



September 4, 2017

To  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051

Dear Sir,

**Sub: Submission of details/ documents in relation to the Scheme of Arrangement between DCM Limited and DCM Nouvelle Limited**


This is in reference to Application No. 11154 dated March 31, 2017 ("Application") which relates to the Scheme of Arrangement ("Scheme") between the DCM Limited ("Demerged Company") and DCM Nouvelle Limited ("Resulting Company" or "Company") for the demerger of Cotton Textile Business Undertaking ("Demerged Undertaking") of the Company into the Resulting Company.


As per the list of documents required to be submitted for approval of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing the following documents for your perusal:

1. Information pertaining to Resulting Company as per the format specified for abridged prospectus as provided in Part D of Schedule VIII of the ICDR Regulations; and
2. The certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above document in terms of Para 3(a) of Part I (A) of the SEBI circular dated March 10, 2017

We trust the above would address the requirements. In case any additional information is required, we would be pleased to provide you with the same.

Thanking you  
For DCM Limited

  
Yadvinder Goyal  
Company Secretary



Encl. - As stated above.

# DCM NOUVELLE LIMITED

## INFORMATION FOR DCM NOUVELLE LIMITED ('COMPANY') IN TERMS OF SEBI CIRCULAR CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 IN RELATION TO THE DRAFT SCHEME OF ARRANGEMENT BETWEEN DCM LIMITED AND DCM NOUVELLE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ('SCHEME').

You may also download copies of the draft Scheme as approved by the Board of Directors of the companies and other documents in connection to the Scheme from the websites of stock exchange(s) or DCM Limited i.e. from [www.nseindia.com](http://www.nseindia.com); [www.bseindia.com](http://www.bseindia.com); [www.dcm.in](http://www.dcm.in).

### DCM NOUVELLE LIMITED

The Company (Corporate Identification Number U17309DL2016PLC307204) was originally incorporated as Public Limited Company under the provisions of the Companies Act, 2013, vide certificate of incorporation dated 17<sup>th</sup> day of October, 2016, with the Registrar of Companies, NCT of Delhi & Haryana .

**Registered Office:** 601, 6th Floor, Vikrant Tower, 4, Rajendra Place, New Delhi-110008. Tel: +91-11-25719967, Email: [dcmnouvelletd@gmail.com](mailto:dcmnouvelletd@gmail.com). Website: [\*]; Contact Person: Mr. Ashwani Singhal

### NAME OF THE PROMOTER OF THE COMPANY

DCM LIMITED

### ISSUE DETAILS, LISTING AND PROCEDURE

#### Issue details

The Company shall issue equity shares to the shareholders of DCM Limited pursuant to the Scheme, which provides for demerger of Cotton Textile Business undertaking ("Demerged Undertaking or Demerged Business") of DCM Limited to the Company.

The Board of Directors of DCM Limited and the Company considered and approved the Scheme in their meetings held on October 15, 2016 and October 20, 2016, respectively. The Scheme is further subject to approval from the stock exchange(s), Securities and Exchange Board of India (SEBI), shareholders and creditors of aforesaid companies, National Company Law Tribunal (NCLT) and other regulatory authorities, as may be applicable.

#### Listing

Upon the Scheme becoming effective, the Equity Shares of the Company shall be listed and traded on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

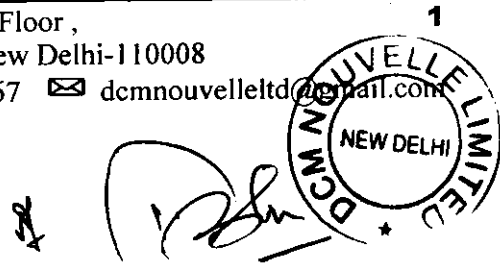
#### Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations, 2009, does not become applicable.

However, SEBI vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 stated that the listed entity shall include the applicable information pertaining to the unlisted entities involved in the scheme in the format prescribed for abridged prospectus as provided in Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009, as amended, and the same has to be annexed with the Notice or explanatory statement or proposal accompanying resolution to be sent to and passed by the shareholders while seeking approval of the scheme.

Accordingly in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Company has submitted the relevant information, as and where applicable for the Unlisted Company, in line with the format for Abridged Prospectus specified in SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015 issued under Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009.

