



## **Composite Scheme of Arrangement**

Notice of Meeting of the Unsecured Creditors of  
DCM Shriram Industries Limited  
Saturday, 08<sup>th</sup> February 2025 at 01:00 P.M.





# DCM SHRIRAM INDUSTRIES LIMITED

CIN: L74899DL1989PLC035140

Regd. Office: Kanchenjunga Building 18, Barakhamba Road

New Delhi – 110001, India

Phone: 011-4374500; Email : dsil@dcmsr.com

Website: <https://www.dcmsr.com>

## NOTICE OF MEETING OF THE UNSECURED CREDITORS

OF

## DCM SHRIRAM INDUSTRIES LIMITED

(Convened pursuant to the Orders dated 06<sup>th</sup> December, 2024 and 18<sup>th</sup> December, 2024 passed by the Hon'ble National Company Law Tribunal, Bench at New Delhi)

### MEETING :

|                           |   |
|---------------------------|---|
| Day                       | Saturday  |
| Date                      | 8 <sup>th</sup> February, 2025  |
| Time                      | 1:00 PM   |
| Cut-Off Date for voting   | 30 <sup>th</sup> September, 2024  |
| Mode of Voting            | As per the directions of the Hon'ble National Company Law Tribunal, Delhi, the Meeting shall be conducted through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) |
| Cut-Off date for e-voting | 30 <sup>th</sup> September, 2024  |

### REMOTE E-VOTING

|                     |  |
|---------------------|--|
| Start Date and Time | Wednesday, 5 <sup>th</sup> February, 2025 at 9.00AM(IST) |
| End Date and Time   | Friday, 7 <sup>th</sup> February, 2025 at 5.00 PM (IST)  |

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**The Notice of the Meeting , Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (documents in Volume-I and Volume-II (Annexure “1” to Annexure “17”)) constitute a single and complete set of documents and should be read together as they form an integral part of this document.**

Volume - I

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT NEW DELHI

CA (CAA) No. 103 OF 2024

**IN THE MATTER OF:**

Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

AND

**IN THE MATTER OF:**

Composite Scheme of Arrangement amongst Lily Commercial Private Limited, DCM Shriram Industries Limited, DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited and their respective shareholders and creditors.

**IN THE MATTER OF:**

|  |   |
|--|---|
| <p><b>DCM SHIRAM INDUSTRIES LIMITED,</b><br/>(CIN L74899DL1989PLC035140), (PAN AAACD0204C),<br/>a public limited company incorporated under the Companies Act, 1956, having its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi – 110001, India.</p> | <p><b>...Transferee Company/DCMSR</b></p> |
|--|---|

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE TRANSFEREE COMPANY**

To

All Unsecured Creditors of  
DCM Shriram Industries Limited.

1. **NOTICE** is hereby given that in terms of the Orders dated 6<sup>th</sup> December, 2024 and 18<sup>th</sup> December, 2024 in the abovementioned Company Application, passed by the Hon'ble National Company Law Tribunal, Bench at New Delhi ("**NCLT**") ("**Orders**"), a meeting of Unsecured Creditors of DCMSR will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement amongst Lily Commercial Private Limited ("**Transferor Company**"), DCMSR, DCM Shriram Fine Chemicals Limited ("**Resultant Company 1**") and DCM Shriram International Limited ("**Resultant Company 2**") and their respective shareholders and creditors ("**Scheme**") on Saturday, the 8<sup>th</sup> February, 2025 at 1:00 PM in terms of the Order.

Pursuant to the said Orders and as directed therein, the meeting of the Unsecured Creditors of the Transferee Company will be held through Video Conferencing ("**VC**")/Other Audio Visual Means ("**OAVM**") on Saturday, the 8<sup>th</sup> February, 2025 at 1.00 PM, at which time you are requested to attend in compliance with the applicable provisions of Companies Act 2013 ("**Act**"), to consider and if thought fit, approving, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(6) of the Act as amended from time to time:

***“RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) as may be applicable, relevant provisions of the Income Tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws, rules, circulars and regulations, the observation letter/No-objection letter issued by the BSE Limited and the National Stock Exchange of India Limited dated 17<sup>th</sup> September, 2024 and 18<sup>th</sup> September, 2024 respectively, and subject to the relevant provisions of the memorandum of association and articles of association of DCM Shriram Industries Limited, ("**Transferee Company**")/"**the Company**") and subject to the approval of the Hon'ble National Company Law Tribunal, Bench at New Delhi ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions*

and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted /to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Composite Scheme of Arrangement amongst Lily Commercial Private Limited (“Transferor Company”), DCMSR, DCM Shriram Fine Chemicals Limited (“Resultant Company 1”) and DCM Shriram International Limited (“Resultant Company 2”) and their respective shareholders and creditors (“Scheme”), be and is hereby approved.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/or making such adjustments in the books of accounts, transfer/vesting of such assets and liabilities as considered necessary to give effect to the above resolution, including issuance and listing of new equity shares under the Scheme, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to make modifications, amendments, revisions, edits and all other actions as may be required to finalise the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme, or by any governmental authorities, to do and perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation of the Scheme and upon the sanction of the Scheme by, amongst others, the NCLT and/or SEBI and/or any other regulatory/Government authorities, to implement and to make the Scheme effective, without any further approval of the Board or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/ required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder and/or creditor of DCMSR, the SEBI, the NCLT, and/or any other authority, are in its view not acceptable to the Transferee Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings, etc. (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of DCMSR, as may be required from time to time in connection with the Scheme.”

2. **TAKE FURTHER NOTICE** that

- a. As the meeting is being convened through VC/OAVM, there is no requirement for providing for voting by proxy.
- b. Unsecured Creditors shall have the facility and option of voting on the resolution for approval off the Scheme by casting their vote (a) through e-voting system available at the meeting to be held through VVC/OAVM or (b) by remote e-voting (remote e-voting) during the period as stated below:-

| <b>Remote e-voting Period</b> |   |
|-------------------------------|---|
| Commencement of voting        | 5 <sup>th</sup> February, 2025 at 9.00 AM (IST) |
| End of voting                 | 7 <sup>th</sup> February, 2025 at 5.00 PM (IST) |

- c. An entity/person whose name is recorded in the list of unsecured creditors available with DCMSR as on the cut-off date, i.e., 30<sup>th</sup> September, 2024 only shall be entitled to exercise voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an unsecured creditor as on the cut-off date, should treat the Notice for information purpose only.
- d. DCMSR has engaged the services of KFin Technologies Limited (“KFinTech”) as the agency to provide e-voting and other facility for the meeting.
- e. Copy of the Scheme, Explanatory Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“Rules”), along with all annexures to such statement as indicated in the Index, are enclosed herewith.

A copy of this Notice and the accompanying documents are also placed on the:

- (i) website of DCMSR and can be accessed at <https://dcmsr.com/scheme-of-arrangement-2023/> ;

- (ii) website of KFinTech, being the agency appointed by DCMSR to provide the e-voting and other facilities for convening of the Meeting at [www.kfintech.com](http://www.kfintech.com);
  - (iii) the website of the Stock Exchanges i.e., BSE viz. [www.bseindia.com](http://www.bseindia.com) and NSE viz. [www.nseindia.com](http://www.nseindia.com)
- f. NCLT has appointed Ms. Rashmi Chopra, Senior Advocate, as the Chairperson and in her absence Ms. Devira Gupta Roy, Advocate as the Chairperson of the said meeting including for any adjournment or adjournments thereof.
- g. NCLT has appointed Ms. Manmeet Kaur Sareen, Advocate to be the Scrutinizer for the Meeting.
- h. The Scheme, if approved at the meeting, will be subject to the subsequent approval of NCLT and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

Sd/-  
Rashmi Chopra  
**Chairperson appointed for the meeting**

New Delhi  
Date: 24<sup>th</sup> December, 2024

**Regd. Office:**  
DCM Shriram Industries Limited  
Kanchenjunga Building 18,  
Barakhamba Road,  
New Delhi – 110001, India.  
CIN: L74899DL1989PLC035140  
Phone : 011-43745000;  
Email : [dsil@dcmr.com](mailto:dsil@dcmr.com)  
Website : <https://www.dcmr.com>

**Notes :**

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, New Delhi Bench ("NCLT") vide its Orders dated 6<sup>th</sup> December, 2024 and 18<sup>th</sup> December, 2024, the meeting of the Unsecured Creditors of DCMSR is being convened and held on Saturday, 8<sup>th</sup> February, 2025 at 1:00 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility. The deemed venue for the Meeting shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Sections 230 and 232 read with Section 102 and other applicable provisions of the Act, and Rule 6 of the Rules in respect of the business set out in the Notice of the Meeting is annexed hereto.
3. Only the Unsecured Creditors of the Transferee Company may attend and vote in person or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the Unsecured Creditors of DCMSR. The authorised representative of a body corporate which is an Unsecured Creditor of DCMSR may attend and vote at the meeting of the Unsecured Creditors of DCMSR provided a copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the Unsecured Creditors, duly certified to be a true copy by a director, the secretary or other authorised officer of such body corporate, is deposited at the Registered Office of DCMSR or by way of e-mail at [dsil@dcmsr.com](mailto:dsil@dcmsr.com) and also sent by e-mail to the Scrutinizer at [manmeet@mkslaw.in](mailto:manmeet@mkslaw.in).
4. DCMSR has provided the facility of voting by e-voting so as to enable the Unsecured Creditors, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Unsecured Creditors of the Transferee Company to the Scheme shall be carried out through (i) remote e-voting; and (ii) electronic voting during the meeting to be held on Saturday, 08<sup>th</sup> February, 2025 at 1.00 PM.
5. Unsecured Creditors attending the Meeting through VC / OAVM shall be reckoned for the purpose of quorum. Quorum for the Meeting shall be as ordered by the Tribunal. In terms of the Orders, in the event the aforesaid quorum for the meeting is not present at the commencement of the meeting, then the meeting shall be adjourned by 30 minutes and thereafter, the unsecured creditors present at the meeting shall be deemed to constitute requisite quorum.
6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the following link: <https://dcmsr.com/scheme-of-arrangement-2023/>
7. Unsecured Creditors as on 30 September, 2024, being the cut-off date, will be entitled to exercise their right to vote on the above resolution.
8. DCMSR has engaged the services of KFinTech for facilitating remote e-voting and e-voting at the meeting to be held on Saturday, 8<sup>th</sup> February, 2025 at 1.00 PM. Unsecured Creditors desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 12 below.

9. The Notice, together with the documents accompanying the same, is being sent to all the Unsecured Creditors by courier (to those unsecured creditors whose email IDs are not registered with the Transferee Company) and electronically by e-mail to the Unsecured Creditors whose e-mail IDs are registered with DCMSR. The Notice will be displayed on the website of DCMSR at <https://dcmsr.com/scheme-of-arrangement-2023/> and on the website of KFinTech at [www.kfintech.com](http://www.kfintech.com) and on the website of BSE at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com).
10. The notice convening the meeting will be published through advertisement in (i) Business Standard, English edition; and (ii) translation thereof in Jan Satta, Hindi edition.
11. If so desired, the Unsecured Creditors may obtain a physical copy of the Notice and the accompanying documents i.e., Scheme and the Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the 2016 Rules etc. free of charge. A written request in this regard may be addressed to the Company Secretary at [dsil@dcmsr.com](mailto:dsil@dcmsr.com).
- 12. PROCEDURE FOR JOINING THE MEETING THROUGH VC / OAVM:**
- DCMSR will provide VC / OAVM facility to its Unsecured Creditors for participating at the Meeting.
- a. Unsecured Creditors will be able to attend the Meeting through VC / OAVM by using their login credentials provided in the accompanying e-mail communication.
- Unsecured Creditors are requested to follow the procedure given below:**
- (i) Launch internet browser by typing / clicking on the following link <https://emeetings.kfintech.com> (best viewed with Edge 80+, Firefox 78+, Chrome 83+, Safari 13+)
- (ii) Click on “Unsecured Creditors CLICK HERE” button.
- (iii) Enter the login credentials (i.e., User ID and password provided in the accompanying e-mail communication) and click on “Login”.
- (iv) Upon logging-in, you will enter the Meeting Room.
- b. Unsecured Creditors who do not have or who have forgotten their User ID and Password, may obtain / generate / retrieve the same, for attending the Meeting, by following the procedure given at Note No. 13 (vii).
- c. Unsecured Creditors who would like to express their views or ask questions during the Meeting are requested to send an e-mail to [dsil@dcmsr.com](mailto:dsil@dcmsr.com). Only those Unsecured Creditors who are registered will be allowed to express their views or ask questions. DCMSR reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the Meeting. The speaker registration shall commence from Monday, 3rd February, 2025 at 9 a.m. and shall close on Wednesday, 5th February, 2025 at 5.00 PM.
- d. Unsecured Creditors will be allowed to attend the Meeting through VC / OAVM on

first come, first served basis.

- e. **Institutional / Corporate Unsecured Creditors (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to [dsil@dcmsr.com](mailto:dsil@dcmsr.com) with a copy marked to [manmeet@mkslaw.in](mailto:manmeet@mkslaw.in) . Such authorisation should contain necessary authority in favour of its authorised representative(s) to attend the Meeting.**
- f. Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting.
- g. Unsecured Creditors who need assistance before or during the Meeting, can contact KFinTech on [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call on toll free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days). Kindly quote your name and Permanent Account Number (PAN) in all your communications.

**13. PROCEDURE FOR ‘REMOTE E-VOTING’ AND E-VOTING AT THE MEETING (‘INSTA POLL’):**

**A. E-VOTING :**

Pursuant to the directions of the NCLT given under the Order, DCMSR is providing to its Unsecured Creditors, facility to exercise their right to vote on the resolution proposed to be passed at the Meeting by electronic means (“e-voting”). Unsecured Creditors may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (“remote e-voting”).

Further, the facility for voting through electronic voting system will also be made available at the Meeting and Unsecured Creditors attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

DCMSR has engaged the services of KFinTech as the agency to provide e-voting facility.

**The manner of voting, including voting remotely is explained in the instructions given under para C. and D. herein below.**

**The remote e-voting facility will be available during the following voting period:**

| REMOTE E-VOTING PERIOD |   |
|------------------------|---|
| Commencement of voting | 5 <sup>th</sup> February, 2025 at 9.00 AM (IST) |
| End of voting          | 7 <sup>th</sup> February, 2025 at 5.00 PM (IST) |

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.



**Voting rights of an Unsecured Creditor shall be in proportion to the amount payable to them as on the cut-off date (specified in the notice).**

The Tribunal has appointed Ms. Rashmi Chopra, Senior Advocate, and failing her, Ms. Devira Gupta Roy, Advocate, to be the Chairperson for the Meeting.

Pursuant to the directions of the Hon'ble Tribunal, Ms. Manmeet Kaur Sareen, Advocate, shall act as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner.

**B. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:**

- i. Unsecured Creditor who has cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.
- ii. Once the vote on a resolution is cast by an Unsecured Creditor, whether partially or otherwise, the Unsecured Creditor shall not be allowed to change it subsequently or cast the vote again.
- iii. An Unsecured Creditor can opt for only single mode of voting, i.e., through remote e-voting or voting at the Meeting. If an Unsecured Creditor casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- v. DCMSR has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till the resolution proposed in the Notice is considered and voted upon at the Meeting and may be used for voting only by the

**C. REMOTE E-VOTING**

**vi. INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY UNSECURED CREDITOR.**

**(A) In case an unsecured creditor receives an e-mail from the Company / KFinTech for unsecured creditor whose e-mail address is registered with the Company / Depository Participant(s):**

- (a) Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- (b) Enter the login credentials (**User ID and password provided in the e-mail**). If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days) for assistance on your existing password.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (e) You need to login again with the new credentials.

- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for DCM Shriram Industries Limited.
- (g) On the voting page, select either, option “FOR” or option “AGAINST” to cast your vote on the resolution.
- (h) And change the numbering accordingly In case you do not desire to cast your vote, it will be treated as “ABSTAINED”.
- (i) You may then click on “SUBMIT”.
- (j) A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.
- (k) Once you confirm, you will not be allowed to modify your vote.

Institutional / Corporate unsecured creditors (i.e., other than Individual HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id: [dsil@dcmshr.com](mailto:dsil@dcmshr.com) with a copy marked to [manmeet@mkslaw.in](mailto:manmeet@mkslaw.in) . Such authorisation should contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be “Corporate Name EVEN”.

**vii. Unsecured creditors whose e-mail address is not registered with the Company may obtain the same from KFinTech in the manner as mentioned below:**

- a) Unsecured creditor may send e-mail request to [dsil@dcmshr.com](mailto:dsil@dcmshr.com) with a copy marked to [cinward.ris@kfintech.com](mailto:cinward.ris@kfintech.com) a written request by post / courier / hand delivery to the Company at its registered address. Such Unsecured creditors are requested to provide their name, Permanent Account Number (PAN), amount outstanding and e-mail address along with the request.**
- b) The Company or KFinTech, after due verification of the request, will send the User ID and password.**

**D. INSTA POLL:**

**viii. Information and Instructions for Insta Poll:**

Facility to vote through Insta Poll will be made available on the Meeting page (after you log into the Meeting) and will be activated once the Insta Poll is announced at the Meeting. An icon, “Vote”, will be available at the bottom left on the Meeting Screen. Once the voting at the Meeting is announced by the Chairperson of the Meeting, Unsecured Creditors who have not cast their vote using remote e-voting will be able to cast their vote by clicking on this icon.

**E. CONTACT DETAILS FOR ASSISTANCE ON E-VOTING:**

- ix. Unsecured Creditors are requested to note the following contact details for addressing e-voting related grievances:

Mr. Gopala Krishna K V S, Corporate Registry  
KFin Technologies Limited  
“Selenium Tower-B”, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad - 500032, Telangana.  
Toll-free No.: 1800 309 4001  
(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)  
Email: [cinward.ris@kfintech.com](mailto:cinward.ris@kfintech.com)

**F. E-VOTING RESULT:**

- x. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairperson of the Meeting. The result of e-voting will be declared within two working days from the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of DCMSR at [www.dcmsr.com](http://www.dcmsr.com) and on the website of KFinTech at [www.kfintech.com](http://www.kfintech.com). The result will also be communicated to the BSE and NSE. DCMSR will also display the results at its registered office.
  - xi. This Scheme is conditional upon receipt of requisite majority of vote in favour of the Scheme i.e. majority in number representing 3/4<sup>th</sup> in value of the Unsecured Creditors voting in favour of the (as per Section 230(6) of the 2013 Act), resolution proposed in the Notice.
14. Documents for inspection as referred to in the Notice will be available electronically for inspection (without any fee) by the Unsecured Creditors from the date of circulation of this Notice up to the date of Meeting. Unsecured Creditors seeking to inspect such documents can access the same on the website of DCMSR at <https://dcmsr.com/scheme-of-arrangement-2023/>.
  15. Unsecured Creditors seeking any information with regard to the Scheme or the matter proposed to be considered at the Meeting, are requested to write to DCMSR at least seven days before the date of the Meeting through e-mail on [dsil@dcmsr.com](mailto:dsil@dcmsr.com). The same will be replied to by DCMSR suitably.
  16. **Unsecured Creditors are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through remote e-voting or e-voting at the Meeting (Insta Poll).**



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT NEW DELHI  
CA (CAA) NO. 103/ ND OF 2024

**IN THE MATTER OF :**

SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

**AND IN THE MATTER OF :**

COMPOSITE SCHEME OF ARRANGEMENT AMONGST LILY COMMERCIAL PRIVATE LIMITED, DCM SHRIRAM INDUSTRIES LIMITED, DCM SHRIRAM FINE CHEMICALS LIMITED AND DCM SHRIRAM INTERNATIONAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

AND

**IN THE MATTER OF :**

**DCM SHRIRAM INDUSTRIES LIMITED**, (CIN L74899DL1989PLC035140), (PAN AAACD0204C), A PUBLIC LIMITED COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956 HAVING ITS REGISTERED OFFICE AT KANCHENJUNGA BUILDING 18, BARAKHAMBA ROAD, NEW DELHI – 110001, INDIA.

... TRANSFEREE COMPANY/DCMSR

**STATEMENT UNDER SECTIONS 230 TO 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (“2013 ACT”) AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 (“CAA RULES”) ACCOMPANYING THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS AND UNSECURED CREDITORS OF DCM SHRIRAM INDUSTRIES LIMITED CONVENED PURSUANT TO THE ORDERS OF THE HON’BLE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH “HON’BLE TRIBUNAL”) DATED 6<sup>TH</sup> DECEMBER, 2024 AND 18<sup>TH</sup> DECEMBER 2024 (“TRIBUNAL ORDERS”).**

**I. Meeting for the Scheme**

This is a Statement accompanying the Notice convening separate meetings of the Equity Shareholders and Unsecured Creditors respectively, of DCM Shriram Industries Limited (“**Transferee Company**” or “**DCMSR**”), for the purpose of considering, and if thought fit, approving the Composite Scheme of Arrangement amongst Lily Commercial Private Limited (“**Transferor Company**”), DCMSR, DCM Shriram Fine Chemicals Limited (“**Resultant Company 1**”) and DCM Shriram International Limited (“**Resultant Company 2**”) and their respective Shareholders and Creditors (“**Scheme**”). A copy of the Scheme is attached hereto as **ANNEXURE “1”**. The aforesaid meetings are being convened pursuant to the Tribunal Orders. The meeting of the Equity Shareholders of DCMSR shall be convened through Video Conference/Other Audio Visual Means (“**VC/OAVM**”) on Saturday, the 8<sup>th</sup> February 2025 at 11.00 AM. The meeting of the Unsecured Creditors of DCMSR shall be convened through VC/OAVM on Saturday, the 8<sup>th</sup> February, 2025 at 1.00 PM.

