore for 2020-21 recording a growth in profit of 601.84 %. Such a huge growth is a reflection of

our agile management and dedicated employees. Irrespective of the pandemic, our efforts to bring the best to our members did not reduce at all.

The earnings per share for our valued members have increased from Rs. 2.31 per share in the year 2019-20 to Rs. 16.33 per share in the year 2020-21, recording a phenomenal growth in EPS of 606.93%.

The Return on Net worth of the Company has increased from 2.81 % in the year 2019-20 to 16.57 % in the year 2020-21, recording 6 times growth.

The Debt Equity Ratio of the company significantly reduced from 1.17 times in the year 2019-20 to 0.90 times in the year 2020-21.

The Interest Coverage Ratio of the Company improved from 1.55 times in the year 2019-20 to 5.87 Times, recording a growth by 4.32 Times.

Well, in addition to this Stellar results, the Company has also shown a fair amount of effort on clean and green energy as a Green Initiative, your Company produced 29.17 Lacs solar power units for in-house consumption from solar power plant during the year under review, thereby reducing the overall carbon footprint of the Company. To accelerate this process further, your Company is in the process to increase the solar power plant capacity by 10 MWp to reach 12.35 MWp.

However, the growth outlook for the Indian economy, as for most other global economies, continues to remain tepid, due to ongoing Covid-19 crisis. However, like all other challenges, I am sure we as a country and Textile as a sector will emerge stronger from this situation. I strongly believe that every crisis presents an opportunity, and it is up to us to respond, proactively and creatively to make our stakeholders' lives better.



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

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

Your support and confidence in us, even in uncertain times like these, drive us to look for more ways to do more, and create greater value.

We are blessed to work with a talented pool of people across all departments. Their commitment and dedication through the thick and thin of the organizational journey is appreciation worthy. We have consistently worked on improving their skills through regular training and workshops. Besides, we have also worked on the leadership building and enhancing overall motivational levels of all our employees.

To conclude, I, on behalf of the company and the board of directors, express my sincere thanks to our customers, stakeholders, bankers, financial institutions, vendors, service providers and all other constituents for their valuable support and unstinted cooperation. To my colleagues on the board, I owe a great deal of gratitude for their prudent counsel and continued guidance. My special thanks and appreciation go to the employees of the company at all levels for their hard work, dedication and continued commitment. I also take this opportunity to thank all the shareholders for the unstinted support in all our endeavours.

Thank you very much,

Now I handover to Mr. Sandeep Kumar Jain, Chief Financial Officer for taking you through the agenda items and other proceedings of the meeting.

Thank you,

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you, Mam,

We have seven resolutions for approval in this Annual General Meeting: -

1. The first item on the Notice relates to the adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Auditors and the Board of Directors thereon.
2. The Second item on the Notice relates to the appointment of a director in place of Ms. Shahana Basu who retires by rotation and being eligible, offers herself for reappointment.
3. The third item on the notice relates to ratification of the remuneration of Cost Auditors for the financial year ending March 31, 2022.
4. The fourth item on the Notice relates to the Appointment of Mr. Kulbir Singh, as an Independent Director.
5. The fifth item on the Notice relates to the Appointment of Mr. Vivek Chhachhi, as an Independent Director.
6. The Sixth item on the Notice relates to the approval of increase in the remuneration of Mr. Hemant Bharat Ram, Managing Director of the Company.
7. The Seventh and last item on the Notice relates to the approval of increase in the remuneration of Mr. Rakesh Goel, Whole Time Director of the Company.

Since this meeting is held through Video Conferencing facility and resolutions are put to vote only through e-voting, the practice of proposing and seconding of resolutions is dispensed with.

Now I invite the members for queries

Dear members, before we go with the Question & answer session, here are some points to note for your convenience. I will request the members, who have registered themselves for queries, to kindly turn on your video one by one. When your name is projected on the broadcast screen, kindly unmute yourself, and proceed to ask the question. Please mention your name and Folio Number when you are requested to ask the question. I request speakers to limit their speeches so that all registered shareholders can speak. To avoid repetition, the Board will respond to all the questions at the end. Once you have asked the question, you can log off and continue to watch the proceedings.

Now I request Mohd. Ashraf Bari to unmute yourself and kindly proceed with the question.

Mohd. Ashraf Bari

Hello. A very good morning to all of you. I'm Mohd. Ashraf Bari, and My DP ID is 1304140009561155. I have gone through the annual Report of our Company. I have seen that all Non-Executive Directors of the Company, were present at the Board meetings and committee meetings. Its very rare. It speaks about commitment and seer dedication of the Board for good corporate governance and immaculate planning of secretarial team. I congratulate Mr. Sandeep Kumar Jain & Mr. Mohd Sagir on that. A very capable Secretarial Team members. I must say All the directors are very committed and involved in the growth of the Company as well.

So, coming to my Question is, when the company is planning to declare dividend as Company has made huge profits in current financial year? Thank you.

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you for your question, sir. Thank you. Now, we have a question coming in from the next shareholder. Mr. Dharmender Sharma, please go ahead with your question.

Mr. Dharmender Sharma

Hello, good morning everyone, I am Dharmender Sharma, and My DP ID is IN30114311418815, and I welcome the new directors Mr. Kulbir Singh & Mr. Vivek Chhachhi. It has been a very bad year for all of us due to the pandemics. Despite this, the company has done exceedingly well and congratulations to everybody.

I have only one question that, when the Company is going to be debt-free Company? Thank you,

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you for your question, sir. Thank you. Now, we have a question coming in from the next shareholder. Mr. Santanu Bhattacharyya, please go ahead with your question.