Registered Office: 601, 6<sup>th</sup> Floor,  
Vikrant Tower, 4, Rajendra Place, New Delhi-110008  
CIN : U17309DL2016PLC307204 ☎ +91-11-25719967 ✉ [dcmnouvelletd@gmail.com](mailto:dcmnouvelletd@gmail.com)



## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity shares of the Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the equity shares of the Company. For taking an investment decision, investors must rely on their own examination of the Company, including the risks involved. The investment in Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" of this Information Document.

### PRICE INFORMATION OF LEAD MANAGERS

Sr. No	Issue Name	Name of Merchant Banker	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	<b>NOT APPLICABLE (SINCE THERE IS NO INVITATION TO PUBLIC FOR SUBSCRIPTION BY WAY OF THIS ABRIDGED PROSPECTUS)</b>				

#### A. GENERAL INFORMATION

**Name of Statutory Auditors:**

M/s Grewal & Singh, Chartered Accountant, A-17, L.G.F, Lajpat Nagar-III, New Delhi-110024, Ph. No. +91-11-29842641, 29833394, Email: mail@cagrewalsingh.com.

#### B. PROMOTERS, PROMOTERS GROUP AND GROUP COMPANIES

DCM Limited, our Promoter, holds 50,000 Equity Shares, equivalent to 100% of the Paid-up Share Capital of the Company.

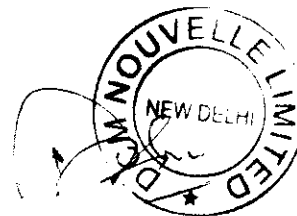
**DCM Limited (Promoter)**

The Corporate Identity Number of DCM Ltd is L74899DL1889PLC000004. The registered office of DCM Ltd. is situated at Vikrant Tower, 4, Rajendra Place, New Delhi - 110008.

It was originally incorporated on March 26, 1889 under the provisions of Act VI of 1882 under the name of The Delhi Cloth & General Mills Company Limited. It was founded by Lala Shri Ram. It expanded and diversified its activities into a number of manufacturing activities such as Textiles, Sugar, Chemicals, Rayon, Tyre Cord, Fertilizers, Information Technology and Engineering Products etc. The name of the Company was changed to DCM Limited on October 6, 1983.

The business of the Company was reorganized with effect from 1.4.1990 under a Scheme of Arrangement under section 391/394 of the Companies Act, 1956 approved by the shareholders, creditors and the financial institutions and sanctioned by the Hon'ble High Court of Delhi at New Delhi in 1990.

Today, after the said reorganization, DCM Limited headed by Dr. Vinay Bharat Ram covers the activities in the areas of Textile, Grey iron casting in automotive market, information technology and real estate development. Over this long period of history, DCM has built its corporate philosophy synonymous with corporate dynamism and business integrity. DCM inherits its values from late Lala Shri Ram, one of India's most prominent, honoured and dynamic business leaders.



## Group Companies

Pursuant to schedule VIII, Part A, Clause (IX) (c) (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the financial information of the five largest Group Companies are as under:

### 1. DCM Limited (Listed with NSE & BSE)

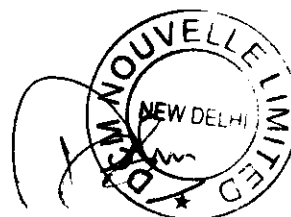
(Rs. in Lakhs, except as stated)

Particulars	As of March 31, 2017 (Audited) Standalone	As of March 31, 2016 (Audited) Standalone	As of March 31, 2015 (Audited) Standalone
Equity Capital	1,867.46	1,737.59	1,737.59
Share Capital pending allotment	0	129.87	0
Reserve (excluding revaluation reserve)	21,513.61	21,897.57	20,123.67
Total Income	96,047.94	91,283.43	58,396.81
Profit after tax	(383.96)	328.80	1,392.31
Earnings per Share (Rs.) (Basic)	(2.06)	1.89	8.01
Earnings per Share (Rs.) (Diluted)	(2.06)	1.76	8.01
Net asset value per Share (Rs.)	125.18	127.24	125.79

### 2. Atlantic Commercial Company Limited [Listed at Metropolitan Stock Exchange of India Ltd. (MSEI)]

(In Rs. Lakhs except as stated)