The Scheme *inter-alia* provides:–

- i. For the amalgamation of the Transferor Company with DCMSR;
- ii. For the demerger of the Chemical Undertaking (as defined in the Scheme) from DCMSR to the Resultant Company 1;
- iii. For the demerger of the Rayon Undertaking (as defined in the Scheme) from DCMSR to the Resultant Company 2;
- iv. That the Scheme has been drawn up to comply with the conditions relating to “Amalgamation” and “Demerger” as specified under applicable tax laws, including Section 2(1B) and 2(19AA) and other relevant provisions of the Income Tax Act, 1961;
- v. For listing of the Equity Shares of Resultant Company 1 and Resultant Company 2 on the BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”);

- vi. Cancellation of Equity Shares of DCMSR held by the Transferor Company; and
- vii. Cancellation of Equity Shares of Resultant Company 1 and Resultant Company 2 as held by DCMSR.

Capitalized terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

## II. Overview, background and objects of the Scheme

- i. DCMSR had, in August 2022, constituted a Restructuring/ Reorganisation Committee comprising of independent directors, non-executive directors and director-finance, and headed by its chairman, Mr. S. B. Mathur (“RRC”), to explore the possibility of restructuring the operations of DCMSR with a view to unlock growth potential and shareholder value. The RRC had to consider various options on the restructuring/ reorganisation of the businesses of DCMSR with a view to unlocking shareholder value and to embark on future growth and expansion of the different business verticals housed in DCMSR, with focussed attention and enhancement of the valuations, in a smooth and seamless manner.
- ii. The RRC, on 14 August 2023, provided its recommendation to the Board of Directors of DCMSR, whereby it *inter alia* recommended a composite scheme of arrangement involving demerger of 2 (two) business undertakings (i.e., Chemical Undertaking and Rayon Undertaking of DCMSR into 2 (two) existing companies, on a going concern basis, while the residual undertaking comprising of sugar, alcohol and power would be retained in DCMSR, after the amalgamation of the Transferor Company with DCMSR, since (a) the 3 (three) segregated business verticals of sugar, chemicals and rayon being diverse in nature with no critical business inter-dependencies, would be best placed in independent companies; (b) the separated undertakings being part of separate companies would have a greater possibility of inviting specialised and strategic investors and joint venture partners, and the demerger as set out in the Scheme would likely increase shareholder value and focus each company on specific business, leading to faster growth and better price discovery; and (c) the family members constituting the ‘promoter and promoter group’ of DCMSR would have direct ownership in each vertical (instead through investment company(ies)) so that they can take independent decisions on their respective shareholdings.
- iii. The Board of Directors of DCMSR therefore, on 14<sup>th</sup> November 2023, recommended a composite scheme of arrangement involving amalgamation of the Transferor Company with DCMSR followed by demerger of the Chemical Undertaking and Rayon Undertaking of DCMSR into 2 (two) separate companies, namely, the Resultant Company 1 and Resultant Company 2.
- iv. The amalgamation of the Transferor Company with DCMSR shall lead to simplification of the shareholding structure and reduction of shareholding tiers and demonstrate direct commitment to and engagement with DCMSR of/by the family members constituting the ‘promoter and promoter group’ of DCMSR. Such amalgamation shall have no adverse implication for the Transferor Company, DCMSR, public shareholders of DCMSR, or the Resultant Companies. The ‘promoter and promoter group’ of DCMSR shall cumulatively hold the same number of shares in DCMSR, prior to and post such amalgamation of the Transferor Company with DCMSR, as well as demergers of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant Company 1 and Resultant Company 2, respectively, as contemplated in this Scheme.
- v. Further, the demerger shall provide scope and opportunities for pursuing independent growth, collaboration and expansion of the 3 (three) segregated business verticals (viz., Chemical Undertaking, Rayon Undertaking and Residual Undertaking) for enhancing their valuations. Since such business verticals are independent and self-sufficient (with no critical business inter-dependencies on each other), the transition will be smooth and seamless, and each such vertical will continue to function efficiently after the demerger. By unlocking value, the option of independent joint ventures, collaborations on a sectoral basis are made possible, i.e., separate ventures of each of the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, and the segregation thereof will allow each of DCMSR, Resultant Company 1 and Resultant Company 2 to create a strong and distinctive platform with more focused business and management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies.
- vi. The objects of the Scheme are as under :-
  - a. greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
  - b. better administrative efficiency;
  - c. operational rationalisation, organisational efficiency and optimum utilisation of resources;
  - d. focused approach to respective line/stream of business;
  - e. ability to leverage financial and operational resources for each business;
  - f. allows shareholder to have a choice of investment in some and not all the businesses;
  - g. better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;



- h. unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of the Resultant Companies, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- i. providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- j. provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- k. allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- l. streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- m. facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR and the Resultant Companies.

### III. Background of the Companies

#### i. Particulars of the Transferor Company

- a. Lily Commercial Private Limited (“**Transferor Company**”) is a private limited company incorporated under the Companies Act, 1956 (“**1956 Act**”).
- b. The Transferor Company has its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, New Delhi, India.
- c. The Transferor Company was originally incorporated on 27<sup>th</sup> March 1985 as ‘Lily Commercial Private Limited’ with the Registrar of Companies, Jammu and Kashmir. The registered office of the Transferor Company was shifted from the State of Jammu and Kashmir to National Capital Territory of Delhi on 23<sup>rd</sup> September, 2016. The equity shares of the Transferor Company are not listed on any stock exchange.
- d. The name of the Transferor Company was changed in the following manner (in order of the date of change):
  - (a) to Lily Commercial Limited on 3<sup>rd</sup> October 1991; and
  - (b) to Lily Commercial Private Limited on 22<sup>nd</sup> February 2001.
- e. The main objects of the Transferor Company as provided in its Memorandum of Association are:

- “(a) *To establish and carry on business and to act as merchants, traders, commission agents, buying agents, selling agents, contractors, importers, exporters of all types of engineering goods, electrical appliances and goods, electrical motors, fans, sewing machines, knitting and embroidery machine, cooking ranges, refrigerators, sealed compressors, electrical devices, yarn linen, cloth and ancillary goods and fabrics and readymade cloths made from cotton, jute, silk, hemp, wool, hair, rayon and any other fibre or fibrous substances whether natural or artificial, or a blend of natural and artificial fibres, plastics, goods, plastics, resin, rayon goods, heavy and other chemicals including polyvinyl chloride, calcium carbide, chlorine, caustic soda, bleaching powder, oils, paints and pigments, petrol, petroleum products, acids and alkalis, fertilisers, dyes and intermediates, paper and paper products, minerals and salts, alcohol and alcoholic beverages, soap preparations, confectionaries, sugar and sugar products, vegetable ghee, refined oils and vegetable products, food and all kind of beverages, shoes, leather goods, cars, automobiles and trucks, auto scooters, automobile and truck spare parts, rubber manufactures, tyres, cords, tubes, typewriters, teleprinters, plant and machinery tools and equipments, accessories, engines, pumps, agricultural produce and implements, ceramic goods, crockery, glass wares, vacuum flasks and vacuumized goods, rayon, tyre chord, all types of bearings, plaster of paris, transfer papers, cosmetics and toilet goods, things of art and beauty, raw materials and ingredients in any way required for manufacture of or for marketing any of the above commodities and to undertake transport of and general trade in such goods and commodities in India or anywhere else in the world and particularly non-traditional commodities, goods and articles to non-traditional destinations.*
- (b) *To purchase, sell, give or take on lease, grant or acquire easements or other interest, exchange or otherwise acquire or dispose of or deal in any manner whatsoever with any land, building, flat, sheds of any immovable property or real estate and in particular to develop, construct, reconstruct, alter, improve, connect, reconnect, divide subdivide, consolidate, decorate, furnish, maintain any building, flat, office, godown, warehouse, factory, shop, wharve or any other immovable property and to sell, lease, exchange, dispose of or deal with or create any interest; right or title in such or other immovable properties.*

- (c) To carry on the business as an Investment Company and to buy, underwrite, invest in and acquire, hold and deal in shares, stocks, debentures, debenture-stock, bonds notes, obligations and securities issued or guaranteed by any company and debentures, debentures-stocks, bonds, notes, obligations or securities issued or guaranteed by any Government, sovereign ruler, commissioner, public body or authority supreme municipal or local or otherwise, in any part of the world.
- (d) To acquire any such shares, stocks, debentures, debenture-stock, bonds, notes, obligations or securities by original subscription, contract tender, purchase, exchange under writing and by participation in syndicates or otherwise and whether or not fully paid, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit, and to dispose of the same.
- (e) To carry on the business of dealers in shares, stocks, debentures, debenture-stock, bonds, obligations, units, securities and other investments.”

During the last five years, there has been no change in the Objects clause of the Transferor Company or in the Registered Office of the Transferor Company.

- f. The share capital structure of the Transferor Company as on 30<sup>th</sup> September, 2024 is as under:

| Share Capital  | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>  |                    |
| 4,559,000 equity shares of Rs. 100 each                                      | 455,900,000        |
| 1,041,000 (12.5% redeemable non-cumulative) preference shares of Rs.100 each | 104,100,000        |
| <b>Total</b>   | <b>560,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>                          |                    |
| 1,095,125 fully paid-up equity shares of Rs. 100 each                        | 109,512,500        |
| <b>Total</b>   | <b>109,512,500</b> |

The unaudited financial statements as on 30<sup>th</sup> September, 2024 are attached hereto as ANNEXURE “2”.

- g. The details of the current Directors and Promoters of the Transferor Company along with their addresses are stated herein-below:-

| Sl. No.         | Name                         | Category | Address  |
|-----------------|------------------------------|----------|--|
| <b>Director</b> |                              |          |  |
| 1.              | Mr. Alok Bansidhar Shriram   | Director | 27, Sardar Patel Marg, New Delhi – 110021.                           |
| 2.              | Mr. Madhav Bansidhar Shriram | Director | 27, Sardar Patel Marg, New Delhi – 110021.                           |
| 3.              | Mrs. Urvashi Tilakdhar       | Director | 27, Sardar Patel Marg, New Delhi – 110021.                           |
| 4.              | Mr. Sushil Kumar Jain        | Director | BM-61, Shalimar Bagh (West), New Delhi – 110088.                     |
| 5.              | Mr. Sunil Kumar Chowdhary    | Director | A-17/B, DDA Munirka, Opposite Mother’s Pride School, Delhi – 110067. |

| Sl. No.         | Name   | Category            | Address                                 |
|-----------------|--|---------------------|---|
| <b>Promoter</b> |  |                     |   |
| 1               | Mr. Alok B. Shriram Karta L. Bansi Dhar & Sons HUF | Promoter            | 27, Sardar Patel Marg, New Delhi-110021 |
| 2               | Mrs. Suman Bansi Dhar                              | Promoter            | 27, Sardar Patel Marg, New Delhi-110021 |
| 3               | Mr. Akshay Dhar Karta Tilak Dhar & Sons            | Promoter            | 27, Sardar Patel Marg, New Delhi-110021 |
| 4               | Mrs. Urvashi Tilakdhar                             | Promoter & Director | 27, Sardar Patel Marg, New Delhi-110021 |
| 5               | Mr. Akshay Dhar                                    | Promoter            | 27, Sardar Patel Marg, New Delhi-110021 |
| 6               | Miss. Aditi Dhar                                   | Promoter            | 27, Sardar Patel Marg, New Delhi-110021 |
| 7               | Mr. Alok Bansidhar Shriram                         | Promoter & Director | 27, Sardar Patel Marg, New Delhi-110021 |

|    |                              |                     |   |
|----|------------------------------|---------------------|---|
| 8  | Mrs. Karuna Shriram          | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 9  | Ms. Kanika Shriram           | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 10 | Mr. Rudra Shriram            | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 11 | Mr. Madhav Bansidhar Shriram | Promoter & Director | 27, Sardar Patel Marg, New Delhi-110021   |
| 12 | Mrs. Divya Shriram           | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 13 | Mr. Uday Shriram             | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 14 | Mr. Rohan Shriram            | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 15 | Akshay Foundation            | Promoter            | 27, Sardar Patel Marg, New Delhi-110021   |
| 16 | Mr. Sushil Kumar Jain        | Promoter & Director | BM-61, Shalimar Bagh (West), Delhi-110088 |

h. The Transferor Company is primarily an investment company holding shares in DCMSR.

**ii. Particulars of the Transferee Company/DCMSR**

a. DCMSR is a public limited company incorporated under the 1956 Act, having its Registered Office at Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001. DCMSR was incorporated on 21<sup>st</sup> February, 1989 with the Registrar of Companies, Delhi as a private limited company. DCMSR was converted to a public limited company with effect from 21<sup>st</sup> June, 1989. The equity shares of DCMSR are listed on the BSE and NSE.

b. The main objects of DCMSR as provided in its Memorandum of Association are as under :-

- “(a) *To carry on the business as manufacturers, producers, processors, importers exporters, wholesalers and retailers of and dealers in all kinds of plastic materials, industry styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyremes vinyl acetate and co polymers, or one or more of the above and other products, acrylics and polyesters, polycarbonates and polyether’s epoxy resins and compositions silicon, resins and moulding composition, P - F, U F and other thermosetting resins and composition nylons, resin and similar thermoplastics, moulding composition including prefabricated sections and shapes; cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin), oxygen, nitrogen, hydrogen, halogen, hydro carbon gases, including ethylene, acetylene propylene, butanes and glucose and allied types reagents, agricultural, chemicals insecticides, fumigants weedicides, pesticides, coloring materials, pigments and lacs paints, varnish, lacquers, finishes, dyes, toners, perfume, and flavouring chemicals, rubber chemicals, plastic and resinous materials elastomers, gums glues and adhesives compositions, plasticisers, surface active agents, tanning agents coating resins, drugs and pharmaceutical chemicals, solvents, marine chemicals and synthetic fibres and allied products thereto.*
- (b) *To carry on business as manufacturers of and dealers in fertilises, phosphates, bone products, glue, aleemic products and manuets and as distillers, compounds, cements, dye makers, gas makers, soap and perfume makers, metallurgists and mechanical engineers.*
- (c) *To carry on the business of manufacturing, buying, selling., exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man made fibres including regenerated cellulose rayon, nylon and the like nylon and other nylon tyre cord, fabrics and industrial yarns, polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and such other fibres or fibrous materials or allied products, bye products or substances for all or any of them or yarn or yarn for textile or otherwise as may be practicable or deemed expedient.*
- (d) *To make, manufacture, produce, purchase, sell, import, export or otherwise deal in all types of caprolactam, hexamethylene, diarsine, adipic acid, dimethyl terephthalate, acrylonitrile and other allied chemicals.*
- (e) *To carry on the business of producing, acquiring and trading in sugarcane and other sugar producing materials and converting them into sugar and other marketable commodities and selling the same in any form, shape or design.*
- (f) *To carry on business as brewers, distillers and manufacturers of and merchants and dealers in vinegar, acetic acid, glucose, wines, spirits, porter, malts, hopes, grain, meal, yeast, aerated water, carbonic acid gas, mustard, pickles, sauces, condiments of all kinds, cocoa, coffee and cocoa butter preserves.*
- (g) *To carry on the business of cultivators winners and buyers of every kind of vegetable mineral or other produce of the soil, including, cotton, sugarcane, nuts, perfume producing vegetation and to manufacture and render marketable any such*



produce and to sell, dispose of and deal any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail.

- (h) To produce, manufacture, treat process, prepare, refine, import, export, purchase, sell and to deal in, either as principals or as agents, all kinds of cement, ordinary white, coloured, Portland pozzolana, alumina, blast furnace, slag, oil well, rapid hardening, silica and all other varieties of cements, lime and limestone, clinker and/or by products thereof, as also cement products of any or oil descriptions such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden wares, plaster of paris, lime pipes, building materials and compounds and preparations connected with the aforesaid products, now known and/or that may hereinafter be invented from time to time.
- (i) To purchase, sell, develop, take in exchange or on lease hire or otherwise acquire, whether for investment or sale or working the same any real or personal estate, including lands, mines factory buildings, mill, houses, cottages, shops depots, warehouses, machinery plant, stock, stock in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in other or for any other consideration.
- (j) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suits, residential and business quarters.
- (k) To carry on the business of ginner, spinners, weavers, flax manufacturers, bailers and pressers of all cotton, jute, silk, hemp, wool, hair, rayon and other fibrous material including manmade fibres, and the business of buyers and sellers of and dealers in cotton, jute, silk, flax, hemp, wool, hair, rayon and any other fibrous materials and transacting all manufacturing, curing, preparing, colouring, dyeing or bleaching processes and purchasing, combing, preparing, spinning, weaving, dyeing, bleaching, printing, manufacturing, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from cotton, jute, silk, flax, hemp, wool, hair, rayon and any other fibres or fibrous substances including manmade fibres waving and otherwise manufacturing, buying, selling and dealing in all kinds of cloth and other fabrics, whether textiles, felted, netted or looped, and vitriol, bleaching, sizing, dyeing, printing and other allied products.”

During the last five years, there has been no change in the Objects clause of DCMSR or in the Registered Office of DCMSR.

- c. The share capital structure of DCMSR as of 30<sup>th</sup> September, 2024 is as under:

| Share Capital  | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>                            |                    |
| 325,000,000 equity shares of Rs. 2 each              | 650,000,000        |
| <b>Total</b>   | <b>650,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>  |                    |
| 86,992,185 fully paid-up equity shares of Rs. 2 each | 173,984,370        |
| <b>Total</b>   | <b>173,984,370</b> |

The un audited financial results as on 30<sup>th</sup> September, 2024 are attached hereto as ANNEXURE “3”.

- d. The details of the current Directors and Promoters of DCMSR along with their addresses are stated herein-below :-

| Sl. No.         | Name                             | Category  | Address   |
|-----------------|----------------------------------|---|---|
| <b>Director</b> |                                  |   |   |
| 1.              | Mr. Sunil Behari Mathur          | Chairman – Non Executive Non-Independent Director | Plot No. 10, A-10, Vasant Vihar, New Delhi- 110057.                   |
| 2.              | Mr. Alok Bansidhar Shriram       | Senior Managing Director & CEO                    | 27, Sardar Patel Marg, New Delhi – 110021.                            |
| 3.              | Mr. Madhav Bansidhar Shriram     | Managing Director                                 | 27, Sardar Patel Marg, New Delhi – 110021.                            |
| 4.              | Mrs. Urvashi Tilakdhar           | Whole-time Director                               | 27, Sardar Patel Marg, New Delhi – 110021.                            |
| 5.              | Mr. Vineet Manaktala             | Director Finance & CFO                            | E-23, Geetanjali Enclave, Malviya Nagar, New Delhi – 110017.          |
| 6.              | Mrs. Velagapudi Kavitha Dutt     | Independent Director                              | 7,1st Crescent Park Road, Gandhi Nagar, Adayar, Chennai – 600020.     |
| 7.              | Mr. Sanjay Chandrakant Kirloskar | Independent Director                              | Survey No. 270, Plot No. 22 & 23, Pallod Farms, Baner, Pune – 411045. |
| 8.              | Mr. Manoj Kumar                  | Non – Executive Director                          | B-75, Greater Kailash-1, New Delhi – 110048.                          |
| 9.              | Mr. Suman Jyoti Khaitan          | Independent Director                              | W-13, Greater Kailash-II, New Delhi – 110048.                         |

|     |                          |                      |  |
|-----|--------------------------|----------------------|--|
| 10. | Mr. Harjeet Singh Chopra | Independent Director | 41, Poorvi Marg, Vasant Vihar -1, South West Delhi – 110057.   |
| 11. | Mr. Kamal Kumar          | Nominee Director     | 14, Belvedere Court, Maharishi Karve Road, Opposite Oval Maidan, Churchgate, P.O. Marine Lines, Mumbai – 400020. |

| Sl. No.         | Name                            | Category                                 | Address   |
|-----------------|---------------------------------|--|---|
| <b>Promoter</b> |                                 |  |   |
| 1.              | Mr. Alok Bansidhar Shriram      | Promoter, Senior Managing Director & CEO | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 2.              | Mr. Madhav Bansidhar Shriram    | Promoter & Managing Director             | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 3.              | Mrs. Urvashi Tilakdhar          | Promoter & Whole-time Director           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 4.              | Mrs. Divya Shriram              | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 5.              | Mr. Akshay Dhar                 | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 6.              | Mrs. Aditi Dhar                 | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 7.              | Lala Bansi Dhar & Sons (HUF)    | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 8.              | Mrs. Suman Bansi Dhar           | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 9.              | Mrs. Karuna Shriram             | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 10.             | Ms. Kanika Shriram              | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 11.             | Mr. Rudra Shriram               | Promoter Group                           | 27, Sardar Patel Marg, New Delhi – 110021.  |
| 12.             | Lily Commercial Private Limited | Promoter Group                           | Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001.              |
| 13.             | DCM Hyundai Limited             | Promoter Group                           | 508, 5 <sup>th</sup> Floor, 26A, Akashdeep Building, Barakhamba Road, New Delhi – 110001. |

### iii. Particulars of Resultant Company 1

a. DCM Shriram Fine Chemicals Limited (“**Resultant Company 1**”) is a public limited company incorporated under the 2013 Act and having its Registered Office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001. The Resultant Company 1 was incorporated on 29<sup>th</sup> September 2021 with the Registrar of Companies, Delhi. The equity shares of the Resultant Company 1 are not listed on any stock exchange.

b. The main objects of the Resultant Company 1 as provided in its Memorandum of Association are:

- “1. To carry on business as manufacturer, exporters, importers, buyers and sellers of and dealers in all kinds of chemicals and their by-products in particular Organic/Inorganic fine chemicals, Camphor and derivatives, Perfumery products, Chloro Toluenes and derivatives, Amino acids and derivatives, drugs/agro/dyes/intermediates, Industrial chemicals, bio technology based products, Alkalies and acids, Pharma products and to undertake contract manufacturing of any chemical products.
2. To manufacture, buy, sell, import, deal in and carry on business in casein, hydrochloric acid, bleaching powder, sodium silicate lime, copper sulphate, alum, urea and phenol formaldehyde, synthetic resin, PVC resin and other resin glues, chlorinated paraffin wax, chlorinated rubber, and other chemicals and ingredients for the manufacture of glue, cement or bonding materials.
3. To manufacture, produce, refine, process, formulate, mix or prepare mine or otherwise acquire, buy, sell, exchange, distribute, trade, deal in, import and export any and all kinds of chemicals, fertilizers, linden, pesticides, manures, their mixtures, and formulation and any and all Classes and kinds of chemicals, sources, materials ingredients, mixtures, derivatives and compounds thereof and any all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including fertilizers, and agricultural and industrial chemicals of all kinds, and industrial and other preparations of or products arising from or required in the manufacturing, refining of any kind of fertilizer, their mixture and formulations.”