Mr. Santanu Bhattacharyya

Good morning Sir, My Name is Santanu Bhattacharyya, My DP ID is 1304140009555975, I am registered shareholder of the Company and my question is, that will the pandemic have a positive or a negative effect on our company in the long run?

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you for your question, sir. Thank you. Now, we have a question coming in from the next shareholder. Mr. Biju P.M, please go ahead with your question.

Mr. Biju PM

Hello, good morning all of you, I am Biju P.M and my demat account details are 1201910102168773, first, I want to congratulate to the management of the Company for the good results and I have the question.

What is the view of the management going forward for sustainability of the profit earning growth in coming quarters?

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you for your question, sir. Thank you. Now, we have a question coming in from the next shareholder. Mr. Surender Agarwal, please go ahead with your question.

Mr. Surender Agarwal

Hello, good morning all of you, I am Surender Agarwal and my DP ID is IN30302861054104 and my question is, what are the Growth & expansion plan of the Company in coming future?

Thank you Very much.

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you for your question, sir. Thank you.

There were few more questions. I'll go through here.

There were some questions from Mr. Dhruv Gupta, mainly regards to expansion in Spindle Capacity at current plant, plans for forward integration & Target Geographies for Export of the Market.

There was a question on Similar nature from many shareholders.

It was the request to provide a hard copy of the Annual Report. The response is, as per the Ministry of Corporate Affairs and SEBI circulars, printing of annual reports is dispensed for this year due to the ongoing pandemic. Since the requirement to print and dispatch hard copies of the report and notice has been dispensed with, the company will not be printing the same. The notice and Annual Report for financial year 2020-21 have been sent to all the eligible shareholders through email pursuant to the applicable circulars issued by the Ministry of Corporate Affairs and SEBI.

With this, I hand over to the **Chairperson, Dr. Meenakshi Nayar.**
(Over to you Ma'am)

Dr. Meenakshi Nayar, Chairperson

Now I request Mr. Rakesh Goel, Whole Time Director of the company to answer the questions on behalf of the Company.

Mr. Rakesh Goel- Whole Time Director

Yeah,

Thank you very much Mam.

I hope, I am audible?

Mr. Sandeep Kumar Jain, Chief Financial Officer

Yes Sir, Yes Sir, Clear

Good morning, dear members, I will now attempt to answer a few of the questions. Generally speaking, excellent set of questions underpinning the strategy of the company and the questions on the future outlook of the Company was asked. So, I will attempt to answer in a consolidated manner.

One of the questions relates to non-payment of dividend. Well members, as you are aware that your company has become independent listed entity after demerging and also owing to the difficulties faced by the company due to Covid-19 and considering the future needs of the Company for expansion & growth and to strengthen the financial position of the Company, directors did not recommend any dividend. We are hopeful that in coming years, depending upon the profitability and availability of funds for ongoing expansions, the board may consider for declaring dividend.

Next question was pertaining to the impact of covid-19 and outlook after lockdown. Well. I would like to add that so far current situation of your company is better than expected. However immediate future is slightly uncertain due to risk of outbreak of third spell of Covid-19 as well as cases are of covid 19 has been going up in the world. Going forward we are expecting that branded players, organized players who have a deeper distribution into the domestic and world markets will perform better. Our plant is operating at almost full capacity. So, things are looking better than expected at the moment.

One question pertaining to growth & Expansion is there, as we all know that current situation is quite uncertain due to Covid-19 but still the management of the Company trying hard to expand the Existing Spindles capacity of the Company. Once this threat is over, your company will certainly evaluate the possibilities of further growth.

In response to the question about target geographies, your company exports cotton yarn to over 30 countries besides having large presence in domestic market, we continue to work to expand its global presence.

With that, I hand over to Mr. Sandeep, Chief Financial Officer.

Thank you.

Mr. Sandeep Kumar Jain, Chief Financial Officer

Thank you, sir. I think all the questions have been answered.

Now pursuant to the provisions of Companies Act 2013 and the SEBI listing regulations, the company has provided facility for voting by electronic means to all its members to enable cast their votes electronically and the business may be transacted through such e-voting. For this purpose, the company has tied up with the e-voting system of National Securities Depository Limited (NSDL) for facilitating voting through electronic means as the authorized agency. The company provided remote e-voting facility to all the persons who were members on July 21, 2021, being the cut-off date for vote on the business set out in the notice of AGM. Members attending the AGM today who have not casted their vote by remote e-voting are entitled to exercise their right to vote by e-voting.

Ms. Pragnya Parimita Pradhan, Practicing Company Secretary has been appointed by the board as the scrutinizer for e-voting today. The results will be declared within 48 hours from the conclusion of this AGM after considering the e-voting done today by members and also the remote e-voting already done by certain members. The results along with scrutinizer report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be placed on the website of the company.

**With that, I hand over back to the Chairperson, Dr. Meenakshi Nayar.
(Over to you Ma'am)**

Dr. Meenakshi Nayar, Chairperson

Thank you, Sandeep, Thank you everyone. Thank you, members, for asking very insightful questions on this virtual AGM. Members attending the AGM today who have not already casted their vote by remote e-voting may cast their vote on the e-voting platform now. You are given 15 minutes time for e-voting. Further, I hereby authorize Mr. Mohd Sagir, the Company Secretary, to declare the result of the voting and place the results on the website of the Company at the earliest. once again thank you all for participating in the AGM and I hereby declare the proceedings as closed.

Thank you very much.

Mr. Jitendra Tuli, Director -Thank you

Mr. Kulbir Singh, Independent Director – Thank you,

Mr. Vivek Chhachhi, Independent Director – Thank you,

Mr. Ravi Vira Gupta, Independent Director -Thank you,

Mr. Rakesh Goel, Whole Time Director- Thank you,

Mr. Ravi Vira Gupta, Independent Director -Well Done.