Particulars	As of March 31, 2017 (Audited)	As of March 31, 2016 (Audited)	As of March 31, 2015 (Audited)
Equity Capital	73.50	73.50	73.50
Reserve (excluding revaluation reserve)	44.55	44.02	42.82
Total Income	4.00	7.50	4.02
Profit after tax	0.53	1.20	1.04
Earnings per Share (Rs.) (Basic)	0.07	0.16	0.14
Earnings per Share (Rs.) (Diluted)	0.07	0.16	0.14
Net asset value per Share (Rs.)	16.06	15.99	15.83



4

**3. Aggresar Leasing and Finance Private Limited (Unlisted)**

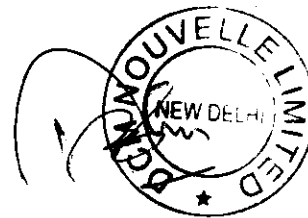
(In Rs. Lakhs except as stated)

Particulars	As of March 31, 2017 (Audited)	As of March 31, 2016 (Audited)	As of March 31, 2015 (Audited)
Equity Capital	586.19	300.00	300.00
Share Capital pending allotment	0	286.18	0
Reserve (excluding revaluation reserve)	2,049.08	3,788.58	453.91
Total Income	3.40	232.44	111.93
Profit after tax	(16.31)	139.46	42.83
Earnings per Share (Rs.) (Basic)	(2.78)	46.49	14.28
Earnings per Share (Rs.) (Diluted)	(2.78)	46.49	14.28
Net asset value per Share (Rs.)	449.56	746.31	251.30

**(4) Unison International IT Services Limited (Unlisted)**

(In Rs. Lakhs except as stated)

Particulars	As of March 31, 2017 (Audited)	As of March 31, 2016 (Audited)	As of March 31, 2015 (Audited)
Equity Capital	675.02	675.02	675.02
Reserve (excluding revaluation reserve)	1,515.43	1,515.43	1,515.89
Total Income	0.50	0.01	2.06
Profit after tax	0.003	(0.46)	(8.71)
Earnings per Share (Rs.) (Basic)	-	(0.01)	(0.13)
Earnings per Share (Rs.) (Diluted)	-	(0.01)	(0.13)
Net asset value per Share (Rs.)	32.45	32.45	32.46



**(5) Crescita Enterprises Private Limited (Unlisted)**

(In Rs. Lakhs except as stated)

Particulars	As of March 31, 2017 (Audited)	As of March 31, 2016 (Audited)	As of March 31, 2015 (Audited)
Equity Capital	0.50	N.A	N.A
Reserve (excluding revaluation reserve)	1,723.01	N.A	N.A
Total Income	-	N.A	N.A
Profit after tax	(0.17)	N.A	N.A
Earnings per Share (Rs.) (Basic)	(3.46)	N.A	N.A
Earnings per Share (Rs.) (Diluted)	(3.46)	N.A	N.A
Net asset value per Share* (Rs.)	0.34	N.A	N.A

\*excluding capital reserve

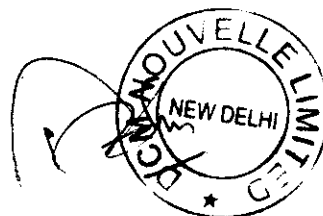
**C. BUSINESS MODEL/BUSINESS OVERVIEW**

The Company is incorporated for the purpose of carrying out business of manufacturing, trading and otherwise dealing in textile of all kinds. Pursuant to the Scheme, the Cotton Textile Business Undertaking of DCM Limited is proposed to be demerged with the Company.

The Cotton Textiles Business Undertaking of DCM Limited inter-alia comprises of a cotton spinning unit having 1,15,048 spindles located at Hisar in Haryana. The basic job of spinning unit is to process cotton fiber into yarn which is further used by the buyers of yarn to make fabric of various types. Cotton yarn made at DCM Textiles is mainly used for knitted fabrics and terry towels. Domestic buyers of the yarn are primarily located near Hisar i.e. in Panipat & Delhi. Yarn is also sold to dealers/customers located at Saharanpur, Kanpur, Ludhiana, Kolkata, Mumbai etc. About 60% of the production of the factory is exported to 25 countries, of which Portugal, Egypt, S. Korea, Brazil, Hong Kong, China, Bangladesh, Italy, USA and Peru are prominent.

Raw material used in factory is cotton which is an agro product. About 6% of Indian cotton production is produced in Haryana and most of the requirements of DCM Textiles are met from within this state. But some cotton is sourced from Rajasthan, Gujarat and Maharashtra also.