During the last five years, there has been no change in the Objects clause of the Resultant Company 1 or in the Registered Office of the Resultant Company 1.

- c. The share capital structure of the Resultant Company 1 as of 30<sup>th</sup> September, 2024 is as under:

| Share Capital   | Amount in Rs.      |
|---|--------------------|
| <b>Authorised Capital</b>                             |                    |
| 125,000,000 equity shares of Rs. 2 each               | 250,000,000        |
| <b>Total</b>  | <b>250,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>   |                    |
| 100,000,000 fully paid-up equity shares of Rs. 2 each | 200,000,000        |
| <b>Total</b>  | <b>200,000,000</b> |

The unaudited financial statements as on 30<sup>th</sup> September, 2024 are attached hereto as ANNEXURE “4”.

- d. The details of the current Directors and Promoters of the Resultant Company 1 along with their addresses are stated herein-below: -

| Sl. No.         | Name                   | Category                  | Address  |
|-----------------|------------------------|---------------------------|--|
| <b>Director</b> |                        |                           |  |
| 1.              | Mrs. Urvashi Tilakdhar | Director                  | 27 Sardar Patel Marg, New Delhi-110021.                |
| 2.              | Mr. Akshay Dhar        | Whole-Time Director & CEO | 27 Sardar Patel Marg, New Delhi-110021.                |
| 3.              | Mr. Vineet Manaktala   | Director & CFO            | E-23 Geetanjali Enclave Malviya Nagar, Delhi – 110017. |

| Sl. No.         | Name   | Category       | Address  |
|-----------------|--|----------------|--|
| <b>Promoter</b> |  |                |  |
| 1.              | DCM Shriram Industries Limited                                       | Promoter Group | Kanchenjunga, 18 Barakhamba Road, New Delhi- 110001.             |
| 2.              | Alok Bansidhar Shriram Jointly with DCM Shriram Industries Limited   | Promoter Group | 27, Sardar Patel Marg, New Delhi- 110021.                        |
| 3.              | Madhav Bansidhar Shriram Jointly with DCM Shriram Industries Limited | Promoter Group | 27, Sardar Patel Marg, New Delhi- 110021.                        |
| 4.              | Vineet Manaktala Jointly with DCM Shriram Industries Limited         | Promoter Group | E-23 Geetanjali Enclave Malviya Nagar, Delhi – 110017.           |
| 5.              | Yagya Datt Gupta Jointly with DCM Shriram Industries Limited         | Promoter Group | BW/79A, Shalimar Bagh, Delhi-110088.                             |
| 6.              | Rohan Shriram Jointly with DCM Shriram Industries Limited            | Promoter Group | 27, Sardar Patel Marg, New Delhi- 110021.                        |
| 7.              | Ashish Jha Jointly with DCM Shriram Industries Limited               | Promoter Group | A-6 Lal Bagh Extension, Loni, Ghaziabad, Uttar Pradesh – 201102. |

iv. **Particulars of Resultant Company 2**

- a. DCM Shriram International Limited (“**Resultant Company 2**”) is a public limited company incorporated under the 2013 Act and having its Registered Office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001.
- b. The Resultant Company 2 was incorporated on 7 September 2022 with the Registrar of Companies, Delhi. The equity shares of the Resultant Company 2 are not listed on any stock exchange.

c. The main objects of the Resultant Company 2 as provided in its Memorandum of Association are:

- “1. To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man-made fibres including regenerated cellulose rayon, nylon and the like nylon 6 and other nylon tyre cord, fabrics and industrial yarns, polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and such other fibres or fibrous materials or allied products, bye products or substances for all or any of them or yarn or yarn for textile or otherwise as may be practicable or deemed expedient.
2. To carry on the business of manufacture, fabricate, assemble and deal in automobiles and parts and agricultural implements of all kinds and descriptions, automotive and other gears, transmission axles, universal joints, spring leaves, headlamps, sealed beams, clutch facing and brake lining component parts, spare parts, accessories and fittings of all kinds for the said articles and things used in connection with the manufacture thereof, alloy springs, steel billets, flats and bars, nuts and bolts, pressed and other engineering items and other related items for motor cars, motor trucks, buses, tractors, vans, jeeps, lorries, motor launchers and vehicles for paramilitary forces and conveyances of all kinds and also communication equipment and drones of all kinds and specifications.
3. To manufacture, sell, purchase, import, export of civil and defence related equipment, armoured vehicles, unmanned aerial vehicles and accessories of all specifications of such3) and vehicles communication equipment, parts, accessories, Semi Knocked Down Kits, set up Defence SEZs, joint ventures, maintenance services;
4. To enter into collaboration with leading brands for manufacturing and marketing of their products and to represent original equipment manufacturer (OEM) in Indian market as their authorized representatives.”

During the last five years, there has been no change in the Objects clause of the Resultant Company 2 or in the Registered Office of the Resultant Company 2.

d. The share capital structure of the Resultant Company 2 as of 30<sup>th</sup> September, 2024 is as under:

| Share Capital                                       | Amount in Rs.  |
|---|----------------|
| <b>Authorised Capital</b>                           |                |
| 250,000 equity shares of Rs. 2 each                 | 500,000        |
| <b>Total</b>  | <b>500,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                |
| 50,000 equity shares of Rs. 2 each                  | 100,000        |
| <b>Total</b>  | <b>100,000</b> |

The unaudited financial statements as on 30<sup>th</sup> September, 2024 are attached hereto as ANNEXURE “5”.

e. The details of the current Directors and Promoters of the Resultant Company 2 along with their addresses are stated herein-below:-

| Sl. No.         | Name                       | Category | Address                                 |
|-----------------|----------------------------|----------|---|
| <b>Director</b> |                            |          |   |
| 1.              | Mr. Alok Bansidhar Shriram | Director | 27 Sardar Patel Marg, New Delhi-110021. |
| 2.              | Ms. Kanika Shriram         | Director | 27 Sardar Patel Marg, New Delhi-110021. |
| 3.              | Mr. Rudra Shriram          | Director | 27 Sardar Patel Marg, New Delhi-110021. |

| Sl. No.         | Name   | Category       | Address  |
|-----------------|--|----------------|--|
| <b>Promoter</b> |  |                |  |
| 1.              | DCM Shriram Industries Limited   | Promoter Group | Kanchenjunga, 18 Barakhamba Road, New Delhi- 110001. |
| 2.              | Mr. Alok Bansidhar Shriram Jointly with DCM Shriram Industries Limited | Promoter       | 27, Sardar Patel Marg, New Delhi-110021.             |
| 3.              | Kanika Shriram Jointly with DCM Shriram Industries Limited             | Promoter       | 27, Sardar Patel Marg, New Delhi-110021.             |

|    |   |                |  |
|----|---|----------------|--|
| 4. | Rudra Shriram Jointly with DCM Shriram Industries Limited         | Promoter       | 27, Sardar Patel Marg, New Delhi-110021. |
| 5. | Karuna Shriram Jointly with DCM Shriram Industries Limited        | Promoter Group | 27, Sardar Patel Marg, New Delhi-110021. |
| 6. | Sunil Kumar Chowdhary Jointly with DCM Shriram Industries Limited | Promoter Group | A 17 B DDA Flats, Munirka, Delhi-110067  |
| 7. | Sushil Kumar Jain Jointly with DCM Shriram Industries Limited     | Promoter Group | M-61, Shalimar Bagh, Delhi-110088.       |

#### IV. Salient Features of the Scheme

- i. **“Appointed Date”** means 1 April 2023, being the date from which the Scheme shall be effective for the purposes of amalgamation of the Transferor Company into and with DCMSR, and subsequently, the segregation and purposive reconstruction of DCMSR into companies having separate undertakings namely, Chemical Undertaking (in Resultant Company 1), Rayon Undertaking (in Resultant Company 2) and the Residual Undertaking (continuing in DCMSR);
- ii. **“Chemical Undertaking”** means the chemical business of DCMSR, comprising *inter alia* of “Daurala Organics” and “Daurala Chemical Industries” units of DCMSR, and shall include all the property of the chemical business being transferred by DCMSR so as to become property of the Resultant Company 1 by virtue of the demerger under the Scheme and all the liabilities relating to such chemical business immediately before the demerger being transferred by DCMSR to become liabilities of the Resultant Company 1 by virtue of the demerger; all of which constitutes the undertaking as a going concern basis, subject to any assets or liabilities transferred in the ordinary course of business. It is clarified that the Chemical Undertaking *inter alia* comprises of:
  - a. all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Chemical Undertaking, including such licenses as set out in **Schedule 1** to the Scheme.
  - b. any and all assets and property relating to or arising from the activities and operations of the Chemical Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) including such assets as set out in **Schedule 2** to the Scheme.
  - c. all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Chemical Undertaking;
  - d. the employees of the Chemical Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Chemical Undertaking, including gratuity, employee insurance, provident fund contribution etc.;
  - e. all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names used by or held for use by the Chemical Undertaking of DCMSR, as more particularly set out at **Schedule 3** to the Scheme;
  - f. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, exclusively relating to the Chemical Undertaking.
- iii. **“Rayon Undertaking”** means the rayon business of DCMSR and *inter alia* includes all the property of the rayon business and engineering project section, being transferred by DCMSR so as to become property of the Resultant Company 2 by virtue of the demerger, and all the liabilities relating to the rayon business immediately before the demerger being transferred by DCMSR to become liabilities of the Resultant Company 2 by virtue of the demerger; all of which constitutes the undertaking as a going concern basis, subject to any assets or liabilities transferred in the ordinary course of business. It is clarified that the Rayon Undertaking *inter alia* comprises of:
  - a. all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Rayon Undertaking, including such licenses as set out in **Schedule 4** to the Scheme;
  - b. any and all assets and property relating to or arising from the activities and operations of the Rayon Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including such assets as set out in **Schedule 5** to the Scheme;



- c. all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Rayon Undertaking;
  - d. the employees of the Rayon Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Rayon Undertaking, including gratuity, employee insurance, provident fund contribution etc.,
  - e. all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names used by or held for use by the Rayon Undertaking of DCMSR, as more particularly set out at **Schedule 6** to the Scheme;
  - f. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, exclusively relating to the Rayon Undertaking.
- iv. **“Residual Undertaking”** means the remainder undertaking of DCMSR after demerger of the Chemical Undertaking and the Rayon Undertaking by virtue of the demergers under the Scheme, and *inter alia* includes sugar, alcohol and power businesses of DCMSR and shall include all the property of sugar, alcohol and power businesses being retained in DCMSR pursuant to the demergers of the Chemical Undertaking and the Rayon Undertaking under the Scheme, and all liabilities relating to the sugar, alcohol and power businesses being retained in DCMSR by virtue of the demergers under the Scheme.
- a. all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Residual Undertaking;
  - b. any and all assets and property relating to or arising from the activities and operations of the Residual Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible);
  - c. all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Residual Undertaking;
  - d. the employees of the Residual Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Residual Undertaking, including gratuity, employee insurance, provident fund contribution etc.,
  - e. all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names not relating to the Rayon Undertaking or the Chemical Undertaking; and
  - f. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, and not relating to the Rayon Undertaking or the Chemical Undertaking.
- v. **“Effective Date”** under the Scheme shall be in accordance with Clause 7.1 of the Scheme.
- vi. Subject to the provisions of the Scheme, each of the companies involved in this Scheme shall make the Scheme effective upon and subject to satisfaction of the following conditions (**“Effective Date”**):
- a. Approval of shareholders and creditors as may be required. The Scheme is conditional upon the Scheme being approved by the public shareholders of DCMSR through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the Scheme shall be acted upon only if votes cast by the public shareholders of DCMSR in favour of the Scheme are more than the number of votes cast by the public shareholders (of DCMSR) against it.
  - b. the Scheme being approved and sanctioned by this Hon’ble Tribunal under Sections 230-232 and other applicable provisions of the 2013 Act;
  - c. Receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended);

- d. the requisite consent, approval or permission of statutory or regulatory authorities which may be necessary for the implementation of the Scheme, if any, having been obtained; and
- e. the certified copy of the order of the Hon'ble Tribunal sanctioning the Scheme, having been filed by the companies involved in this Scheme, with the relevant jurisdictional Registrar of Companies in terms of Section 232(5) of the Act.
- vii. Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Transferor Company shall stand transferred to and vest in DCMSR, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme, Chapter XV of the 2013 Act and all applicable provisions of law, if any.
- viii. Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up, without any further act or deed.
- ix. Upon the Scheme being made effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 (one) equity share of face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR, for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date (as defined in the Scheme).
- x. With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 1, as a going concern, without any further act or deed, and shall be demerged from DCMSR together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of the Scheme, Chapter XV of the Act and all applicable provisions of law.
- xi. Upon the Scheme coming into effect the Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date (as defined in the Scheme), equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 (one) fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- xii. With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Rayon Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 2, as a going concern, without any further act or deed, and shall be demerged from DCMSR together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme, Chapter XV of the Act and all applicable provisions of law;
- xiii. Upon this Scheme coming into effect the Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date (as defined in the Scheme), equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 (one) fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- xiv. The Scheme is presented and drawn up to comply with the provisions/requirements of the Income Tax Act, 1961 for the purpose of amalgamation of the Transferor Company into and with DCMSR, demerger of the Chemical Undertaking to the Resultant Company 1 and demerger of Rayon Undertaking to the Resultant Company 2. The Companies involved in this Scheme will ensure compliance, as applicable, with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs with regard to the 'appointed date'.

**Note: The Equity Shareholders and Unsecured Creditors of DCMSR are requested to read the entire text of the Scheme attached hereto to get fully acquainted with the provisions thereof.**

#### **V. Relationship subsisting between the Parties to the Scheme.**

- a. The Transferor Company hold 50.11% of the Paid-Up Equity Share Capital of DCMSR;
- b. The Resultant Company 1 is a wholly-owned subsidiary of DCMSR and DCMSR and its nominees (for the purpose of ensuring compliance with the provisions of the 2013 Act, which requires the public limited company to have at least 7 shareholders) legally and beneficially holds 100% of the Equity Shares of the Resultant Company 1;
- c. The Resultant Company 2 is a wholly-owned subsidiary of DCMSR and DCMSR and its nominees (for the purpose of ensuring compliance with the provisions of the 2013 Act, which requires the public limited company to have at least 7 shareholders) legally and beneficially holds 100% of the Equity Shares of the Resultant Company 2;

## VI. Board Approvals

- i. The Board of Directors of the Transferor Company on 14<sup>th</sup> November, 2023, approved the Scheme and filing thereof, as detailed below:-

| Name of Director             | Voted in Favour/Against/ Did not Participate |
|------------------------------|--|
| Mr. Alok Bansidhar Shriram   | FOR  |
| Mr. Madhav Bansidhar Shriram | FOR  |
| Mrs. Urvashi Tilakdhar       | FOR  |
| Mr. Sushil Kumar Jain        | FOR  |
| Mr. Sunil Kumar Chowdhary    | FOR  |

- ii. The Board of Directors of DCMSR on 14<sup>th</sup> November, 2023, approved the Scheme and filing thereof, as detailed below:-

| Name of Director                 | Voted in Favour/Against/ Did not Participate |
|----------------------------------|--|
| Mr. Sunil Behari Mathur          | FOR  |
| Mr. Alok Bansidhar Shriram       | FOR  |
| Mr. Madhav Bansidhar Shriram     | FOR  |
| Mrs. Urvashi Tilakdhar           | FOR  |
| Mr. Vineet Manaktala             | FOR  |
| Mrs. Velagapudi Kavitha Dutt     | FOR  |
| Mr. Sanjay Chandrakant Kirloskar | FOR  |
| Mr. Manoj Kumar                  | FOR  |
| Mr. Suman Jyoti Khaitan          | FOR  |
| Mr. Harjeet Singh Chopra         | FOR  |
| Mr. Kamal Kumar                  | FOR  |

- iii. The Board of Directors of the Resultant Company 1 on 14<sup>th</sup> November, 2023, approved the Scheme and filing thereof, as detailed below :-

| Name of Director       | Voted in Favour/Against/ Did not Participate |
|------------------------|--|
| Mrs. Urvashi Tilakdhar | FOR  |
| Mr. Akshay Dhar        | FOR  |
| Mr. Vineet Manaktala   | FOR  |

- iv. The Board of Directors of the Resultant Company 2 on 14<sup>th</sup> November, 2023, approved the Scheme and filing thereof, as detailed below :-

| Name of Director           | Voted in Favour/Against/ Did not Participate |
|----------------------------|--|
| Mr. Alok Bansidhar Shriram | FOR  |
| Ms. Kanika Shriram         | FOR  |
| Mr. Rudra Shriram          | FOR  |

## VII. Interest of Directors, Key Managerial Personnels (KMPs), their relatives and Debenture Trustee.

- i. There is no adverse effect of the Scheme on the Directors and Key Managerial Personnels of the Companies being parties to the Scheme and their relatives;
- ii. DCMSR has not issued any debentures;
- iii. The Scheme does not provide for any compromise or arrangement with the Unsecured Creditors of either of the parties to the Scheme;
- iv. Neither of the parties to the Scheme have accepted any deposits within the meaning of 2013 Act and Rules framed thereunder;
- v. None of the Directors and KMPs of the Transferor Company have any interest in the Scheme except to the extent of their directorship and shareholding, if any in the Transferor Company;
- vi. None of the Directors, KMPs of the Transferee Company have any interest in the Scheme except to the extent of their



- directorship and shareholding, if any in the Transferee Company;
- vii. None of the Directors and KMPs of the Resultant Company 1 have any interest in the Scheme except to the extent of their directorship and shareholding, if any in the Resultant Company 1;
  - viii. None of the Directors and KMPs of the Resultant Company 2 have any interest in the Scheme except to the extent of their directorship and shareholding, if any in the Resultant Company 2.

## VIII. Effect of the Scheme on stakeholders

### Transferor Company

#### a. Shareholders (including promoters and non- promoters)

- i. The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be the same in the Resultant Companies.
- ii. Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR in the proportion of their respective shareholding in the Transferor Company as on the Record Date.
- iii. Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.

#### b. Creditors

No rights of the creditors are being affected pursuant to the Scheme. The liability of the Transferor Company towards the creditors of the Transferor Company is neither being reduced nor being extinguished and the Scheme does not provide for any compromise or arrangement with the creditors of the Transferor Company. The creditors of the Company would in no way be adversely affected by the Scheme.

#### c. Employees, Directors and Key Managerial Personnel

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of the Transferor Company.

#### d. Share Exchange Ratio and Valuation difficulties

The Boards of the Transferor Company and DCMSR have determined the share exchange ratio as 1:1 based on their independent judgement and the share exchange ratio report issued by TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, registered valuer.

There were no difficulties faced by the valuers, namely TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, in preparing the share exchange ratio report dated 14<sup>th</sup> November, 2023.

