



June 22, 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: Disclosure regarding impact of Covid-19 pandemic on the Company's operations

Dear Sir(s)/ Madam,

Further to our letter(s) dated March 24, 2020, and May 21, 2020, informing the stock exchanges about temporary suspension of operations across its locations on account of the outbreak of COVID-19 pandemic and resumption thereof after taking the precautionary measures, conditions and directions as mentioned in the guidelines / orders regarding the COVID-19 safety advisories received from respective Government authorities.

Now, in pursuance to the SEBI Circular: SEBI / HO / CFD / CMD1 / CIR / P / 2020 / 84 dated May 20, 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown on the Company's operations is provided herewith.

COVID-19 Pandemic Situation- Update on Operations

A. Impact on the business; Ability to maintain operations including the factories/units/office spaces functioning and closed down; Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations

The lockdown and restrictions imposed on various activities due to pandemic COVID – 19 have posed challenges to the business of DCM Nouvelle Limited (the “Company”).

All the manufacturing facilities of the Company as well as its registered office and corporate office were locked down as per directives applicable to them w.e.f. March 24,



2020 and all the operations were disrupted for considerable period. During this phase, the Company adopted the work from home policy to the extent possible.

The manufacturing facility has resumed its operations from the 3rd week of May 2020, when lockdown was partially lifted after establishing thorough and well-rehearsed safety protocols. These protocols include sanitizing all the employees/workers in the morning, not allowing non-essential visitors, sanitizing office/factory premises/ canteen/ washrooms, thermal screening, compulsory use of face masks etc

All employees based out of the registered office and the corporate office continue to work from home.

B. Estimation of the future impact of CoVID-19 on its operations

The Company is predominantly dependent on local as well as on global demand and in normal circumstances, the export market covers around 50 % of the sales of the Company which is disrupted due to the pandemic COVID-19. The future impact on the business operations is difficult to assess at this point, as the crisis of the pandemic continues to accelerate and the situation remains volatile. However, barring unforeseen circumstances, the Company is confident about its ability to manage this crisis and come out of it slowly but steadily.

C. Impact of COVID-19 on capital and financial resources; profitability; liquidity position; ability to service debt & other financing arrangements; assets; internal financial reporting and control; supply chain and demand for its product/services.

The Company is in a comfortable liquidity position due to various credit control measures as well as adequate banking limits being in place and was able to take additional emergency credit facility under COVID19 since the Company continues to enjoy the investment rating in both short term (A3 +) and long term (BBB) borrowings by CRISIL with stable outlook.

Even before COVID-19, the Company embarked upon a Company-wide initiative to bring down costs and conserve cash. This program is well under way and the Company is expected to get benefits as a consequence of these initiatives in future.



The Company's operating cash flow was negative due to very low sales pursuant to the restrictions imposed due to COVID-19. The prices of main raw material cotton fell by about 12% from pre-COVID 19 days and led to consequent fall in prices of its finished goods i.e. yarn. Thus, the COVID-19 situation is expected to adversely affect the profitability during the first half of this financial year.

The Company does not see incremental risk to recoverability of assets (Inventories, investments, Receivables, etc.) given the measures being taken to mitigate the risks. There is also no impact on internal financial controls due to the COVID-19 situation.

There is minimum disruption in the supply chain due to the off season of cotton. Most of the suppliers of others stores/spares/packing materials have re-started their production and are ready to provide required supplies.

D. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business

The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For DCM Nouvelle Limited

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

Kunal Agrawal

Company Secretary

ICSI Membership No: A35213