The cotton, as well as cotton yarn, are commodities and hence their prices are dependent on the commodity market. Further, cotton is an agro product, and hence, is seasonal in nature. Accordingly, adequate stocks needs to be maintained for the off season, which inherently involves a price risk. This risk is managed by a deep understanding of the supply & demand factors as well as resorting to hedging facilities on commodity exchange, when required, from time to time.



#### **D. BOARD OF DIRECTORS**

The following table set forth details of the Board of Directors as on the date of this document:

<b>Name</b>	<b>DIN</b>	<b>Address</b>	<b>Date of appointment</b>	<b>Designation</b>	<b>Directorship in Other Companies</b>
Shri Hemant Bharat Ram  PAN No. AAAPH0246H	00150933	B-26, Westened Colony, Vasant Vihar, New Delhi-110021	17.10.2016	Director	Juhi Estate (P) Ltd., Axial Investment (P) Ltd, Candle Techserve (P) Ltd., Lagniappe Technologies (P) Ltd,
Shri Ashwani Singhal  PAN No. ABDPS2581A	00159349	A-17A, Block A, Munirka, DDA Flats, New Delhi-110067	17.10.2016	Director	DCM Textiles Ltd, DCM Realty Investment & Consulting Ltd, DCM Tools & Dies Ltd, DCM Data Systems Ltd., Studio Embellish (P) Ltd., DCM Realty and Infrastructure Ltd.
Shri Krishan Gopal Gupta  PAN No. AHDPG6119N	06798713	C-30, Shyam Vihar, Ph-II, Dindar Pur Village, New Delhi - 110043	17.10.2016	Director	DCM Textiles Ltd, DCM Realty Investment & Consulting Ltd, DCM Tools & Dies Ltd, DCM Finance and Leasing Ltd., DCM Data Systems Ltd., DCM Realty and Infrastructure Ltd., Teak Farms Pvt. Ltd.

#### **Brief profile of Directors**

##### **Shri Hemant Bharat Ram**

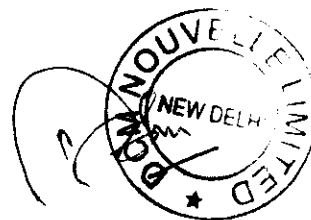
Shri Hemant Bharat Ram, aged around 52 years, son of Dr. Vinay Bharat Ram, is a resident of B-26, Westend Colony, Vasant Vihar, New Delhi-110021. He holds a Master's degree in Industrial Administration from Carnegie Mellon University, Pittsburgh, USA and a Bachelor's degree in Mathematics and Computer Science. He started his career with DCM Data Product in 1991 and was later appointed as Executive Director of IT Division of DCM Limited. He is also acting as a Member of Association of Computing Machinery (ACM), USA and also a Member of Confederation of Indian Textile Industry. Presently, he is acting as President of Textile Division of DCM Limited.

##### **Shri Ashwani Singhal**

Shri Ashwani Singhal, aged around 60 years, son of Shri N. R. Singhal, is a resident of A-17A, Block A, Munirka, DDA Flats, New Delhi-110067. He is a fellow member of the Institute of Chartered Accountants of India ("ICAI"). He holds a Ph.D. in financial management and profitability analysis from Chaudhary Charan Singh University (formerly, Meerut University). He has a varied experience of over 35 years in the field of financial management, accounting, secretarial and taxation. He has been associated with DCM Limited for the last 24 years in various capacities. Presently, he is working in the capacity of Executive Vice President (Finance & Accounts) in DCM Limited.

##### **Shri Krishan Gopal Gupta**

Shri Krishan Gopal Gupta, aged around 43 years, son of Shri Kapur Chand, is a resident of C-30, Shyam Vihar, Ph-II, Dindar Pur Village, New Delhi 110043. He is an associate member of Institute of chartered Accountants of India and holds a diploma in Systems Audit from ICAI. He has an experience of over 14 years in the fields of Accounting, Finance and Taxation. He has been associated with DCM Limited for the last 13 years in various capacities. Presently he is working in the capacity of Deputy General Manager (Accounts) in DCM Limited.



#### **E. DETAILS OF SCHEME / OBJECTS OF ISSUE**

The Company shall issue equity shares to the shareholders of DCM Limited pursuant to the Scheme, which provides for demerger of Cotton Textile Business undertaking of DCM Limited with the Company.