Report of the Board of Directors of the Transferor Company, pursuant to Section 232(2)(c) of the Companies Act, 2013 is attached hereto as ANNEXURE "6".

### DCMSR

#### a. Shareholders (including promoters and non-promoters)

- i. The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be same in the Resultant Companies.
- ii. Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date.
- iii. Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act instrument or deed.
- iv. Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the

shareholders of DCMSR whose name is recorded in the register of members of the DCMSR, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.

- v. Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- vi. Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- vii. Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.

**b. Creditors**

No rights of the creditors are being affected pursuant to the Scheme. The liability of DCMSR towards its creditors is neither being reduced nor being extinguished, and the Scheme does not provide for any compromise or arrangement with the creditors of DCMSR. The creditors of DCMSR would in no way be adversely affected by the Scheme.

**c. Employees, Directors and Key Managerial Personnel**

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of DCMSR. There were no difficulties faced by the valuers, namely TRC Corporate Consulting Pvt Ltd. & Shri Mukesh Chand Jain (registered valuer), in preparing the Share exchange ratio report and Share entitlement ratio report dated 14<sup>th</sup> November, 2023.

Report of the Board of Directors of DCMSR, pursuant to Section 232(2)(c) of the Companies Act, 2013 is attached hereto as **ANNEXURE "7"**.

**Resultant Company 1**

**a. Shareholders (including promoters and non-promoters)**

- i. The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be same in the Resultant Companies (which are currently wholly owned subsidiaries of DCMSR)
- ii. Upon the Scheme becoming effective, Resultant Company 1 shall without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR, equity shares of the Resultant Company 1 in the ratio of 1:1, i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every/ 1 fully paid-up equity share having a face value of Rs 2 each of DCMSR, each equity share being fully paid-up.
- iii. Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees (including advance against equity) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- iv. All equity shares of the Resultant Company 1 issued pursuant to the Scheme shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the stock exchanges, and/or admitted to trading, if any, as may be decided by the Board of the Resultant Company 1. The Resultant Company 1 shall apply to all the stock exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 1 issued pursuant to the Scheme.

**b. Creditors**

No rights of the creditors are being affected pursuant to the Scheme. The liability of the Resultant Company 1 towards its creditors is neither being reduced nor being extinguished and the Scheme does not provide for any compromise or arrangement with the creditors of Resultant Company 1. The creditors of Resultant Company 1 would in no way be adversely affected by the Scheme.

**c. Employees, Directors and Key Managerial Personnel**

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of the Resultant

Company 1.

There were no difficulties faced by the valuers, namely TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, in preparing the share entitlement ratio report dated 14.11.2023.

Report of the Board of Directors of Resulting Company 1, pursuant to Section 232(2)(c) of the Companies Act, 2013 is attached hereto as **ANNEXURE “8”**.

### **Resultant Company 2**

#### **a. Shareholding (including promoters and non-promoters)**

- i. The cumulative shareholding of the ‘promoter and promoter group’ in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be same in the Resultant Companies (which are currently wholly owned subsidiaries of DCMSR).
- ii. Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1, i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- iii. Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees (including advance against equity) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- iv. All equity shares of the Resultant Company 2 issued pursuant to the Scheme shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the stock exchanges, and/or admitted to trading, if any, as may be decided by the Board of the Resultant Company 2. The Resultant Company 2 shall apply to all the stock exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 2 issued pursuant to the Scheme.

#### **b. Creditors**

No rights of the creditors are being affected pursuant to the Scheme. The liability of the Resultant Company 2 towards its creditors is neither being reduced nor being extinguished and the Scheme does not provide for any compromise or arrangement with the creditors of Resultant Company 2. The creditors of the Resultant Company 2 would in no way be adversely affected by the Scheme.

#### **c. Employees, Directors and Key Managerial Personnel**

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of Resultant Company 2.

There were no difficulties faced by the valuers, namely, TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, in preparing the share entitlement ratio report dated 14.11.2023.

Report of the Board of Directors of Resulting Company 2, pursuant to Section 232(2)(c) of the Companies Act, 2013 is attached hereto as **ANNEXURE “9”**.

### **IX. Amounts due to Unsecured Creditors**

- i. The Transferor Company, Resultant Company 1 and Resultant Company 2 do not have any Unsecured Creditors.
- ii. The amount due to the Unsecured Creditors of DCMSR as on 30<sup>th</sup> September, 2024 is INR 226.24 crores.

### **X. Share Exchange Ratio & Share Entitlement Ratio and Fairness Opinion**

- i. The Share Exchange Ratio & Share Entitlement Ratio Report dated 14<sup>th</sup> November, 2023 issued by TRC Corporate Consulting Private Limited, Registered Valuer and Mr. Mukesh Chand Jain, Registered Valuer is attached hereto as **ANNEXURE “10”**.
- ii. Fairness Opinion dated 14<sup>th</sup> November, 2023 issued by Centrum Capital Limited is attached hereto and marked as **ANNEXURE “11”**.

### **XI. Debt Restructuring / Share Capital**

- i. The Scheme does not provide for debt restructuring of either of the parties to the Scheme.

- ii. Upon the amalgamation under the Scheme becoming effective and with effect from the Appointed Date: (a) the authorised preference share capital of the Transferor Company shall be re-categorised as authorised equity share capital of the Transferor Company and the restated authorised share capital of the Transferor Company shall be Rs. 560,000,000 divided into 5,600,000 equity shares of Rs. 100 each; and (b) such re-categorised, authorised share capital of the Transferor Company shall stand transferred to and be merged/amalgamated with the authorised share capital of DCMSR, subject to the payment of any additional fees (including fees and charges to the relevant Registrar of Companies), if required.
- iii. Upon the Scheme (including consequent to transfer of the authorised share capital of the Transferor Company to DCMSR in accordance with Clause 3.4.1 of the Scheme and demerger) coming into effect and with effect from the Appointed Date:
- a. the authorised share capital of DCMSR shall be Rs. 65,000,000 (divided into 325,000,000 equity shares of Rs. 2 each);
- b. the authorised share capital of Resultant Company 1 of Rs. 250,000,000 (divided into 125,000,000 equity shares of Rs. 2 each) shall stand enhanced to Rs. 405,250,000 (divided into 202,625,000 equity shares of Rs. 2 each); and
- c. the authorised share capital of Resultant Company 2 of Rs. 500,000 (divided into 250,000 equity shares of Rs. 2 each) shall stand enhanced to Rs. 405,250,000 (divided into 202,625,000 equity shares of Rs. 2 each).
- iv. All equity shares of the Resultant Company 1 issued pursuant to Clause 4.3 and in terms of this Scheme shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the Stock Exchanges (as defined in the Scheme), and/or admitted to trading, if any, as may be decided by the Board of Directors of the Resultant Company 1
- v. All equity shares of the Resultant Company 2 issued pursuant to Clause 5.3 and in terms of this Scheme shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the Stock Exchanges (as defined in the Scheme), and/or admitted to trading, if any, as may be decided by the Board of Directors of the Resultant Company 2.

**XII.** The shareholding pattern of DCMSR as on 30<sup>th</sup> September, 2024 is given below:

| Sl. No.  | Category of Shareholder         | Number of Fully Paid-Up Equity Shares Held | Number of Partly Paid-Up Equity Shares Held | Total number of shares held | % of A+B      |
|--|---------------------------------|--|---|-----------------------------|---------------|
| <b>(A) Shareholding of Promoter and Promoter Group</b>   |                                 |  |   |                             |               |
| <b>Individuals / HUF</b>                                 |                                 |  |   |                             |               |
| 1.   | Mr. Divya Shriram               | 435  | -   | 435                         | -             |
| 2.   | Mr. Akshay Dhar                 | 500  | -   | 500                         | -             |
| 3.   | Mrs. Aditi Dhar                 | 500  | -   | 500                         | -             |
| 4.   | Lala Bansi Dhar & Sons          | -  | -   | -                           | -             |
| 5.   | Mrs. Suman Bansi Dhar           | -  | -   | -                           | -             |
| 6.   | Mrs. Urvashi Tilakdhar          | -  | -   | -                           | -             |
| 7.   | Mrs. Karuna Shriram             | -  | -   | -                           | -             |
| 8.   | Mr. Madhav Bansidhar Shriram    | -  | -   | -                           | -             |
| 9.   | Mr. Alok Bansidhar Shriram      | -  | -   | -                           | -             |
| 10.  | Ms. Kanika Shriram              | -  | -   | -                           | -             |
| 11.  | Mr. Rudra Shriram               | -  | -   | -                           | -             |
| <b>Any Other</b>   |                                 |  |   |                             |               |
| 12.  | Lily Commercial Private Limited | 4,35,88,680                                | -   | 4,35,88,680                 | 50.11%        |
| 13.  | DCM Hyundai Limited             | -  | -   | -                           | -             |
| <b>Total Shareholding of Promoter and Promoter Group</b> |                                 | <b>4,35,90,115</b>                         | <b>-</b>                                    | <b>4,35,90,115</b>          | <b>50.11%</b> |

|            |                                  |                    |          |                    |                |
|------------|----------------------------------|--------------------|----------|--------------------|----------------|
| <b>(B)</b> | <b>Public Shareholding</b>       |                    |          |                    |                |
|            | <b>Total Public Shareholding</b> | <b>4,34,02,070</b> | <b>-</b> | <b>4,34,02,070</b> | <b>49.89%</b>  |
|            | <b>TOTAL (A)+(B)</b>             | <b>8,69,92,185</b> | <b>-</b> | <b>8,69,92,185</b> | <b>100.00%</b> |

**XIII.** The post Scheme shareholding pattern of DCMSR are given below :-

| Sl. No.    | Category of Shareholder                                  | Number of Fully Paid-Up Equity Shares Held | Number of Partly Paid-Up Equity Shares Held | Total number of shares held | % of A+B       |
|------------|--|--|---|-----------------------------|----------------|
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group</b>       |  |   |                             |                |
|            | <b>Individuals / HUF</b>                                 |  |   |                             |                |
| 1.         | Alok Shriram- Karta Lala Bansidhar & Sons (HUF)          | 12028663                                   | -   | 12028663                    | 13.83%         |
| 2.         | Mr. Alok Bansidhar Shriram                               | 2389023                                    | -   | 2389023                     | 2.75%          |
| 3.         | Mrs. Karuna Shriram                                      | 4138598                                    | -   | 4138598                     | 4.76%          |
| 4.         | Ms. Kanika Shriram                                       | 1456381                                    | -   | 1456381                     | 1.67%          |
| 5.         | Mr. Rudra Shriram  | 958833                                     | -   | 958833                      | 1.10%          |
| 6.         | Mrs. Suman Bansidhar                                     | 1757217                                    | -   | 1757217                     | 2.02%          |
| 7.         | Mr. Akshay Dhar-Karta Tilakdhar & Sons HUF               | 508175                                     | -   | 508175                      | 0.58%          |
| 8.         | Mrs. Urvashi Tilakdhar                                   | 5889805                                    | -   | 5889805                     | 6.77%          |
| 9.         | Mr. Akshay Dhar  | 1273602                                    | -   | 1273602                     | 1.46%          |
| 10.        | Mrs. Aditi Dhar  | 1270855                                    | -   | 1270855                     | 1.46%          |
| 11.        | Mr. Madhav Bansidhar Shriram                             | 4299366                                    | -   | 4299366                     | 4.94%          |
| 12.        | Mrs. Divya Shriram                                       | 3647539                                    | -   | 3647539                     | 4.19%          |
| 13.        | Mr. Uday Shriram   | 961659                                     | -   | 961659                      | 1.11%          |
| 14.        | Mr. Rohan Shriram  | 33594                                      | -   | 33594                       | 0.04%          |
| 15.        | Akshay Foundation  | 2976487                                    | -   | 2976487                     | 3.42%          |
| 16.        | Mr. S.K. Jain  | 318  | -   | 318                         | 0.00%          |
|            | <b>Any Other</b>   |  |   |                             |                |
| 17.        | DCM Hyundai Limited                                      | -  | -   | -                           | -              |
|            | <b>Total Shareholding of Promoter and Promoter Group</b> | <b>43590115</b>                            | <b>-</b>                                    | <b>43590115</b>             | <b>50.11%</b>  |
| <b>(B)</b> | <b>Public Shareholding</b>                               |  |   |                             |                |
|            | <b>Total Public Shareholding</b>                         | <b>43402070</b>                            | <b>-</b>                                    | <b>43402070</b>             | <b>49.89%</b>  |
|            | <b>TOTAL (A)+(B)</b>                                     | <b>86992185</b>                            | <b>-</b>                                    | <b>86992185</b>             | <b>100.00%</b> |

XIV. The current shareholders of the Resultant Company 1 are as under :-

| Name of Equity Shareholder   | Number of Shares held | %age of total paid-up share capital |
|--|-----------------------|-------------------------------------|
| DCM Shriram Industries Limited                                       | 9,99,99,994           | 100%                                |
| Alok Bansidhar Shriram Jointly with DCM Shriram Industries Limited   | 1                     | -                                   |
| Madhav Bansidhar Shriram Jointly with DCM Shriram Industries Limited | 1                     | -                                   |
| Vineet Manaktala Jointly with DCM Shriram Industries Limited         | 1                     | -                                   |
| Yagya Datt Gupta Jointly with DCM Shriram Industries Limited         | 1                     | -                                   |
| Rohan Shriram Jointly with DCM Shriram Industries Limited            | 1                     | -                                   |
| Ashish Jha Jointly with DCM Shriram Industries Limited               | 1                     | -                                   |

XV. The post Scheme shareholding pattern of the Resultant Company 1 are given below:-

| Sl. No.  | Category of Shareholder                          | Number of Fully Paid-Up Equity Shares Held | Number of Partly Paid-Up Equity Shares Held | Total number of shares held | % of A+B Shares Held |
|--|--|--|---|-----------------------------|----------------------|
| <b>(A) Shareholding of Promoter and Promoter Group</b> |  |  |   |                             |                      |
| <b>Individuals / HUF</b>                               |  |  |   |                             |                      |
| 1.   | Alok Shriram- Karta Lala Bansi Dhar & Sons (HUF) | 12028663                                   | -   | 12028663                    | 13.83%               |
| 2.   | Mr. Alok Bansidhar Shriram                       | 2389023                                    | -   | 2389023                     | 2.75%                |
| 3.   | Mrs. Karuna Shriram                              | 4138598                                    | -   | 4138598                     | 4.76%                |
| 4.   | Ms. Kanika Shriram                               | 1456381                                    | -   | 1456381                     | 1.67%                |
| 5.   | Mr. Rudra Shriram                                | 958833                                     | -   | 958833                      | 1.10%                |
| 6.   | Mrs. Suman Bansi Dhar                            | 1757217                                    | -   | 1757217                     | 2.02%                |
| 7.   | Mr. Akshay Dhar-Karta Tilakdhar & Sons HUF       | 508175                                     | -   | 508175                      | 0.58%                |
| 8.   | Mrs. Urvashi Tilakdhar                           | 5889805                                    | -   | 5889805                     | 6.77%                |
| 9.   | Mr. Akshay Dhar                                  | 1273602                                    | -   | 1273602                     | 1.46%                |
| 10.  | Mrs. Aditi Dhar                                  | 1270855                                    | -   | 1270855                     | 1.46%                |
| 11.  | Mr. Madhav Bansidhar Shriram                     | 4299366                                    | -   | 4299366                     | 4.94%                |
| 12.  | Mrs. Divya Shriram                               | 3647539                                    | -   | 3647539                     | 4.19%                |
| 13.  | Mr. Uday Shriram                                 | 961659                                     | -   | 961659                      | 1.11%                |
| 14.  | Mr. Rohan Shriram                                | 33594                                      | -   | 33594                       | 0.04%                |
| 15.  | Akshay Foundation                                | 2976487                                    | -   | 2976487                     | 3.42%                |



|            |  |                 |          |                 |                |
|------------|--|-----------------|----------|-----------------|----------------|
| 16.        | Mr. S.K. Jain  | 318             | -        | 318             | 0.00%          |
|            | <b>Any Other</b>   |                 |          |                 |                |
| 17.        | DCM Hyundai Limited                                      | -               | -        | -               | -              |
|            | <b>Total Shareholding of Promoter and Promoter Group</b> | <b>43590115</b> | <b>-</b> | <b>43590115</b> | <b>50.11%</b>  |
| <b>(B)</b> | <b>Public Shareholding</b>                               |                 |          |                 |                |
|            | <b>Total Public Shareholding</b>                         | <b>43402070</b> | <b>-</b> | <b>43402070</b> | <b>49.89%</b>  |
|            | <b>TOTAL (A)+(B)</b>                                     | <b>86992185</b> | <b>-</b> | <b>86992185</b> | <b>100.00%</b> |

XVI. The current shareholders of the Resultant Company 2 are as under:-

| Name of Equity Shareholder   | Number of Shares held | %age of total paid-up share capital |
|--|-----------------------|-------------------------------------|
| DCM Shriram Industries Limited                                     | 49994                 | 99.99                               |
| Alok Bansidhar Shriram Jointly with DCM Shriram Industries Limited | 1                     | 0.01                                |
| Kanika Shriram Jointly with DCM Shriram Industries Limited         | 1                     |                                     |
| Rudra Shriram Jointly with DCM Shriram Industries Limited          | 1                     |                                     |
| Karuna Shriram Jointly with DCM Shriram Industries Limited         | 1                     |                                     |
| Sunil Kumar Chowdhary Jointly with DCM Shriram Industries Limited  | 1                     |                                     |
| Sushil Kumar Jain Jointly with DCM Shriram Industries Limited      | 1                     |                                     |

XVII. The post Scheme shareholding pattern of the Resultant Company 2 are given below:-

| Sl. No.    | Category of Shareholder                            | Number of Fully Paid-Up Equity Shares Held | Number of Partly Paid-Up Equity Shares Held | Total number of shares held | % of A+B |
|------------|--|--|---|-----------------------------|----------|
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group</b> |  |   |                             |          |
|            | <b>Individuals / HUF</b>                           |  |   |                             |          |
| 1.         | Alok Shriram- Karta Lala Bansi Dhar & Sons (HUF)   | 12028663                                   | -   | 12028663                    | 13.83%   |
| 2.         | Mr. Alok Bansidhar Shriram                         | 2389023                                    | -   | 2389023                     | 2.75%    |
| 3.         | Mrs. Karuna Shriram                                | 4138598                                    | -   | 4138598                     | 4.76%    |
| 4.         | Ms. Kanika Shriram                                 | 1456381                                    | -   | 1456381                     | 1.67%    |
| 5.         | Mr. Rudra Shriram                                  | 958833                                     | -   | 958833                      | 1.10%    |
| 6.         | Mrs. Suman Bansi Dhar                              | 1757217                                    | -   | 1757217                     | 2.02%    |
| 7.         | Mr. Akshay Dhar-Karta Tilakdhar & Sons HUF         | 508175                                     | -   | 508175                      | 0.58%    |

|     |  |                 |          |                 |                |
|-----|--|-----------------|----------|-----------------|----------------|
| 8.  | Mrs. Urvashi Tilakdhar                                   | 5889805         | -        | 5889805         | 6.77%          |
| 9.  | Mr. Akshay Dhar  | 1273602         | -        | 1273602         | 1.46%          |
| 10. | Mrs. Aditi Dhar  | 1270855         | -        | 1270855         | 1.46%          |
| 11. | Mr. Madhav Bansidhar Shriram                             | 4299366         | -        | 4299366         | 4.94%          |
| 12. | Mrs. Divya Shriram                                       | 3647539         | -        | 3647539         | 4.19%          |
| 13. | Mr. Uday Shriram   | 961659          | -        | 961659          | 1.11%          |
| 14. | Mr. Rohan Shriram  | 33594           | -        | 33594           | 0.04%          |
| 15. | Akshay Foundation  | 2976487         | -        | 2976487         | 3.42%          |
| 16. | Mr. S.K. Jain  | 318             | -        | 318             | 0.00%          |
|     | <b>Any Other</b>   |                 |          |                 |                |
| 17. | DCM Hyundai Limited                                      | -               | -        | -               | -              |
|     | <b>Total Shareholding of Promoter and Promoter Group</b> | <b>43590115</b> | <b>-</b> | <b>43590115</b> | <b>50.11%</b>  |
|     | <b>(B) Public Shareholding</b>                           |                 |          |                 |                |
|     | <b>Total Public Shareholding</b>                         | <b>43402070</b> | <b>-</b> | <b>43402070</b> | <b>49.89%</b>  |
|     | <b>TOTAL (A)+(B)</b>                                     | <b>86992185</b> | <b>-</b> | <b>86992185</b> | <b>100.00%</b> |

#### XVIII. Auditor's Certificate on conformity of accounting treatment specified in the Scheme.

- i. The statutory auditors of DCMSR has confirmed that the accounting treatment specified in Clause 3.7.1 of Part III, Clause 4.7.1 of Part IV and Clause 5.7.1 of Part V of the Scheme is in conformity with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and applicable Ind AS prescribed under Section 133 of the 2013 Act and other generally accepted accounting principles in India.
- ii. The statutory auditors of the Resultant Company 1 has confirmed that the accounting treatment specified in Clause 4.7.2 of Part IV of the Scheme is in conformity with Ind AS 103 "Business Combinations" i.e. the applicable accounting standards under Section 133 of the 2013 Act and generally accepted accounting principles in India.
- iii. The statutory auditors of the Resultant Company 2 has confirmed that the accounting treatment specified in Clause 5.7.2 of Part V of the Scheme is in conformity with Ind AS 103 "Business Combinations" i.e. the applicable accounting standards under Section 133 of the 2013 Act and generally accepted accounting principles in India.