The Demerged Undertaking is to be transferred and vested with the Company with effect from 1st day of January, 2017 ("Appointed Date") or such other date as may be fixed or approved by the National Company Law Tribunal ("NCLT") in accordance with Sections 230 to 232 and read with section 66 and other applicable provisions of the Companies Act, 2013.

The Effective Date of the Scheme means the date, or last of the dates, on which certified true copies of order of NCLT sanctioning the scheme are filed by DCM Limited and the Company with the Registrar of Companies.

Upon the Scheme becoming effective, the Demerged Undertaking, comprising of all assets and liabilities as provided in the Scheme, of whatsoever nature and wherever situated, shall, under the applicable provisions of the Companies Act, 2013, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Company as a going concern so as to become as and from the Appointed Date the assets and liabilities of the Company and to vest in the Resulting Company all the rights, title, interest or obligations of Demerged Undertaking therein.

Further, in consideration of the demerger and transfer of the Demerged Undertaking, the Company shall issue and allot Equity Shares of Rs. 10/- each at par value in the Company to the shareholders of DCM Limited whose names appear in the Register of Members of DCM Limited as on the Record Date (as defined in the Scheme) in the following ratio:

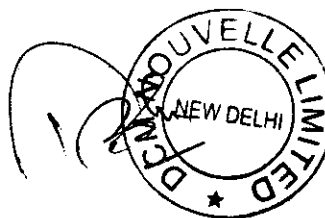
*1 (one) Equity Share of Rs. 10/- each of DCM Nouvelle Limited, credited as fully paid-up, for every 1 (one) Equity Share of Rs. 10/- each, fully paid-up held in DCM Limited.*

The entire investment made by DCM Limited in the equity share capital of the Company as on the Effective Date shall stand cancelled. Accordingly, the post-Scheme equity share capital of the Company shall be Rs. 18,67,77,490/- constituting of 1,86,77,749 equity shares of Rs. 10/- each.

#### **Rationale of the Scheme**

Each of the businesses of DCM Limited represent independent operating divisions of the company. The said businesses are presently at different stages of maturity with differing risk and return profiles and capital and operational requirements. DCM Limited has been engaged in textile business and has consistently been investing in its development and expansion. The textile division is highly focused on exports and has presence across various countries which include Portugal, Egypt, S. Korea, Brazil, Hong Kong, China, Bangladesh, Italy, USA and Peru. DCM Limited also has a strong dealer network in India and yarn is being supplied to all major hosiery and weaving markets and corporate buyers. The management believes that the nature of offerings and the risk and return profile of the cotton textile business (i.e Demerged Business) is very different from that of the other businesses of DCM Limited, which *inter-alia* include manufacturing and supply of grey iron castings, cylinder heads, cylinder blocks and housings etc. for automotive markets, real estate development and IT infrastructure services along with related activities (i.e. Remaining Business).

Based on the same, the management of DCM Limited believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses undertaken by the company. Considering the above, the management believes that the Demerged Business should be demerged into an independent company and its shares should thereafter be listed on relevant stock exchanges. It is expected that such restructuring will be beneficial for DCM Limited and its shareholders as it should result in a better focus on the Demerged Business and the Remaining Business, and unlocking of value of the said businesses for the shareholders. Pursuant to the proposed demerger, the Demerged Business and the Remaining Business would have their own management teams which can chart out independent strategies for each business segments. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide multiple listing avenues, along with creating opportunity for shareholders to participate in business of choice, and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.



### Shareholding pattern

Sr. No.	Particulars	Pre Scheme of Arrangement Number of shares	% to the paid up capital
1.	<b>Promoter (A)</b>		
	DCM Limited*	50,000	100.00
2.	<b>Public (B)</b>	Nil	N.A.
3	<b>Total (A+B)</b>	<b>50,000</b>	<b>100.00</b>

\* DCM Limited, along with its nominees, holds the entire share capital of DCM Nouvelle Limited which constitutes of 50,000 equity shares of Rs 10 each. DCM Limited is the beneficial owner of all the 50,000 equity shares. The following are the details of the nominee shareholders:

- 1) Mr. Hemant Bharat Ram
- 2) Mr. Rakesh Goel
- 3) Mr. Birchand Jataiwal
- 4) Mr. Vivek Kaushal
- 5) Mrs. Poonam Sachdeva
- 6) Mr. Sudip Nandy