#### XIX. Approvals and intimation in relation to the Scheme

- i. The BSE by letter dated 17<sup>th</sup> September, 2024 has communicated observations on the Scheme to DCMSR. There are no adverse observations on the Scheme in the said letter of BSE. A copy of the Observation Letter issued by BSE is attached hereto as **ANNEXURE "12"**. Further, as on date, the Company has not received any complaint relating to the Scheme and 'NIL' complaint reports were filed by the Company with the BSE.
- ii. The NSE by letter dated 18<sup>th</sup> September, 2024 has communicated observations on the Scheme to DCMSR. There are no adverse observations on the Scheme in the said letter of NSE. A copy of the Observation Letter issued by NSE is attached hereto as **ANNEXURE "13"**.
- iii. DCMSR by communication dated 23<sup>rd</sup> September, 2024 to the BSE and NSE submitted compliance letter to the BSE and NSE.
- iv. Further, as on date, the Company has not received any complaint relating to the Scheme and 'NIL' complaint reports were filed by the Company with the BSE and NSE.
- v. In addition to the approvals and sanction of the Scheme by the Hon'ble Tribunal, the parties to the Scheme will obtain such necessary approvals/sanctions/no objection from the regulatory or other governmental authorities for the Scheme in accordance with law, as may be required.
- vi. A copy of the Scheme and Tribunal Orders has been filed by each of the parties to the Scheme with the Registrar of Companies, NCT of Delhi and Haryana.



- vii. As per the comments contained in the aforesaid Observation Letters of the BSE and NSE, the details of on-going adjudication and recovery proceedings, prosecution initiated and all other actions taken against DCMSR, its promoters and directors is attached hereto as ANNEXURE “14”.
- viii. Information pertaining to the Transferor Company, Resultant Company 1 and Resultant Company 2 in the format prescribed for abridged prospectus as specified in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018 is attached hereto as ANNEXURE “15”, ANNEXURE “16” and ANNEXURE “17” respectively.

**XX. Additional documents/information as filed with the BSE and NSE.**

- 1. DCMSR has furnished to the BSE and NSE, additional information as set out below:
  - a. Details of the assets, liabilities, net worth and revenue of each of the Transferor Company, Transferee Company, Resultant Company 1 and Resultant Company 2, both pre and post effectiveness of the Scheme;
  - b. Net worth certificate as on 31<sup>st</sup> March, 2023 along with statement of assets and liabilities of the Transferor Company, Transferee Company, Resultant Company 1 and Resultant Company 2, both pre and post effectiveness of the Scheme; and
  - c. The revenue and net worth of the Chemical Undertaking and Rayon Undertaking of DCMSR as compared to the revenue and net worth of DCMSR for the last three financial years.
- 2. DCMSR has filed letter dated 23<sup>rd</sup> February, 2024 with the BSE (with necessary documents and information) in response to the BSE query dated 6<sup>th</sup> December, 2023. DCMSR has also filed with NSE (with necessary documents and information), letter dated 28<sup>th</sup> March, 2024.

The documents and information as set out at paragraph XX(1) and (2) above are available for inspection on the Investor Relations section of the website of DCMSR i.e. <https://dcmsr.com/scheme-of-arrangement-2023>, on the website of KFinTech at [www.kfintech.com](http://www.kfintech.com).

**XXI. Inspection of Documents**

Electronic copy of the following documents will be available for inspection on the Investor Relations section of the website of DCMSR i.e. <https://dcmsr.com/scheme-of-arrangement-2023/> :-

- i. Memorandum and Articles of Association of Transferor Company, DCMSR, Resultant Company 1 and Resultant Company 2;
- ii. Audited Standalone and Consolidated financial statements of DCMSR for the financial year ended 31<sup>st</sup> March, 2024;
- iii. Audited financial statements of the Transferor Company for the financial year ended 31<sup>st</sup> March, 2024;
- iv. Audited financial statements of the Resultant Company 1 for the financial year ended 31<sup>st</sup> March, 2024;
- v. Audited financial statements of the Resultant Company 2 for the financial year ended 31<sup>st</sup> March, 2024;
- vi. Copy of the unaudited financial results of DCMSR as on 30<sup>th</sup> June, 2024 and 30<sup>th</sup> September, 2024;
- vii. Copy of the unaudited financial statements of Transferor Company, Resultant Company 1 and Resultant Company 2 as on 30<sup>th</sup> September, 2024;
- viii. Copy of the Scheme;
- ix. Board Resolution of the Transferor Company, DCMSR, Resultant Company 1 and Resultant Company 2;
- x. Report of the Board of Directors of the Transferor Company, DCMSR, Resultant Company 1 and Resultant Company 2; pursuant to Section 232(2)(c) of the 2013 Act;
- xi. Copy of the No Objection letters dated 17<sup>th</sup> September, 2024 and 18<sup>th</sup> September, 2024 of the BSE and NSE respectively conveying no objection to the filing of the Scheme;
- xii. Copy of the Compliance communication dated 23<sup>rd</sup> September, 2024 filed by DCMSR with the BSE and NSE;
- xiii. Copy of the Compliant Reports submitted by DCMSR to the BSE and NSE;
- xiv. Certificate of the statutory auditor of DCMSR, Resultant Company 1 and Resultant Company 2 on the accounting treatment as specified in the Scheme;
- xv. Report of the Audit Committee and Committee of Independent Directors of DCMSR recommending the Scheme;
- xvi. Share exchange ratio & Share entitlement ratio report dated 14<sup>th</sup> November, 2023, prepared by TRC Corporate Consulting Private Ltd. & Shri Mukesh Chand Jain (registered valuer).
- xvii. Fairness Opinion dated 14<sup>th</sup> November, 2023 issued by Centrum Capital Limited;
- xviii. Copy of the Company Application; and
- xix. Copy of the Tribunal Orders.

The documents and information as set out at paragraph XX(1) and (2) and paragraph XXI can also be obtained free of charge from the registered office of DCMSR upto one day before the date of the meetings by sending a request to the Company Secretary at [dsil@dcmsr.com](mailto:dsil@dcmsr.com). Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be advantage to, beneficial and in the interest of the Company, its Equity Shareholders, Unsecured Creditors and other stakeholders and the terms thereof are fair and reasonable.



The Board of Directors of the Company recommends the Scheme for approval of the Equity Shareholders and Unsecured Creditors.

Sd/-  
Y.D. Gupta  
Authorized Signatory  
DCM Shriram Industries Limited

New Delhi, 24th December, 2024

**Registered Office**

Kanchenjunga Building  
18, Barakhamba Road  
New Delhi – 110001.  
CIN L74899DL1989PLC035140  
Website : <https://www.dcmsr.com>  
E-mail : [dsil@dcmsr.com](mailto:dsil@dcmsr.com)  
Tel : 011-43745000

COMPOSITE SCHEME OF ARRANGEMENT

ANNEXURE -1

UNDER CHAPTER XV OF THE COMPANIES ACT, 2013

AMONGST

LILY COMMERCIAL PRIVATE LIMITED  
DCM SHRIRAM INDUSTRIES LIMITED  
DCM SHRIRAM FINE CHEMICALS LIMITED  
DCM SHRIRAM INTERNATIONAL LIMITED

TRANSFEROR COMPANY  
TRANSFeree COMPANY  
RESULTANT COMPANY 1  
RESULTANT COMPANY 2

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART-I

1.1 Overview

- 1.1.1 DCMSR (*as defined below*) had, in August 2022, constituted a Restructuring/Reorganisation Committee comprising of independent directors, non-executive directors and director-finance, and headed by its chairman, Mr. S. B. Mathur (“RRC”), to explore the possibility of restructuring the operations of DCMSR with a view to unlock growth potential and shareholder value. The RRC had to consider various options on the restructuring/reorganisation of the businesses of DCMSR with a view to unlocking shareholder value and to embark on future growth and expansion of the different business verticals housed in DCMSR, with focussed attention and enhancement of the valuations, in a smooth and seamless manner.
- 1.1.2 The RRC, on 14 August 2023, provided its recommendation to the Board of Directors of DCMSR, whereby it *inter alia* recommended a composite scheme of arrangement involving demerger of 2 (two) business undertakings (i.e., chemical undertaking and rayon undertaking (including defence and engineering projects)) of DCMSR into 2 (two) existing companies, on a going concern basis, while the residual undertaking comprising of sugar, alcohol and power would be retained in DCMSR, after the amalgamation of the Transferor Company (*as defined below*) with DCMSR, since (a) the 3 (three) segregated business verticals of sugar (including alcohol and power), chemicals and rayon (including defence and engineering projects) being diverse in nature with no critical business inter-dependencies, would be best placed in independent companies; (b) the separated undertakings being part of separate companies would have a greater possibility of inviting specialised and strategic investors and joint venture partners, and the demerger would likely increase shareholder value and focus each company on specific business, leading to faster growth and better price discovery; and (c) the family members constituting the ‘promoter and promoter group’ of DCMSR would have direct ownership in each vertical (instead through investment company(ies)) so that they can take independent decisions on their respective shareholdings. DCMSR notified the Stock Exchanges (*as defined below*) on 14 August 2023 of the in-principle approval of the Board of Directors to the proposed restructuring of the DCMSR’s operations to undertake a composite scheme of arrangement through the amalgamation of the Transferor Company with DCMSR and the demerger of 2 (two) business verticals of DCMSR, namely the Chemical Undertaking (*as defined below*) and the Rayon Undertaking (*as defined below*), on a going concern basis.
- 1.1.3 The Board of Directors of DCMSR therefore, on 14 November 2023, recommended a composite scheme of arrangement involving amalgamation of the Transferor Company with DCMSR followed by demerger of the Chemical Undertaking and Rayon Undertaking of DCMSR into 2 (two) separate companies, namely, DCM Shriram Fine Chemicals Limited, a company incorporated under the Act and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India (“Resultant Company 1”) and DCM Shriram International Limited, a company incorporated under the Act and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India (“Resultant Company 2”), respectively, (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the “Resultant Companies”) with retention of the Residual Undertaking (*as defined below*) in DCMSR.
- 1.1.4 The amalgamation of the Transferor Company with DCMSR shall lead to simplification of the shareholding structure and reduction of shareholding tiers, and demonstrate direct commitment to and engagement with DCMSR of/by the family members constituting the ‘promoter and promoter group’ of DCMSR. Such amalgamation shall have no adverse implication for the Transferor Company, DCMSR, public shareholders of DCMSR, or the Resultant Companies(*as defined below*). The ‘promoter and promoter group’ of DCMSR shall cumulatively hold the same number of shares in DCMSR, prior to and post such amalgamation of the Transferor Company with DCMSR, as well as demergers of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant

Company 1 and Resultant Company 2, respectively, as contemplated in this Scheme.

- 1.1.5 Further, the demerger shall provide scope and opportunities for pursuing independent growth, collaboration and expansion of the 3 (three) segregated business verticals (viz., Chemical Undertaking, Rayon Undertaking and Residual Undertaking) for enhancing their valuations. Since such business verticals are independent and self-sufficient (with no critical business inter-dependencies on each other), the transition will be smooth and seamless, and each such vertical will continue to function efficiently after the demerger. By unlocking value, the option of independent joint ventures, collaborations on a sectoral basis are made possible, i.e., separate ventures of each of the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, and the segregation thereof will allow each of DCMSR, Resultant Company 1 and Resultant Company 2 to create a strong and distinctive platform with more focused business and management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies. This is critical as modern investors and collaborators do insist on value growth without diffusion of their investments into multiple businesses, and the same will also provide diversity in decisions regarding use of cash flows and exploring various opportunities for separate businesses. The Chemical Undertaking, Rayon Undertaking and the Residual Undertaking are independent, self-sufficient and standalone (with no critical business inter-dependencies), and would continue to function with efficiency, efficacy and synergies post the demergers. The promoter family is moving closer to a generational shift and this Scheme will also facilitate succession planning in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity. This Scheme will unlock shareholder value and the growth potential of DCMSR and the Resultant Companies. Further, the amalgamation of the Transferor Company with DCMSR and the demergers shall provide the family members constituting the 'promoter and promoter group' of DCMSR to have direct holding of shares of DCMSR and consequently, the Resultant Companies (instead of through investment company(ies)), so that they can take independent decisions on their respective shareholdings in each entity.
- 1.1.6 All costs, charges and expenses pertaining to amalgamation of the Transferor Company with DCMSR, pursuant to this Scheme and any other expenses or payment for liabilities pertaining to the Transferor Company prior to the Effective Date shall be borne out of the Surplus Assets (*as defined below*) of the Transferor Company. Any deficit thereof, i.e., such costs, charges or expenses (pertaining to amalgamation of the Transferor Company with DCMSR) exceeding the Surplus Assets, shall be borne in the manner provided in this Scheme. Further, any surplus thereof, i.e., such costs charges or expenses (pertaining to amalgamation of the Transferor Company with DCMSR) being less than the Surplus Assets, shall be returned to the shareholders of the Transferor Company (*as on the Record Date (as defined below)*).
- 1.1.7 The family members constituting 'promoter and promoter group' of DCMSR will, jointly and severally, defend and hold harmless DCMSR, its directors, employees, officers, representatives, or any other person authorized by the DCMSR (excluding the promoters) for any unfunded liability, claim or demand, which may devolve upon DCMSR on account of amalgamation of the Transferor Company with DCMSR.
- 1.1.8 Accordingly, this Scheme seeks to undertake:
- (i) amalgamation of the Transferor Company (i.e., Lily Commercial Private Limited) into and with DCMSR; and
  - (ii) subsequent to the aforesaid amalgamation, demerger of the Chemical Undertaking and the Rayon Undertaking of the resultant DCMSR, into 2(two) separate companies, i.e., the Resultant Company 1 and Resultant Company 2 respectively.
- 1.1.9 The Board of Directors of each of the companies involved in this Scheme have deliberated on the Scheme and have passed appropriate resolutions, including authorising their representatives to sign and file appropriate applications or petitions for the approval and sanction of this Scheme *inter alia* with the NCLT (*as defined below*), which is the appropriate authority for each of the companies involved in this Scheme. The Board of Directors of DCMSR has also noted that the cumulative shareholding of the 'promoter and the promoter group' in DCMSR does not increase as a consequence of the amalgamation or demergers pursuant to this Scheme, and the members of the public who are shareholders in DCMSR shall continue to remain at 49.89% of the total issued and paid up capital of DCMSR, post this Scheme, and consequently be the same in the Resultant Companies. The Board of Directors of each of DCMSR and the Resultant Companies also noted that the rationale for the demergers as reflected above, and that the Scheme is in the best interest of the shareholders, creditors and employees of DCMSR and the Resultant Companies, and shall increase shareholder value.
- 1.1.10 The arrangement under this Scheme shall be effected under the provisions of Section 230 to 232 of Act (*as defined below*) and other applicable provisions of law. The demerger of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant Company 1 and Resultant Company 2, respectively, is in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961. DCMSR, shall, after the demerger, continue to do business of the Residual Undertaking.
- 1.1.11 The merger and amalgamation of the Transferor Company, i.e., Lily Commercial Private Limited into and with DCMSR, as proposed under this Scheme, is in compliance with Section 2(1B) of the Income Tax Act, 1961. The Boards of Directors of each of the companies here to have preferred this composite Scheme which deals with the amalgamation of the Transferor Company into and

with DCMSR and the subsequent demerger of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant Company 1 and Resultant Company 2, respectively, as this is more efficient and in the interest of its shareholders, creditors and employees, such that simultaneously 3 (three) separate verticals, namely, the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, emerge in separate companies after this Scheme is sanctioned as a whole.

1.1.12 This Scheme is segregated into the following 7 (seven) parts:

- (i) Part-I sets forth the overview of this Scheme, and Clause 1.3.1 sets out the objects of this Scheme;
- (ii) Part-II sets forth the capital structure of each of the companies involved in this Scheme;
- (iii) Part-III deals with amalgamation of the Transferor Company into and with DCMSR, in accordance with Section 2(1B) of the Income Tax Act 1961 and Chapter XV of the Act;
- (iv) Part-IV deals with demerger of the Chemical Undertaking of DCMSR into Resultant Company 1, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in accordance with Chapter XV of the Act;
- (v) Part-V deals with demerger of the Rayon Undertaking of DCMSR into Resultant Company 2, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Chapter XV of the Act;
- (vi) Part-VI deals with the Residual Undertaking of DCMSR; and
- (vii) Part-VII deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

1.1.13 This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

## 1.2 Brief overview of each of the companies involved in this Scheme

### 1.2.1 Lily Commercial Private Limited (Transferor Company)

- (i) The Transferor Company is a private limited company incorporated under the Companies Act, 1956 and has its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, New Delhi, India.
- (ii) The Transferor Company was originally incorporated on 27 March 1985 as 'Lily Commercial Private Limited' with the Registrar of Companies, Jammu and Kashmir, under Regd. No 760 of 1985. The registered office of the Transferor Company was shifted from the State of Jammu and Kashmir to National Capital Territory of Delhi, and the present Corporate Incorporation Number of the Transferor Company is U65923DL1985PTC306331.
- (iii) The name of the Transferor Company was changed in the following manner (in order of the date of change):
  - (a) to Lily Commercial Limited on 3 October 1991; and
  - (b) to Lily Commercial Private Limited on 22 February 2001.
- (iv) The main objects of the Transferor Company as provided in its Memorandum of Association are:

*“(a) To establish and carry on business and to act as merchants, traders, commission agents, buying agents, selling agents, contractors, importers, exporters of all types of engineering goods, electrical appliances and goods, electrical motors, fans, sewing machines, knitting and embroidery machine, cooking ranges, refrigerators, sealed compressors, electrical devices, yarn linen, cloth and ancillary goods and fabrics and readymade cloths made from cotton, jute, silk, hemp, wool, hair, rayon and any other fibre or fibrous substances whether natural or artificial, or a blend of natural and artificial fibres, plastics, goods, plastics, resin, rayon goods, heavy and other chemicals including polyvinyl chloride, calcium carbide, chlorine, caustic soda, bleaching powder, oils, paints and pigments, petrol, petroleum products, acids and alkalies, fertilisers, dyes and intermediates, paper and paper products, minerals and salts, alcohol and alcoholic beverages, soap preparations, confectionaries, sugar and sugar products, vegetable ghee, refined oils and vegetable products, food and all kind of beverages, shoes, leather goods, cars, automobiles and trucks, auto scooters, automobile and truck spare parts, rubber manufactures, tyres, cords, tubes, typewriters, teleprinters, plant and machinery tools and equipments, accessories, engines, pumps, agricultural produce and implements, ceramic goods, crockery, glass wares, vacuum flasks*



*and vacuum zed goods, rayon, tyre chord, all types of bearings, plaster of paris, transfer papers, cosmetics and toilet goods, things of art and beauty, raw materials and ingredients in any way required for manufacture of or for marketing any of the above commodities and to undertake transport of and general trade in such goods and commodities in India or anywhere else in the world and particularly non-traditional commodities, goods and articles to non-traditional destinations.*

*(b) To purchase, sell, give or take on lease, grant or acquire easements or other interest, exchange or otherwise acquire or dispose of or deal in any manner whatsoever with any land, building, flat, sheds of any immovable property or real estate and in particular to develop, construct, reconstruct, alter, improve, connect, reconnect, divide subdivide, consolidate, decorate, furnish, maintain any building, flat, office, godown, warehouse, factory, shop, wharves or any other immovable property and to sell, lease, exchange, dispose of or deal with or create any interest; right or title in such or other immovable properties.*

*(c) To carry on the business as an Investment Company and to buy, underwrite, invest in and acquire, hold and deal in shares, stocks, debentures, debenture-stock, bonds notes, obligations and securities issued or guaranteed by any company and debentures, debentures-stocks, bonds, notes, obligations or securities issued or guaranteed by any Government, sovereign ruler, commissioner, public body or authority supreme municipal or local or otherwise, in any part of the world.*

*(d) To acquire any such shares, stocks, debentures, debenture-stock, bonds, notes, obligations or securities by original subscription, contract tender, purchase, exchange under writing and by participation in syndicates or otherwise and whether or not fully paid, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit, and to dispose of the same.*

*(e) To carry on the business of dealers in shares, stocks, debentures, debenture-stock, bonds, obligations, units, securities and other investments.”*

- (v) Four Private Limited Investment Companies of the Promoter Group namely Versa Trading Private Limited, Bantam Enterprises Private Limited, Hi-Vac Wares Private Limited and H R Travels Private Limited were merged into and with the Transferor Company by order of the Hon'ble NCLT dated 15.02.2024.
- (vi) The Company is an investment company holding shares in the Transferee Company. It has no other business / operations.