### F. FINANCIAL INFORMATION

#### Standalone financial information of the Company

(Rs. In Lakhs, except as stated)

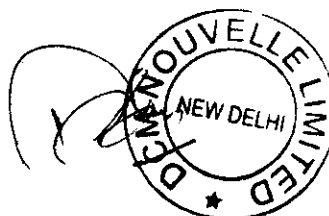
Particulars	Year ended March 31, 2017 (Audited)	Year ended March 31, 2016 (Audited)	Year ended March 31, 2015 (Audited)	Year ended March 31, 2014 (Audited)	Year ended March 31, 2013 (Audited)
Total income from operations (net)	Nil	N.A.	N.A.	N.A.	N.A.
Net Profit / (Loss) before tax and extraordinary items	(0.43)	N.A.	N.A.	N.A.	N.A.
Net Profit / (Loss) after tax and extraordinary items	(0.43)	N.A.	N.A.	N.A.	N.A.
Equity Share Capital	5.00	N.A.	N.A.	N.A.	N.A.
Reserves and Surplus	(0.43)	N.A.	N.A.	N.A.	N.A.
Net worth	4.57	N.A.	N.A.	N.A.	N.A.
Basic Earnings Per Share (Rs.)	(0.85)	N.A.	N.A.	N.A.	N.A.
Diluted Earnings Per Share (Rs.)	(0.85)	N.A.	N.A.	N.A.	N.A.
Return on net worth (%)	- 9.41%	N.A.	N.A.	N.A.	N.A.
Net Asset Value Per Equity Share (Rs)	9.15	N.A.	N.A.	N.A.	N.A.

The Company does not have any subsidiaries. Accordingly, consolidated financial statements are not applicable.

### G. RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Document, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, the Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated the Company is not in a position to specify or quantify the financial or other risks mentioned herein.

Wherever used in this section the terms "we", "us" "our" shall mean DCM Nouvelle Limited, unless otherwise stated.



Presently the Company i.e. DCM Nouvelle Limited is not carrying out any business. However, after completion of said Scheme, the Company shall undertake the Demerged Business of DCM Limited. Following risk factors are disclosed as general risk factors and also risk factor keeping in view the future prospects of the company.

#### **GENERAL RISKS**

The Government of India has provided several incentives to the textile sector, from which our Company may benefit, including the TUFIS interest subsidy and export benefit etc. These incentives may be modified or removed at any time, or new regulations may be introduced applicable to our Company's business, which could adversely affect our Company's operations and financial results. The Demerged Undertaking is also subject to various regulations and textile policies, primarily in India. Our Company's business and prospects, after completion of scheme, may be adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which may have a material adverse- effect on the Company's operations and financial results.

#### **INDUSTRY RISK**

We may face significant competition from existing players and potential entrants in the Indian textile industry. The Indian textile industry is highly competitive in man-made fibres segment. We may face competition from large vertically integrated and diversified companies as well as new companies both in domestic and international, particularly in China and Indonesia. Many of our competitors are larger than us and have greater financial resources. Increased competition may result in price reductions, decreased sales, lower profit margins or losses in market share, any of which may have an adverse effect on our business, results of operations and financial condition.

#### **INDIAN ECONOMY**

Our performance shall be dependent on the health of the overall Indian economy. In the past, there have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy may harm our business, financial condition and results of operations.

#### **RISK IN INVESTING IN SECURITIES OF THE COMPANY**

The prices of our equity shares may fluctuate after listing due to a wide variety of factors, including volatility in the Indian and global securities markets, our operational performance, financial results and capacity expansion, developments in India's economic liberalization and deregulation policies and changes in India's laws and regulations impacting our business. There is no assurance that an active trading market for our equity shares will develop or be sustained after listing.

#### **PERSONNEL RISKS**

Senior employees of Demerged undertaking have vast experience in the industry. They provide expertise, which enables Demerged Undertaking to make well informed decisions in relation to its business and future prospects. Its success largely depends on the continued services and performance of our management and other key personnel. The loss of service of senior management personnel may seriously impair the ability to continue to manage and expand the business efficiently. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources may adversely affect our ability expand our business. Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management may impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations.