#### 1.2.2 DCM Shriram Industries Limited

- (i) DCMSR is a public limited company incorporated under the Companies Act, 1956 and has its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi – 110001, India. The equity shares of DCMSR are listed on the Stock Exchanges *(as defined below)*.
- (ii) DCMSR was incorporated on 21 February 1989 with the Registrar of Companies, Delhi, as a private limited company. DCMSR was converted to a public limited company with effect from 21 June 1989. The Corporate Incorporation Number of DCMSR is L74899DL1989PLC035140.
- (iii) The main objects of DCMSR as provided in its Memorandum of Association are:

*“(a)To carry on the business as manufacturers, producers, processors, importers exporters, wholesalers and retailers of and dealers in all kinds of plastic materials, industry styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyremes vinyl acetate and co polymers, or one or more of the above and other products, acrylics and polyesters, polycarbonates and polyether epoxy resins and compositions silicon, resins and moulding composition, P- F, UF and other thermosetting resins and composition nylons, resin and similar thermoplastics, moulding composition including prefabricated sections and shapes; cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin), oxygen, nitrogen, hydrogen, halogen, hydro carbon gases, including ethylene, acetylene propylene, butancs and glucose and allied types reagents, agricultural, chemicals insecticides, fumigants weedicides, pesticides, coloring materials, pigments and lacs paints, varnish, lacquers, finishes, dyes, toners, perfume, and flavouring chemicals, rubber chemicals, plastic and resinous materials elastomers, gums glues and adhesives compositions, plasticisers, surface active agents, tanning agents coating resins, drugs and pharmaceutical chemicals, solvents, marine chemicals and synthetic fibres and allied products thereto.*

*(b) To carry on business as manufacturers of and dealers in fertilises, phosphates, bone products, glue, aleemic products and manuets and as distillers, compounds, cements, dye makers, gas makers, soap and perfume makers, metallurgists and mechanical engineers.*

(c) To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in manmade fibres including regenerated cellulose rayon, nylon and the like nylon and other nylon tyre cord, fabrics and industrial yarns, polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and such other fibres or fibrous materials or allied products, bye products or substances for all or any of them or yarn or yarn for textile or otherwise as may be practicable or deemed expedient.

(d) To make, manufacture, produce, purchase, sell, import, export or otherwise deal in all types of caprolactam, hexamethylene, diarsine, adipic acid, dimethyl terephthalate, acrylonitrile and other allied chemicals.

(e) To carry on the business of producing, acquiring and trading in sugarcane and other sugar producing materials and converting them into sugar and other marketable commodities and selling the same in any form, shape or design.

(f) To carry on business as brewers, distillers and manufacturers of and merchants and dealers in vinegar, acetic acid, glucose, wines, spirits, porter, malts, hopes, grain, meal, yeast, aerated water, carbonic acid gas, mustard, pickles, sauces, condiments of all kinds, cocoa, coffee and cocoa butter preserves.

(g) To carry on the business of cultivators winners and buyers of every kind of vegetable mineral or other produce of the soil, including, cotton, sugarcane, nuts, perfume producing vegetation and to manufacture and render marketable any such produce and to sell, dispose of and deal any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail.

(h) To produce, manufacture, treat process, prepare, refine, import, export, purchase, sell and to deal in, either as principals or as agents, all kinds of cement, ordinary white, coloured, portland pozzolana, alumina, blast furnace, slag, oil well, rapid hardening, silica and all other varieties of cements, lime and limestone, clinker and/or by products thereof, as also cement products of any or oil descriptions such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden wares, plaster of paris, lime pipes, building materials and compounds and preparations connected with the aforesaid products, now known and/or that may hereinafter be invented from time to time.

(i) To purchase, sell, develop, take in exchange or on lease hire or otherwise acquire, whether for investment or sale or working the same any real or personal estate, including lands, mines factory buildings, mill, houses, cottages, shops depots, warehouses, machinery plant, stock, stock in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in other or for any other consideration.

(j) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suits, residential and business quarters.

(k) To carry on the business of ginners, spinners, weavers, flax manufacturers, bailers and pressers of all cotton, jute, silk, hemp, wool, hair, rayon and other fibrous material including manmade fibres, and the business of buyers and sellers of and dealers in cotton, jute, silk, flax, hemp, wool, hair, rayon and any other fibrous materials and transacting all manufacturing, curing, preparing, colouring, dyeing or bleaching processes and purchasing, combing, preparing, spinning, weaving, dyeing, bleaching, printing, manufacturing, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from cotton, jute, silk, flax, hemp, wool, hair, rayon and any other fibres or fibrous substances including man made fibres waving and otherwise manufacturing, buying, selling and dealing in all kinds of cloth and other fabrics, whether textiles, felted, netted or looped, and vitriol, bleaching, sizing, dyeing, printing and other allied products.”

- (iv) The Transferee Company (DCMSR) is engaged in the business of manufacturing and marketing of sugar, alcohol, power, chemicals, industrial fibres and engineering products.

### 1.2.3 DCM Shriram Fine Chemicals Limited

- (i) The Resultant Company 1 is an unlisted public limited company incorporated under the Act and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, India.
- (ii) The Resultant Company 1 was incorporated on 29 September 2021 with the Registrar of Companies, Delhi. The Corporate Incorporation Number of the Resultant Company 1 is U24296DL2021PLC387429. It is yet to commence operations/business.
- (iii) The main objects of the Resultant Company 1 as provided in its Memorandum of Association are:

*"1. To carry on business as manufacturer, exporters, importers, buyers and sellers of and dealers in all kinds of chemicals and their by-products in particular Organic/Inorganic fine chemicals, Camphor and derivatives, Perfumery products, Chloro Toluenes and derivatives, Amino acids and derivatives, drugs/agro/dyes/intermediates, Industrial chemicals, bio technology based products, Alkalies and acids, Pharma products and to undertake contract manufacturing of any chemical products.*

*2. To manufacture, buy, sell, import, deal in and carry on business in casein, hydrochloric acid, bleaching powder, sodium silicate lime, copper sulphate, alum, urea and phenol formaldehyde, synthetic resin, PVC resin and other resin glues, chlorinated paraffin wax, chlorinated rubber, and other chemicals and ingredients for the manufacture of glue, cement or bonding materials.*

*3. To manufacture, produce, refine, process, formulate, mix or prepare mine or otherwise acquire, buy, sell, exchange, distribute, trade, deal in, import and export any and all kinds of chemicals, fertilizers, linden, pesticides, manures, their mixtures, and formulation and any and all Classes and kinds of chemicals, sources, materials ingredients, mixtures, derivatives and compounds thereof and any all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including fertilizers, and agricultural and industrial chemicals of all kinds, and industrial and other preparations of or products arising from or required in the manufacturing, refining of any kind of fertilizer, their mixture and formulations."*

#### 1.2.4 DCM Shriram International Limited

- (i) The Resultant Company 2 is an unlisted public limited company incorporated under the Act and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, India.
- (ii) The Resultant Company 2 was incorporated on 7 September 2022 with the Registrar of Companies, Delhi. The Corporate Incorporation Number of the Resultant Company 2 is U17299DL2022PLC404291. It is yet to commence operations/business.
- (iii) The main objects of the Resultant Company 2 as provided in its Memorandum of Association are:

*"1. To carry on the business of manufacturing, buying, selling., exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man-made fibres including regenerated cellulose rayon, nylon and the like nylon 6 and other nylon tyre cord, fabrics and industrial yarns, polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and such other fibres or fibrous materials or allied products, bye products or substances for all or any of them or yarn or yarn for textile or otherwise as may be practicable or deemed expedient.*

*2. To carry on the business of manufacture, fabricate, assemble and deal in automobiles and parts and agricultural implements of all kinds and descriptions, automotive and other gears, transmission axles, universal joints, spring leaves, headlamps, sealed beams, clutch facing and brake lining component parts, spare parts, accessories and fittings of all kinds for the said articles and things used in connection with the manufacture thereof, alloy springs, steel billets, flats and bars, nuts and bolts, pressed and other engineering items and other related items for motor cars, motor trucks, buses, tractors, vans, jeeps, lorries, motor launchers and vehicles for paramilitary forces and conveyances of all kinds and also communication equipment and drones of all kinds and specifications.*

*3. To manufacture, sell, purchase, import, export of civil and defence related equipment, armoured vehicles, unmanned aerial vehicles and accessories of all specifications of such3) and vehicles communication equipment, parts, accessories, Semi Knocked Down Kits, set up Defence SEZs, joint ventures, maintenance services;*

*4. To enter into collaboration with leading brands for manufacturing and marketing of their products and to represent original equipment manufacturer (OEM) in Indian market as their authorized representatives."*

### 1.3 **Objects of this Scheme**

1.3.1 This Scheme is in the best interest of the stakeholders of each of the companies involved in this Scheme, *inter alia* for the reasons explained below and shall result in amalgamation and demergers leading to several benefits to the shareholders, primarily:

- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;



- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;
- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of the Resultant Companies, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- (xiii) facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR and the Resultant Companies.

#### 1.4 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions shall have the meanings as set out herein below:

- 1.4.1 **“Act”** means the Companies Act, 2013 as notified, clarified and/or modified by rules and notifications issued by the Ministry of Corporate Affairs, from time to time;
- 1.4.2 **“Appointed Date”** means 1 April 2023, being the date from which this Scheme shall be effective for the purposes of amalgamation of the Transferor Company into and with DCMSR, and subsequently, the segregation and purposive reconstruction of DCMSR into companies having separate undertakings namely, Chemical Undertaking (in Resultant Company 1), Rayon Undertaking (in Resultant Company 2) and the Residual Undertaking (continuing in DCMSR);
- 1.4.3 **“Board of Directors”** means the respective board of directors of each of the companies involved in the Scheme;
- 1.4.4 **“BSE”** means BSE Limited, where the securities of DCMSR, Resultant Company 1 and Resultant Company 2, are listed, or will be listed, pursuant to the Scheme;
- 1.4.5 **“Chemical Undertaking”** means the chemical business of DCMSR, comprising *inter alia* of “Daurala Organics” and “Daurala Chemical Industries” units of DCMSR, and shall include all the property of the chemical business being transferred by DCMSR so as to become property of the Resultant Company 1 by virtue of the demerger under this Scheme and all the liabilities relating to such chemical business immediately before the demerger being transferred by DCMSR to become liabilities of the Resultant Company 1 by virtue of the demerger; all of which constitutes the undertaking as a going concern basis, subject to any assets or liabilities transferred in the ordinary course of business. It is clarified that the Chemical Undertaking *inter alia* comprises of:

- (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Chemical Undertaking, including such licenses as set out in **Schedule 1** or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Chemical Undertaking;
- (ii) any and all assets and property relating to or arising from the activities and operations of the Chemical Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) including such assets as set out in **Schedule 2**, including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for DCMSR as a whole or without reference to specific assets relating to the Chemical Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by DCMSR with respect to the Chemical Undertaking and all other interests in connection with or relating to the Chemical Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Chemical Undertaking, and plant, machinery, equipment, whether leased or otherwise, relating to the Chemical Undertaking;
- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Chemical Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Chemical Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Chemical Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by DCMSR directly or indirectly in connection with and pertaining to the Chemical Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Chemical Undertaking, if any, allocated to the Chemical Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of DCMSR immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) connected with and pertaining to the Chemical Undertaking, including the investments in Daurala Foods & Beverages Private Limited, all cash balances with the banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Chemical Undertaking or to which the Chemical Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier Pricing information and other records in connection with or in relation to the Chemical Undertaking;

- (viii) all records relating to the Chemical Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Chemical Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the employees of the Chemical Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Chemical Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such employees of the Chemical Undertaking, as on the Effective Date, and including those employed at its offices and branches, and such employees of the corporate office of DCMSR who will be transferred and assigned to the operations of the Chemical Undertaking as approved by the Board of Directors of each of Resultant Company 1 and DCMSR;
- (x) all insurance policies, obtained in relation to the assets, directors, employees or operations of the Chemical Undertaking, by DCMSR, whether or not updated to include the Resultant Company 1;
- (xi) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names used by or held for use by the Chemical Undertaking of DCMSR, as more particularly set out at **Schedule 3**; and
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, exclusively relating to the Chemical Undertaking,

It being clarified that the Chemical Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Rayon Undertaking and the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Chemical Undertaking or the Rayon Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of DCMSR, the Resultant Company 1 and/or the Resultant Company 2 (as the case may be);

- 1.4.6 “**DCMSR**” or “**Transferee Company**” means DCM Shriram Industries Limited, the company being restructured pursuant to the amalgamation and demergers under this Scheme, and shall include and mean, DCMSR for the purposes of the amalgamation as provided in Part III of this Scheme, and the company housing the Residual Undertaking after the demergers as contemplated from Part IV to Part V;
- 1.4.7 “**Effective Date**” under the Scheme shall be in accordance with Clause 7.1. Any references in this Scheme to “upon this Scheme becoming effective”, “Scheme becomes effective” or “effectiveness of this Scheme” means and refers to the Effective Date;
- 1.4.8 “**NCLT**” with respect to the companies involved in this Scheme, means the National Company Law Tribunal Bench at New Delhi;
- 1.4.9 “**NSE**” means the National Stock Exchange of India Limited, where the securities of DCMSR, Resultant Company 1 and Resultant Company 2, are listed, or will be listed, pursuant to the Scheme;
- 1.4.10 “**Rayon Undertaking**” means the rayon business of DCMSR and *inter alia* includes all the property of the rayon business and engineering project section, being transferred by DCMSR so as to become property of the Resultant Company 2 by virtue of the demerger, and all the liabilities relating to the rayon business immediately before the demerger being transferred by DCMSR to become liabilities of the Resultant Company 2 by virtue of the demerger; all of which constitutes the undertaking as a going concern basis, subject to any assets or liabilities transferred in the ordinary course of business. It is clarified that the Rayon Undertaking *inter alia* comprises of:
  - (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Rayon Undertaking, including such licenses as set out in **Schedule 4** or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies,

accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Rayon Undertaking;

- (ii) any and all assets and property relating to or arising from the activities and operations of the Rayon Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including such assets as set out in **Schedule 5**, including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for DCMSR as a whole or without reference to specific assets relating to the Rayon Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by DCMSR with respect to the Rayon Undertaking and all other interests in connection with or relating to the Rayon Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Rayon Undertaking, and plant, machinery, equipment, whether leased or otherwise, relating to the Rayon Undertaking;
- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Rayon Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Rayon Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Rayon Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by DCMSR directly or indirectly in connection with and pertaining to the Rayon Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Rayon Undertaking, if any, allocated to the Rayon Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of DCMSR immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to and connected with the Rayon Undertaking, including the investments in DCM Hyundai Limited and ZyrOne Dynamics Havacilik Danismanlik ve Ar-Ge San. Tic. A.S., all cash balances with the banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Rayon Undertaking or to which the Rayon Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Rayon Undertaking;
- (viii) all records relating to the Rayon Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and



development of the Rayon Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;

- (ix) the employees of the Rayon Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Rayon Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such employees of the Rayon Undertaking, as on the Effective Date, and including those employed at its offices and branches, and such employees of the corporate office of DCMSR who will be transferred and assigned to the operations of the Rayon Undertaking as approved by the Board of Directors of each of Resultant Company 2 and DCMSR;
- (x) all insurance policies, obtained in relation to the assets, directors, employees or operations of the Rayon Undertaking, by DCMSR, whether or not updated to include the Resultant Company 2;
- (xi) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names used by or held for use by the Rayon Undertaking of DCMSR, as more particularly set out at **Schedule 6**; and
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, exclusively relating to the Rayon Undertaking,

it being clarified that the Rayon Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Chemical Undertaking and the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Chemical Undertaking or the Rayon Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of DCMSR, Resultant Company 1 and/or Resultant Company 2 (as the case may be);

1.4.11 **"Record Date"** means in relation to: (a) the merger of the Transferor Company into and with DCMSR, the date to be fixed by the Board of Directors of the Transferor Company and DCMSR, for issue of shares of DCMSR to the shareholders of the Transferor Company, pursuant to this Scheme; and (b) the demerger of the Chemical Undertaking and Rayon Undertaking into the Resultant Company 1 and Resultant Company 2, respectively, the date to be fixed by the Board of Directors of DCMSR, Resultant Company 1 and the Resultant Company 2, for the purpose of issue of shares of the respective Resultant Companies to the shareholders of DCMSR, pursuant to this Scheme;

1.4.12 **"Registrar"** means, in respect of each of DCMSR, Resultant Company 1 and Resultant Company 2, KFIN Technologies Limited, a public limited company incorporated in India with its registered office at Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India;

1.4.13 **"Residual Undertaking"** means the remainder undertaking of DCMSR after demerger of the Chemical Undertaking and the Rayon Undertaking by virtue of the demergers under this Scheme, and *inter alia* includes sugar, alcohol and power businesses of DCMSR and shall include all the property of sugar, alcohol and power businesses being retained in DCMSR pursuant to the demergers of the Chemical Undertaking and the Rayon Undertaking under this Scheme, and all liabilities relating to the sugar, alcohol and power businesses being retained in DCMSR by virtue of the demergers under this Scheme and the outstanding public deposits of DCMSR (i.e., INR 91,656,421 as on the Appointed Date). It is clarified that the Residual Undertaking *inter alia* comprises of:

- (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Residual Undertaking and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Residual Undertaking;
- (ii) any and all assets and property relating to or arising from the activities and operations of the Residual Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in

transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (including those taken for DCMSR as a whole or without reference to specific assets relating to the Rayon Undertaking or the Chemical Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by DCMSR with respect to the Residual Undertaking and all other interests in connection with or relating to the Residual Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Residual Undertaking, and plant, machinery, equipment, whether leased or otherwise, relating to the Residual Undertaking;

- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Residual Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Residual Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Residual Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by DCMSR directly or indirectly in connection with and pertaining to the Residual Undertaking;
- (v) liabilities, being the amounts of general or multipurpose borrowings of the Residual Undertaking, if any, allocated to the Residual Undertaking, in the same proportion which the value of the assets retained with DCMSR bear to the total value of the assets of DCMSR immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to and connected with the Residual Undertaking, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Residual Undertaking or to which the Residual Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Residual Undertaking;
- (viii) all records relating to the Residual Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Residual Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the employees of the Residual Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Residual Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such employees of the Residual Undertaking, as on the Effective Date, and including those employed at its offices and branches, and such employees of the corporate office of

DCMSR who will continue with DCMSR, except otherwise as approved by the Board of Directors of DCMSR;

- (x) all insurance policies, obtained in relation to the assets, directors, employees or operations of the Residual Undertaking, by DCMSR;
- (xi) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names not relating to the Rayon Undertaking or the Chemical Undertaking; and
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, and not relating to the Rayon Undertaking or the Chemical Undertaking,

it being clarified that the Residual Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Chemical Undertaking and the Rayon Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Chemical Undertaking or the Rayon Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of DCMSR, Resultant Company 1 and/or Resultant Company 2 (as the case may be);

- 1.4.14 “**Resultant Company 1**” has the meaning ascribed to the term in Clause 1.1.3;
- 1.4.15 “**Resultant Company 2**” has the meaning ascribed to the term in Clause 1.1.3;
- 1.4.16 “**Scheme**” means this composite scheme of amalgamation and arrangement, pursuant to Chapter XV and other relevant provisions of the Act with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, including without limitation SEBI, as may be required under the Act and under other applicable laws;
- 1.4.17 “**SEBI**” means the Securities and Exchange Board of India;
- 1.4.18 “**SEBI Circular**” means circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 1.4.19 “**Stock Exchanges**” means BSE and NSE;
- 1.4.20 “**Surplus Assets**” means all assets of the Transferor Company (including cash and cash equivalents) other than the investments made in DCMSR by the Transferor Company.
- 1.4.21 “**Transferor Company**” means Lily Commercial Private Limited, a company having its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, New Delhi, India and, where relevant includes all its assets and liabilities, including:
  - (i) any and all of its assets, movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, plant, machinery, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
  - (ii) any and all of its investments (including shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities), loans and advances, including dividends declared or interest accrued thereon;
  - (iii) any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, trade names, trademarks, service marks, copyrights, GST/VAT credits, domain names, applications for trade names, copyrights, sales tax credits, minimum alternate tax credits, income-tax credits, privileges and benefits of all contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever;
  - (iv) any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees,



assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferor Company;

- (v) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferor Company's business, activities and operations pertaining to the business carried on by it;
- (vi) any and all of its employees, who are on its payrolls, including those employed at its offices and branches, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the Transferor Company's business, activities and operations pertaining to the business carried on by it in terms of its license, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company after the date hereof who are primarily engaged in or in relation to the Transferor Company's business, activities and operations pertaining to the business carried on by it;
- (vii) any and all of the advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, as may be lying with them; and
- (viii) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in the Transferor Company's business, activities and operations pertaining to the business carried on by it.

## **1.5 Interpretation**

1.5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IncomeTax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.5.2 In this Scheme, unless the context otherwise requires:

- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders;
- (iv) words in the singular shall include the plural and vice versa; and
- (v) Percentages have been rounded off up to two decimal places.

## **PART-II**

## **2 CAPITAL STRUCTURE**

### **2.1 Pre-Scheme Capital Structure**

#### **2.1.1 Lily Commercial Private Limited**

- (i) The capital structure of the Transferor Company as on 19.02.2024 is as under:

| Share Capital  | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>  |                    |
| 4,559,000 equity shares of Rs. 100 each                                      | 455,900,000        |
| 1,041,000 (12.5% redeemable non-cumulative) preference shares of Rs.100 each | 104,100,000        |
| <b>Total</b>   | <b>560,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>                          |                    |
| 1,095,125 fully paid-up equity shares of Rs. 100 each                        | 109,512,500        |
| <b>Total</b>   | <b>109,512,500</b> |

### 2.1.2 DCMSR

The capital structure of DCMSR as of 30 September 2023 is as under:

| Share Capital  | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>                            |                    |
| 325,000,000 equity shares of Rs. 2 each              | 650,000,000        |
| <b>Total</b>   | <b>650,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>  |                    |
| 86,992,185 fully paid-up equity shares of Rs. 2 each | 173,984,370        |
| <b>Total</b>   | <b>173,984,370</b> |

### 2.1.3 DCM Shriram Fine Chemicals Limited

(i) The capital structure of the Resultant Company 1 as of 30 September 2023 is as under:

| Share Capital   | Amount in Rs.      |
|---|--------------------|
| <b>Authorised Capital</b>                             |                    |
| 125,000,000 equity shares of Rs. 2 each               | 250,000,000        |
| <b>Total</b>  | <b>250,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>   |                    |
| 100,000,000 fully paid-up equity shares of Rs. 2 each | 200,000,000        |
| <b>Total</b>  | <b>200,000,000</b> |

(ii) The Resultant Company 1 is a subsidiary of DCMSR. DCMSR and its nominees (for the purposes of ensuring compliance with the provisions of the Act, which requires a public limited company to have at least 7 shareholders) legally and beneficially hold 100% equity shares in the Resultant Company 1.

(iii) The equity shares of the Resultant Company 1 are presently not listed on any Stock Exchanges. An application shall be made with the Stock Exchanges, post effectiveness of the Scheme, for listing of equity shares of the Resultant Company 1, as mentioned in this Scheme.

### 2.1.4 DCM Shriram International Limited

(i) The capital structure of the Resultant Company 2 as of 30 September 2023 is as under:

| Share Capital                                       | Amount in Rs.  |
|---|----------------|
| <b>Authorised Capital</b>                           |                |
| 250,000 equity shares of Rs. 2 each                 | 500,000        |
| <b>Total</b>  | <b>500,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                |
| 50,000 equity shares of Rs. 2 each                  | 100,000        |

|              |                |
|--------------|----------------|
| <b>Total</b> | <b>100,000</b> |
|--------------|----------------|

- (ii) The Resultant Company 2 is a subsidiary of DCMSR. DCMSR and its nominees (for the purposes of ensuring compliance with the provisions of the Act, which requires a public limited company to have at least 7 shareholders) legally and beneficially hold 100% equity shares in the Resultant Company 2.
- (iii) The equity shares of the Resultant Company 2 are presently not listed on any Stock Exchanges. An application shall be made with the Stock Exchanges, post effectiveness of the Scheme, for listing of equity shares of the Resultant Company 2, as mentioned in this Scheme.

## 2.2 Post-Scheme Capital Structure

### 2.2.1 DCMSR

- (i) The expected capital structure of DCMSR immediately post amalgamation of the Transferor Company into and with DCMSR (but prior to the demerger of the Chemical Undertaking and the Rayon Undertaking from DCMSR into the Resultant Company 1 and Resultant Company 2, respectively) will be as under:

| Share Capital  | Amount in Rs.        |
|--|----------------------|
| <b>Authorised Capital*</b>                           |                      |
| 605,000,000 equity shares of Rs. 2 each              | 1,210,000,000        |
| <b>Total</b>   | <b>1,210,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>  |                      |
| 86,992,185 fully paid-up equity shares of Rs. 2 each | 173,984,370          |
| <b>Total</b>   | <b>173,984,370</b>   |

*\*The figure takes into account re-categorisation of the authorised preference share capital of the Transferor Company into equity share capital of the Transferor Company, and such re-categorised, authorised share capital of the Transferor Company being transferred to and being merged/amalgamated with the authorised share capital of DCMSR pursuant to the Scheme.*

- (ii) The expected capital structure of DCMSR post demerger of the Chemical Undertaking and the Rayon Undertaking from DCMSR into the Resultant Company 1 and the Resultant Company 2, respectively, will be as under:

| Share Capital  | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital*</b>                           |                    |
| 325,000,000 equity shares of Rs. 2 each              | 650,000,000        |
| <b>Total</b>   | <b>650,000,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>  |                    |
| 86,992,185 fully paid-up equity shares of Rs. 2 each | 173,984,370        |
| <b>Total</b>   | <b>173,984,370</b> |

*\* The authorised share capital of DCMSR, post demerger of the Chemical Undertaking and the Rayon Undertaking from DCM into Resultant Company 1 and Resultant Company 2, respectively, shall be reduced by Rs. 560,000,000, which shall be added to the authorised share capital of Resultant Company 1 and Resultant Company 2 as follows: (i) Rs. 155,250,000 shall be added to the authorised share capital of Resultant Company 1, and (ii) Rs. 404,750,000 shall be added to the authorised share capital of Resultant Company 2. Accordingly, the authorized capital of DCMSR will remain Rs. 650,000,000 divided into 325,000,000 equity shares of Rs. 2 each, and the authorised share capital of each of Resultant Company 1 and Resultant Company 2 shall stand increased to Rs. 405,250,000 each divided into 202,625,000 equity shares of Rs. 2 each.*

### 2.2.2 DCM Shriram Fine Chemicals Limited

The expected capital structure of Resultant Company 1 post demerger of the Chemical Undertaking from DCMSR into the Resultant Company 1 will be as under:

| Share Capital                                       | Amount in Rs.      |
|---|--------------------|
| <b>Authorised Capital</b>                           |                    |
| 202,625,000 equity shares of Rs. 2 each             | 405,250,000        |
| <b>Total</b>  | <b>405,250,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                    |

|  |                    |
|--|--------------------|
| 86,992,185 fully paid-up equity shares of Rs. 2 each | 173,984,370        |
| <b>Total</b>   | <b>173,984,370</b> |

### 2.2.3 DCM Shriram International Limited

The expected capital structure of Resultant Company 2 post demerger of the Rayon Undertaking from DCMSR into the Resultant Company 2 will be as under:

| Share Capital  | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>                            |                    |
| 202,625,000 equity shares of Rs. 2 each              | 405,250,000        |
| <b>Total</b>   | <b>405,250,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>  |                    |
| 86,992,185 fully paid-up equity shares of Rs. 2 each | 173,984,370        |
| <b>Total</b>   | <b>173,984,370</b> |

## PART-III

### 3 AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH DCMSR

#### 3.1 Transfer and vesting of the Transferor Company into and with DCMSR

3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Transferor Company shall stand transferred to and vest in DCMSR, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme, Chapter XV of the Act and all applicable provisions of law, if any.

3.1.2 Without prejudice to generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) All assets of the Transferor Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in DCMSR, wherever located and shall become the property and an integral part of DCMSR. The vesting pursuant to this sub-Clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of the Transferor Company, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, become the property of DCMSR, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by the Transferor Company (other than in DCMSR, which shall be treated in terms of Clause 3.6.5) and all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in DCMSR.
- (iii) All immovable properties, if any, of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in DCMSR, without any further act or deed done or being required to be done by the Transferor Company and/or DCMSR. DCMSR shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of DCMSR by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

- (iv) All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of DCMSR for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed stand vested in and be deemed to be in favour of DCMSR and the benefit of such security shall be available to DCMSR as if such security was ab initio created in favour of DCMSR. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of DCMSR by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof;
- (v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of DCMSR, and DCMSR shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (vi) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of DCMSR and may be enforced as fully and effectually as if, instead of the Transferor Company, DCMSR had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by DCMSR as if it is the duly constituted attorney of the Transferor Company.
- (vii) Subject to Clause 7.8.5, all pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature, whether by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against DCMSR after the Effective Date. DCMSR shall, after the Effective Date, be substituted/replaced as party to such proceedings and shall prosecute or defend such proceedings in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
- (viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by DCMSR and promptly transferred to the accounts of the DCMSR.
- (ix) All employees of the Transferor Company, who are on its payrolls shall become employees of DCMSR with effect from the Effective Date, on such terms and conditions as are no less favourable (including employee benefits such as provident fund, leave encashment and any other retiral benefits) than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer.

With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, DCMSR shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by each of the Transferor Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

- (x) With regard to any provident fund, gratuity fund, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of DCMSR.



Upon the Scheme becoming effective, DCMSR shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by the Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of DCMSR. It is clarified that the services of all employees of the Transferor Company transferred to DCMSR will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.

DCMSR undertakes to continue to abide by any agreement(s)/settlement(s) entered into with respective employees by any of the Transferor Company. DCMSR agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees, if any, with the Transferor Company, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

- (xi) All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, and trade names, if any of the Transferor Company, shall stand transferred to and vested in DCMSR.
- (xii) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of DCMSR, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to DCMSR.
- (xiii) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever, held by the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of DCMSR and may be enforced as fully and effectually as if, instead of the Transferor Company, DCMSR had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of DCMSR pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, DCMSR shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (xiv) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 42, 62, 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made there under, shall stand transferred to DCMSR and the said corporate approvals and compliances shall be deemed to have been taken/complied with by DCMSR.
- (xv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company shall be deemed to have been accrued to and/or acquired for and on behalf of DCMSR and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in DCMSR to that extent and shall become the estates, assets, right, title, interests and authorities of DCMSR.
- (xvi) All bank or depository accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to DCMSR, and name of the Transferor Company, shall be substituted by the name of DCMSR, in the bank's records.

3.1.3 DCMSR shall, at any time after this Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. DCMSR shall, under the provisions hereof, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

3.1.4 DCMSR shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions,



registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of DCMSR pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, DCMSR shall file appropriate applications/documents with the relevant authorities concerned for information and record purposes. DCMSR shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

### **3.2 Conduct of business until Effective Date and upon Effectiveness of the Scheme**

#### **3.2.1 With effect from the Appointed Date and up to and including the Effective Date:**

- (i) the Transferor Company undertakes to carry on and shall be deemed to have carried on the business activities of the Transferor Company and stand possessed of the properties and assets of each of the Transferor Company, for and on account of and in trust for DCMSR;
- (ii) all profits or income accruing to or received by the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, goods and services tax, minimum alternate tax, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax etc.) or losses arising in or incurred by the Transferor Company shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of DCMSR;
- (iii) the Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:
  - (a) when it is expressly provided in this Scheme;
  - (b) when it is in the ordinary course of business as carried on by the Transferor Company, as on the date of filing of this Scheme in the NCLT; or
  - (c) when written consent of DCMSR has been obtained in this regard;
- (iv) except by mutual consent of the respective Boards of Directors of the Transferor Company and DCMSR, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Company and/or DCMSR as on the Appointed Date, or except as contemplated in this Scheme, pending sanction of this Scheme, the Transferor Company and/or DCMSR shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company (ies);
- (v) the Transferor Company shall not alter or substantially expand the business except with the written concurrence of DCMSR; and
- (vi) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorisations of the Transferor Company, shall stand transferred by the order of the NCLT, to DCMSR, DCMSR shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT.

- 3.2.2 (i) With effect from the Effective Date, DCMSR shall carry on and shall be authorised to carry on the businesses of the Transferor Company.
- (ii) For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the NCLT, DCMSR shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Transferor Company, in accordance with the provisions of Chapter XV of the Act. DCMSR is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.

- (iii) Upon this Scheme becoming effective, DCMSR, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- (iv) All profits accruing to the Transferor Company and all taxes thereof or losses arising or incurred by it relating to the Transferor Company shall, for all purposes be treated as the profits, taxes or losses as the case may be of DCMSR.
- (v) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of DCMSR and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in DCMSR.

### **3.3 Dissolution of the Transferor Company**

- 3.3.1 Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up, without any further act or deed.

### **3.4 Changes in Share Capital**

- 3.4.1 Upon this amalgamation under the Scheme becoming effective and with effect from the Appointed Date: (a) the authorised preference share capital of the Transferor Company shall be re-categorised as authorised equity share capital of the Transferor Company and the restated authorised share capital of the Transferor Company shall be Rs. 560,000,000 divided into 5,600,000 equity shares of Rs. 100 each; and (b) such re-categorised, authorised share capital of the Transferor Company shall stand transferred to and be merged/amalgamated with the authorised share capital of DCMSR, subject to the payment of any additional fees (including fees and charges to the relevant Registrar of Companies), if required.

- 3.4.2 Upon this Scheme (including consequent to transfer of the authorised share capital of the Transferor Company to DCMSR in accordance with Clause 3.4.1 of this Scheme and demerger) coming into effect and with effect from the Appointed Date:

- (i) the authorised share capital of DCMSR shall be Rs. 65,000,000 (divided into 325,000,000 equity shares of Rs. 2 each);
- (ii) the authorised share capital of Resultant Company 1 of Rs. 250,000,000 (divided into 125,000,000 equity shares of Rs. 2 each) shall stand enhanced to Rs. 405,250,000 (divided into 202,625,000 equity shares of Rs. 2 each); and
- (iii) the authorised share capital of Resultant Company 2 of Rs. 500,000 (divided into 250,000 equity shares of Rs. 2 each) shall stand enhanced to Rs. 405,250,000 (divided into 202,625,000 equity shares of Rs. 2 each).

- 3.4.3 It is hereby clarified that the consent of the shareholders of the Transferor Company and DCMSR to this Scheme shall be deemed to be sufficient for purposes of effecting the aforementioned amendments to the Memorandum of Association of DCMSR and that no further resolution under the applicable provisions of the Act would be required to be separately passed.

### **3.5 Consideration**

- 3.5.1 The Boards of Directors of the Transferor Company and DCMSR have determined the share exchange ratio as 1:1 based on their independent judgement and the share exchange ratio report issued by Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355). Accordingly, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 (one) equity share of face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR, for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date.

- 3.5.2 For the purpose of the allotment of equity shares in DCMSR, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of DCMSR, DCMSR shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated DCMSR New Equity Shares to a trustee (nominated by DCMSR in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of DCMSR New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next

Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of DCMSR pertaining to the fractional entitlements.

- 3.5.3 It is hereby clarified that the shares as above shall be deemed to have been issued by DCMSR and received by the shareholders of the Transferor Company on the Appointed Date. The existing shares of DCMSR held by the Transferor Company will be extinguished and same number of shares will be issued by DCMSR to the shareholders of the Transferor Company consequent to which there will be no change in either the capital structure of DCMSR or any change in number of shares held by the 'promoter and promoter group' in DCMSR.
- 3.5.4 The shareholders of the Transferor Company shall bear all costs, charges and expenses pertaining to the amalgamation of the Transferor Company with DCMSR, pursuant to this Scheme, and such costs, charges and expenses will be borne out of the Surplus Assets of the Transferor Company (which shall include cash in bank). Any surplus thereof, shall be returned to the shareholders of Transferor Company (as on the Record Date) after the Effective Date. Similarly, any deficit thereof (i.e., such costs, charges or expenses (pertaining to amalgamation of the Transferor Company with DCMSR) exceeding the Surplus Assets) shall be borne by the shareholders of Transferor Company (as on the Record Date), in such manner as determined by such shareholders. Accordingly, DCMSR shall not bear any costs/expenses in relation to amalgamation of the Transferor Company with DCMSR.

### **3.6 Issuance mechanics and other provisions**

- 3.6.1 The equity shares to be issued and allotted by DCMSR in terms of this Clause 3.6 shall be subject to the provisions of the Memorandum and Articles of Association of DCMSR and shall rank *pari passu* in all respects with the existing equity shares of DCMSR. The holders of the equity shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights including the right to receive dividends from the Transferor Company until the Effective Date.
- a) All those shareholders who hold shares of the Transferor Company in physical form shall also receive the equity shares to be issued by the Transferee Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor Company and/ or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall open an escrow demat account with a depository participant to keep such shares in abeyance / in such escrow demat account and will credit the same to the respective demat account(s) of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing by the shareholders to the Transferee Company and/or its registrar.
- b) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.
- c) The equity shares to be issued by the Transferee Company, in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of any court or otherwise, be held in abeyance by the Transferee Company.
- 3.6.2 DCMSR had engaged Mr. Mukesh Chand Jain, Registered Valuer (registration number IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) to provide a share exchange ratio report. In connection with such engagement, Mr. Mukesh Chand Jain, Registered Valuer and TRC Corporate Consulting Private Limited have issued a share exchange ratio report dated 14 November 2023.
- 3.6.3 Upon this Scheme coming into effect and upon transfer and vesting of all assets and liabilities of the Transferor Company into and with DCMSR in accordance with Part III of this Scheme, the shareholders of the Transferor Company as of the Record Date shall be entitled to receive shares of DCMSR as detailed in this Clause 3.6 of Part III of this Scheme. All shareholders of the Transferor Company holding equity shares in the Transferor Company, as on the Record Date, shall be issued fresh equity shares in DCMSR.
- 3.6.4 Upon this Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.
- 3.6.5 Any cancellation of the share capital upon the amalgamation of the Transferor Company with DCMSR, as mentioned above shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act as it does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up capital, and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction, and no separate sanction under Section 66 of the Act will be required/necessary.

3.6.6 Upon approval of the Scheme by the members of DCMSR pursuant to Chapter XV of the Act, it shall be deemed that the members have also accorded their consent under Section 62 of the Act or other provisions of the Act and applicable laws, as may be applicable. DCMSR shall, if and to the extent required, apply for and obtain any approvals from the relevant authorities for the issue and allotment by DCMSR of equity shares to the members of the Transferor Company, pursuant to the Scheme.

### **3.7 Accounting Treatment**

#### **3.7.1 Accounting Treatment in the Books of DCMSR**

Upon Part III of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, DCMSR shall account for the transfer and vesting of the assets and liabilities of the Transferor Company in its books of account as per applicable Indian Accounting Standard notified under Section 133 of the Act read with relevant rules issued there under and other applicable Accounting Standards provided under the Act, and specifically:

- (i) All the assets and all liabilities including reserves of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date, shall stand transferred to, and the same shall be recorded by, DCMSR at their book value and no adjustment shall be made to reflect their respective fair values or recognise any new assets or liabilities;
- (ii) DCMSR shall issue and allot equity shares to the shareholders of the Transferor Company as per Clause 3.5 of the Scheme and credit the face value of such equity shares to its share capital account;
- (iii) The amount of inter-company balances, transactions or investments, if any, between the Transferor Company and DCMSR appearing in the books of accounts of the Transferor Company and DCMSR, shall stand cancelled without any further act or deed; and
- (iv) The difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves of the Transferor Company and cancellation of investments, shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

The Board of Directors of DCMSR is authorised to account for any of the matters not dealt with in this Clause 3.7.1 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

#### **3.7.2 Accounting Treatment in the Books of the Transferor Company**

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding-up, and hence, no accounting treatment has been prescribed under this Scheme in relation to the books of the Transferor Company.

## **PART-IV**

### **4 DEMERGER OF THE CHEMICAL UNDERTAKING**

#### **4.1 Transfer and vesting of the Chemical Undertaking from DCMSR to the Resultant Company 1**

4.1.1 With effect from the Appointed Date and upon this Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 1, as a going concern, without any further act or deed, and shall be demerged from DCMSR together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme Chapter XV of the Act and all applicable provisions of law, if any, and related provisions contained in various other taxation laws in force in India on the Effective Date, including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, the Rayon Undertaking and all the assets, liabilities and obligations pertaining thereto shall belong to and be vested in and be managed by the Resultant Company 2 and the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by DCMSR, with effect from the Appointed Date.

4.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme



becoming effective and with effect from the Appointed Date:

- (i) All assets of DCMSR pertaining to the Chemical Undertaking, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resultant Company 1 wherever located and shall become the property and an integral part of the Resultant Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of DCMSR pertaining to the Chemical Undertaking, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resultant Company 1, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by DCMSR and pertaining to the Chemical Undertaking and all the rights, title and interest of DCMSR pertaining to the Chemical Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resultant Company 1, and/or be deemed to be demerged from DCMSR and transferred to and vested in the Resultant Company 1.
- (iii) All immovable properties of DCMSR and pertaining to the Chemical Undertaking, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of DCMSR and pertaining to the Chemical Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resultant Company 1, without any further act or deed done or being required to be done by DCMSR and/or the Resultant Company 1. The Resultant Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 1 by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof, without any further act or deed to be done or executed by DCMSR and/or the Resultant Company 1. It is clarified that the Resultant Company 1 shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.  
  