## OPERATING RISK

In a competitive market, it is critical for any business unit to control its costs at all levels. The price of Cotton, a key raw material for the Demerged Undertaking, is susceptible to volatility and forms a major portion of the total cost of production. The Demerged Undertaking has not entered into any firm arrangements with any party for supply of key raw materials like cotton. Any upward fluctuations in Cotton prices or unavailability in future may affect the Company's financial performance and operations. Demerged Undertaking normally stocks and /or ties up with the suppliers of cotton during the cotton season, which hedges the risk of any shortfall. Moreover, with the introduction and success of BT cottonseed in India, the yield of cotton is better and hence the volatility in raw material price has been mitigated to a great extent. Further, the Demerged Undertaking has been in the industry for a very long period and has the ability to anticipate the price movements and hedge itself against any adverse price trends. Demerged Undertaking may also import Cotton if the prices will be competitive/cheaper than the domestic market.

## H. LEGAL AND OTHER INFORMATION

1. Total number of outstanding litigations against the company and amount involved: None
2. Brief details of top 5 material outstanding litigations against the Company and amounts involved:  
None

Sr. No.	Particulars	Litigation Filed By	Current Status	Amount Involved (In Rs.)
NOT APPLICABLE				

3. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters/ Group companies in last 5 financial years including outstanding action, if any: None.
4. Brief details of outstanding criminal proceedings against Promoters: None

## I. DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Information Document are true and correct.

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

  
Ashwani Singh  
Director

DIN: 00159349

Date: 30-08-2017  
Place: New Delhi



## D & A FINANCIAL SERVICES (P) LIMITED

Merchant Banking & Corporate Advisory Services

August 30, 2017

The Board of Directors  
DCM Nouvelle Limited  
601, 6<sup>th</sup> Floor, Vikrant Tower  
4, Rajendra Place  
New Delhi-110008

**Subject: Compliance Report on the disclosure(s) made in the Information Document in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 with respect to DCM Nouvelle Limited under Scheme of Arrangement between DCM Limited (“Demerged Company”) and DCM Nouvelle Limited (“Resulting Company”) and their respective shareholders and creditors.**

Dear Sir/s,

We, M/s D & A Financial Services (P) Limited, SEBI registered Merchant Banker, having SEBI Registration No. INM000011484 have been appointed by DCM Nouvelle Limited to provide a compliance report with respect to adequacy and accuracy of disclosure(s) made in the Information Document under the proposed scheme of arrangement (Hereinafter referred to as “Scheme”) of DCM Limited and DCM Nouvelle Limited (Hereinafter collectively referred to as “Companies”).

### **Scope and Purpose of the Compliance Report**

Pursuant to the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, a compliance report has to be obtained from an independent Merchant Banker on the information disclosed in information Document in line with information required to be disclosed as per Part D of Schedule VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”). The purpose of the report is to inform the shareholders about the information/detail of unlisted company to



the extent applicable, involved in the scheme in line with the information required to be disclosed in line with Part D of Schedule VIII of ICDR Regulations.

### **Sources of the Information**

We have received the following information from the management of the Companies:

1. Proposed Draft Scheme of Arrangement.
2. Information Document dated August 30, 2017 prepared in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.
3. Information/documents/undertakings etc. provided by Management of DCM Nouvelle Limited as well as DCM Limited pertaining to disclosures made in information document dated August 30, 2017 .

**Disclaimer: This Report is intended solely for the limited purpose mentioned earlier and should not be regarded as a recommendation to the investors to invest in the Companies or deal in any form in the securities of the Companies.**

**We have assumed that the documents/information provided by the management of DCM Nouvelle Limited and DCM Limited for the purpose of disclosures in Information Document is complete in all respects.**

**This report is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, statute, act guideline or similar instruction. The Management or related parties of Companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.**

**In no circumstances whatsoever, will D & A Financial Services (P) Limited, its Directors and Employees accept any responsibility of liability towards any third party for consequences arising out of the use of this report.**



**Compliance Report**

We in the capacity of SEBI registered Merchant Banker do hereby certify that the information as disclosed in the Information document dated August 30, 2017 is in line with disclosures required to be made as per Part D of Schedule VIII of ICDR Regulations, to the extent applicable with respect to unlisted company i.e DCM Nouvelle Limited and the disclosures made with respect to DCM Nouvelle Limited is accurate and adequate to the extent applicable and available.

Thanking You  
For **D & A Financial Services (P) Limited**

(M K Doogar)  
Director/Authorized Signatory



**SEBI Registration No. INM000011484**

Date: August 30, 2017  
Place: New Delhi