Notwithstanding any provision to the contrary, from the Effective Date and until the owned property, leasehold property and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, vested and/or perfected, in the records of the appropriate authority, in favour of the Resultant Company 1, the Resultant Company 1 is deemed to be authorised to carry on business, in the name and style of DCMSR under the relevant agreement, deed, lease and/or licenses, as the case may be, and the Resultant Company 1 shall keep a record and/or account of such transactions.
- (iv) All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of DCMSR for the purposes of the Chemical Undertaking or any other person acting on behalf of or for the benefit of DCMSR pertaining to the Chemical Undertaking for securing the obligations of the persons to whom DCMSR has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Chemical Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resultant Company 1 and the benefit of such security shall be available to the Resultant Company 1 as if such security was ab initio created in favour of the Resultant Company 1. The mutation or substitution of the charge in relation to the movable and immovable properties of DCMSR pertaining to the Chemical Undertaking shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 1 by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
- (v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of the Chemical Undertaking, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the DCMSR pertaining to the Chemical

Undertaking shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resultant Company 1, and the Resultant Company 1 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- (vi) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies, and as more particularly set out in **Schedule 1**) for the purpose of carrying on the business of DCMSR pertaining to the Chemical Undertaking and in relation thereto and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to DCMSR pertaining to the Chemical Undertaking, or to the benefit of which, the Chemical Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Resultant Company 1 and may be enforced as fully and effectually as if, instead of DCMSR and pertaining to the Chemical Undertaking, the Resultant Company 1 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by DCMSR (and not by any of its successors), shall be fulfilled by the Resultant Company 1 as if it is the duly constituted attorney of DCMSR.

The Resultant Company 1 may at its sole discretion enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which DCMSR shall, if necessary, also be a party in order to give formal effect to the provisions of this Scheme. The Resultant Company 1 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of DCMSR for the Chemical Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

- (vii) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DCMSR and pertaining to the Chemical Undertaking, whether by or against DCMSR, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Chemical Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Chemical Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resultant Company 1 after the Effective Date. The Resultant Company 1 shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with DCMSR in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against DCMSR, as if this Scheme had not been implemented.
- (viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of DCMSR and pertaining to the Chemical Undertaking after the Effective Date, shall be accepted by DCMSR and promptly transferred to the accounts of the Resultant Company 1.
- (ix) All employees of DCMSR pertaining to the Chemical Undertaking who are on its payrolls, shall become the employees of the Resultant Company 1 without any break or interruption in their services on no less favourable terms (including employee benefits such as provident fund, leave encashment and any other retiral benefits) as applicable to such employees with DCMSR and in accordance with applicable law. The Resultant Company 1 further agrees that for the purpose of payment of any retirement benefit/compensation, incentive contractual and statutory benefit, incentive plans, terminal benefits, such immediate uninterrupted past services with DCMSR, shall also be taken into account and accordingly, shall be reckoned from the date of their appointment with DCMSR. In order to give effect to this provision and to carry out or perform all formalities or compliances, DCMSR and or the Resultant Company 1, as the case may be, shall do all such acts and deeds as may be necessary, or execute such contracts, agreements, deeds or other instruments or obtain necessary approvals, permits, rights and entitlements.
- (x) All intellectual property and rights thereto, whether registered or unregistered, along with all rights of commercial nature including registrations, goodwill and licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, of DCMSR appertaining to the Chemical Undertaking, as more particularly identified in **Schedule 3**, shall be transferred to the Resultant Company 1. It is clarified that notwithstanding the transfer of the intellectual property as contemplated herein, both DCMSR and the Resultant Company 1 shall be entitled to use the common logos as specified in **Schedule 3**, whether as part of the corporate names (including with respect to any subsidiaries, joint ventures, associate companies, etc.), logos, brand names, trademarks, products, programmes or services, in present or future. DCMSR and the Resultant Company 1 may, if required, enter into appropriate arrangements, in respect of the use of license, for no charge by DCMSR, of the intellectual property that is transferred to the Resultant Company 1 under this Scheme or vice versa for such transition period or on a long term basis as the respective Board of Directors of DCMSR and the Resultant Company 1 deem fit;



- (xi) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to DCMSR relating to the Chemical Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resultant Company 1 and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Chemical Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resultant Company 1.
- (xii) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business, including as set out in **Schedule 1**, or in connection therewith) and certificates of every kind and description whatsoever held by DCMSR in relation to the Chemical Undertaking, or to the benefit of which the Chemical Undertaking may be eligible/entitled and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect in favour of the Resultant Company 1 and may be enforced as fully and effectually as if, instead of the Chemical Undertaking, the Resultant Company 1 had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 1 pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resultant Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. It is further clarified that until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special statuses are transferred, vested, recorded, effected, and/or perfected, in the record of the appropriate authority, in favour of the Resultant Company 1, the Resultant Company 1 shall be authorised to carry on business in the name and style of DCMSR, in relation to or in connection with the Chemical Undertaking, and under the relevant license and/or permit and/or approval, as the case may be.
- (xiii) Benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to the Chemical Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, 188, 197 and 198 etc., of the Act, read with the rules and regulations made there under, shall stand transferred to the Resultant Company 1 and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resultant Company 1, by virtue of approval of this Scheme. Further, benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to appointment and payment of remuneration to the directors, key managerial personnel or for the purpose of such related party transactions; which are being transferred to the Resultant Company 1 as a part of Chemical Undertaking, shall stand transferred to the Resultant Company 1 and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Resultant Company 1, by virtue of approval of this Scheme.
- (xiv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Chemical Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resultant Company 1 and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resultant Company 1 to that extent and shall become the estates, assets, right, title, interests and authorities of the Resultant Company 1.
- (xv) All bank accounts operated or entitled to be operated by DCMSR relating to the Chemical Undertaking shall be deemed to have transferred and shall stand transferred to the Resultant Company 1, and name of DCMSR pertaining to the Chemical Undertaking, shall be substituted by the name of the Resultant Company 1, respectively, in the bank's records.

All the property, assets and liabilities of the Chemical Undertaking shall be transferred by DCMSR to the Resultant Company 1 at the values appearing in the books of account of DCMSR at the close of business of the day immediately preceding the Appointed Date.

- 4.1.3 Upon this Scheme becoming effective, the secured creditors of DCMSR pertaining to the Chemical Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Chemical Undertaking, as existing immediately prior to the demerger of the Chemical Undertaking into the Resultant Company 1 and any reference in any security documents or arrangements to which DCMSR is a party, wherein the assets of the Chemical Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Chemical Undertaking as are vested in the Resultant Company 1 in accordance with this Scheme, to the end and intent that pursuant to the demerger and vesting of the Chemical Undertaking into the Resultant Company 1, the secured creditors of the Chemical Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of

DCMSR or Resultant Company 1, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resultant Company 1. In so far as the assets comprised in the Chemical Undertaking are concerned, the encumbrances, if any, over such assets relating to any loans, borrowings or other debts which are not transferred to the Resultant Company 1, pursuant to this Scheme and which shall continue with DCMSR, shall without any act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities. For the avoidance of doubt, it is clarified that in so far as the assets comprising the Residual Undertaking and the Rayon Undertaking are concerned, the encumbrance, if any, over such assets relating to the liabilities transferred to Resultant Company 1, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, other security holders over the properties of DCMSR pertaining to the Chemical Undertaking (other than the secured creditors of the Chemical Undertaking) shall not be entitled to any security over the properties of DCMSR pertaining to the Residual Undertaking and/or the Rayon Undertaking. For this purpose, sanction of this Scheme by the secured creditors/ security holders shall be considered as a specific consent towards the same.

- 4.1.4 Any reference in any security documents or arrangements (to which DCMSR is a party) to DCMSR and its assets and properties, which relate to the Chemical Undertaking, shall be construed as a reference to the Resultant Company 1 and the assets and properties of DCMSR transferred to the Resultant Company 1 by virtue of this Scheme. The provisions of this Clause 4.1.4 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and/or suspended by the foregoing provisions.
- 4.1.5 It is clarified that if any assets, estate, claim, right, title, interest in or authorities relating to such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Chemical Undertaking, which DCMSR owns or to which DCMSR is a party and pertains to the Chemical Undertaking and which cannot be transferred to the Resultant Company 1 for any reason whatsoever, DCMSR shall hold such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Resultant Company 1 to which the Chemical Undertaking is being transferred in terms of the provisions of this Scheme in so far as permissible to do so until such as time as the transfer is effected.
- 4.1.6 It is clarified that in case any refunds, benefits incentives, grants, subsidies, etc., in relation to or in connection with DCMSR, DCMSR if so required by the Resultant Company 1, issue notices in such form as the Resultant Company 1 may deem fit and proper stating that pursuant to the sanction order under Section 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resultant Company 1, as the person entitled thereto, to the end and intent that the right of DCMSR to recover or realise the same, stands transferred to the Resultant Company 1 and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.1.7 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Chemical Undertaking to the Resultant Company 1 by virtue of Part IV of the Scheme itself, the Resultant Company 1 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which DCMSR has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Chemical Undertaking. The Resultant Company 1 will, if necessary, also be a party to the above. The Resultant Company 1 shall, under the provisions of Part IV of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Chemical Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Chemical Undertaking to be carried out or performed.
- 4.1.8 DCMSR and/or the Resultant Company 1 as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by DCMSR in relation to the Chemical Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 1 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resultant Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 4.1.9 If any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) which DCMSR owns in relation to or in connection with the Chemical Undertaking, any liabilities that pertain to DCMSR and/or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to which DCMSR is a party in relation to or in connection with the Chemical Undertaking, have not been transferred to the Resultant Company 1, DCMSR, as applicable, shall hold such assets, liabilities and/or contracts, as the case may be, in trust for the benefit of the Resultant Company

1 in so far as it is permissible so to do until the time such assets/liabilities/contracts are duly transferred to the Resultant Company 1, subject to applicable law. DCMSR and the Resultant Company 1 shall however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Chemical Undertaking had been transferred to the Resultant Company 1 on the Effective Date. DCMSR shall render all necessary assistance to and fully cooperate with, the Resultant Company 1 with respect to such assets, liabilities and/or contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date. Notwithstanding any such mechanism or arrangement between DCMSR and the Resultant Company 1 pursuant to this Clause 4.1.9, DCMSR shall with respect to the period after the Effective Date: (a) not be responsible for performance of any obligations or for any liabilities whatsoever arising from or in relation to the Chemical Undertaking; and (b) not be entitled to any rights or to receive any benefits whatsoever in relation to the Chemical Undertaking. The economic, financial, technical and operational responsibility and all related cost and expenses (direct and incurred), liabilities and taxes in connection with the Chemical Undertaking, shall rest and be borne entirely and exclusively by the Resultant Company 1 after the Effective Date, Resultant Company 1 shall promptly pay, indemnify and hold harmless DCMSR for and from any such costs, expenses, losses, damages, liabilities and taxes or requirements under the contract(s) after the Effective Date if arising pursuant to the arrangement between DCMSR and the Resultant Company 1 under this Clause 4.1.9.

#### **4.2 Conduct of Business until Effective Date and upon Effectiveness of the Scheme**

##### **4.2.1 With effect from the Appointed Date and up to and including the Effective Date:**

- (i) save as may be governed by any arrangement entered into between DCMSR and the Resultant Company 1, the business of the Chemical Undertaking shall be carried on in ordinary course and in trust by DCMSR for and behalf of the Resultant Company 1.
- (ii) DCMSR shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or committee, either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber its properties or assets or any part thereof, save and except in each case in the following circumstances:
  - (a) if the same is in its ordinary course of business; or
  - (b) if the same is expressly permitted by this Scheme; or
  - (c) if prior written consent of the Board of Directors of DCMSR and the Resultant Company 1 has been obtained.
- (iii) Except by mutual consent of the Boards of Directors of DCMSR and the Resultant Company 1, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by DCMSR and/or the Resultant Company 1 pertaining to the Chemical Undertaking as on the date of filing of this Scheme, or except as contemplated in this Scheme, pending sanction of this Scheme, DCMSR and/or the Resultant Company 1 shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies).
- (iv) The Resultant Company 1 shall be entitled, pending the sanction of this Scheme, to apply to the appropriate authorities concerned as necessary under applicable law for such consents, approvals and sanctions which the Resultant Company 1 may require to carry on the business of Chemical Undertaking is being transferred and vested in it in terms of this Scheme.

4.2.2. Any claims, liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) arising out of the activities or operations of the Chemical Undertaking after the Effective Date shall be deemed to be part of the Chemical Undertaking and shall consequently be entirely borne by the Resultant Company 1. In the event that such liability is incurred by or such claim or demand is made upon DCMSR pertaining to the Chemical Undertaking (or any successor thereof), then the Resultant Company 1 shall indemnify DCMSR (or any successor thereof) for any payments made in relation to the same.

4.2.3. The Resultant Company 1 undertakes to engage, upon the Scheme becoming effective, all such employees of DCMSR pertaining to the Chemical Undertaking and who are in the employment of DCMSR as on the Effective Date, on terms and conditions no less favourable than those on which they are engaged by DCMSR, with continuity of service and without any interruption of service as a



result of this transfer.

- 4.2.4. The Resultant Company 1 undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by DCMSR in relation to or in connection with the Chemical Undertaking. The Resultant Company 1 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with DCMSR shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 4.2.5. In so far as the existing provident fund, gratuity fund and superannuation fund and/or schemes, leave encashment and any other special scheme or benefits, funds or trusts created or existing for the benefit of such employees of DCMSR pertaining to the Chemical Undertaking, is concerned, such proportion of the investments made in the funds and liabilities which are relatable to the transferred employees as on the Effective Date, shall be transferred to the similar funds, if any, created by the Resultant Company 1 and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Resultant Company 1, maintained as separate funds by the Resultant Company 1. In the event, that the Resultant Company 1 does not have its own funds/trusts, in respect of any of the above mentioned funds, the Resultant Company 1 may, to the extent permitted by the contracts or deeds or applicable law governing these funds/trusts and subject to necessary approvals and permissions, continue to contribute to the relevant funds of DCMSR, until such time that the Resultant Company 1 create its own funds or decides not to form its own funds, at which time the funds and the investments and contributions pertaining to the transferred employees, shall be transferred to the funds created by the Resultant Company 1 or to the concerned funds of the relevant appropriate authority (such as of the Employees' Provident Fund Organisation) and other funds as the case may be. Where the Resultant Company 1 decides not to form its own funds, and if certain benefits cannot be provisioned for through the funds of relevant appropriate authority, these benefits are to be provided in any other legally compliant manner, and the parties shall, at that time, agree on the mode for transfer of the relevant amounts from the appropriate funds of DCMSR.
- 4.2.6. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Chemical Undertaking in relation to such schemes or funds shall become those of the Resultant Company 1. Upon the Scheme becoming effective, the Resultant Company 1 shall stand substituted for the Chemical Undertaking for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.
- 4.2.7. Upon the Scheme becoming effective, the Resultant Company 1 shall carry on and shall be authorised to carry on the business of the Chemical Undertaking.
- 4.2.8. For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Resultant Company 1 shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Chemical Undertaking, in accordance with the provisions of Chapter XV of the Act. The Resultant Company 1 is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, deeds etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.
- 4.2.9. Upon the Scheme becoming effective, the Resultant Company 1, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of DCMSR pertaining to the Chemical Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.
- 4.2.10. Upon the Scheme becoming effective, all profits accruing to the Chemical Undertaking and all taxes thereof or losses arising or incurred by it relating to the Chemical Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Resultant Company 1.
- 4.2.11. Upon the coming into effect of this Scheme, the resolutions, if any, of DCMSR pertaining to the Chemical Undertaking, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Resultant Company 1 and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Resultant Company 1.
- 4.2.12. For the avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sale of products and inventory of DCMSR manufactured and/or branded and/or labelled and/or packed, in the name of DCMSR, prior to the Effective Date, in so far as they relate to the Chemical Undertaking, the Resultant Company 1 shall have the right to own, use, market, sell, exhaust, or to in any manner deal with, any such products and inventory (including packing material) pertaining to DCMSR, at the manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resultant Company 1 after the Effective Date.

#### 4.3 Consideration

- 4.3.1 Upon this Scheme coming into effect and upon vesting of the Chemical Undertaking in the Resultant Company 1, DCMSR shall provide to the Resultant Company 1, the list of equity shareholders of DCMSR as on the Record Date, who are entitled to receive fully paid-up equity shares, in the Resultant Company 1, in terms of this Scheme.
- 4.3.2 Upon this Scheme coming into effect, the shareholders of DCMSR as of the Record Date shall be entitled to receive equity shares of the Resultant Company 1 as detailed in this Clause 4.3.
- 4.3.3 The Boards of Directors of DCMSR and the Resultant Company 1 have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived at per the share entitlement ratio report dated 14 November 2023, prepared by Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355). Upon this Scheme coming into effect the Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 (one) fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- 4.3.4 DCMSR had engaged: (a) Mr. Mukesh Chand Jain (registration number: IBBI/RV/05/2020/13666), and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) to provide a share entitlement ratio report; and (b) Centrum Capital Limited, merchant bankers, to provide a fairness opinion. In connection with such engagement, Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) have issued a share entitlement ratio report dated 14 November 2023, and Centrum Capital Limited has issued a fairness opinion dated 14 November 2023.

#### 4.4 Issuance mechanics and other provisions

- 4.4.1 The equity shares to be issued and allotted by the Resultant Company 1 in terms of Clause 4.3 of Part IV of this Scheme shall be subject to the provisions of the memorandum of association and the articles of association of the Resultant Company 1 and shall rank *pari passu* in all respects with the existing equity shares (if any) of the Resultant Company 1, including with respect to dividend, bonus entitlement, right shares' entitlement, voting rights and other corporate benefits.
- 4.4.2 The new equity shares to be issued pursuant to Clause 4.3.3 shall be mandatorily issued in dematerialised form by the Resultant Company 1, and the shareholders of the Resultant Company 1 shall be required to have an account with a depository participant and shall be required to provide the details thereof and such other confirmations as may be required at least 7 (seven) days before the Record Date, to the Resultant Company 1 and/or its Registrar. Any shareholder who holds shares of the Resultant Company 1 in physical form shall also receive the new equity shares in dematerialized form, provided that details of their account with the depository participant are intimated in writing to the Resultant Company 1 and/or its Registrar. In the event any shareholder has not provided the requisite details relating to his/her(s)/its accounts with a depository participant or other information/confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the equity shares, of the Resultant Company 1, then the Resultant Company 1 shall keep such equity shares in abeyance / escrow account / suspense account/ with a trustee nominated by the Board of Directors the Resultant Company 1 for the benefit of such shareholders or shall be dealt with as provided under the applicable law, and shall credit the same to the respective depository participant account of such shareholder as and when the correct details of such shareholder's account with the depository participant are intimated in writing to the Resultant Company 1 and/or its Registrar, as permitted under applicable law.
- 4.4.3 For the purpose of the allotment of the Resultant Company 1 New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in DCMSR is such that the shareholder becomes entitled to a fraction of a share of the Resultant Company 1, the Resultant Company 1 shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Resultant Company 1 New Equity Shares to a trustee (nominated by the Resultant Company 1 in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of the Resultant Company 1 New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resultant Company 1 pertaining to the fractional entitlements.
- 4.4.4 For the purpose of allotment of equity shares of the Resultant Company 1 pursuant to Clauses 4.3 and 4.4, any equity shares of DCMSR which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or



settlement of dispute by order of court or otherwise, be held in abeyance by the Resultant Company 1 or shall be dealt with as provided under the applicable law.

- 4.4.5 On the approval of the Scheme by the members of the Resultant Company 1 pursuant to Section 232 of the Act, it shall be deemed that the members have accorded their consent under Section 62 of the Act, or any other applicable provision of the law as may be applicable. The Resultant Company 1 shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including SEBI and the Stock Exchanges, for the issue and allotment by the Resultant Company 1 of its equity shares to the members of DCMSR, pursuant to this Scheme.
- 4.4.6 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of DCMSR, the Board of Directors, or any committee thereof, of DCMSR shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in DCMSR, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to DCMSR or Resultant Company 1, as the case may be, in respect of such shares in relation to the shares issued by the Resultant Company 1 after this Scheme comes into effect.
- 4.4.7 The equity shares to be issued in lieu of the shares of DCMSR which are held in the unclaimed suspense account or the Investor Education and Protection Fund Account linked to DCMSR shall be issued to a new unclaimed suspense account/ new Investor Education and Protection Fund Account (as the case may be) created for the shareholders of the Resultant Company 1.

#### **4.5 Listing of equity shares of the Resultant Company 1**

- 4.5.1 All equity shares of the Resultant Company 1 issued pursuant to Clause 4.3 and in terms of this Scheme and SEBI Circular or otherwise shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the Stock Exchanges, and/or admitted to trading, if any, as may be decided by the Board of Directors of the Resultant Company 1. The Resultant Company 1 shall apply to all the Stock Exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 1 issued pursuant to Clause 4.3. The Resultant Company 1 shall enter into such arrangements, complete such formalities and give undertakings, if any, to the Stock Exchanges as may be necessary in accordance with the applicable laws for listing of equity shares of the Resultant Company 1.
- 4.5.2 Subject to any dispensation granted by SEBI and/or the Stock Exchanges, the equity shares allotted pursuant to Clause 4.3 of the Scheme by the Resultant Company 1 shall remain frozen in the depositories system until permission for listing/trading is granted by the Stock Exchanges.
- 4.5.3 Until such time as the equity shares of the Resultant Company 1 are listed on the Stock Exchanges, except as provided in the Scheme, there shall be no change in the shareholding pattern or control of or pre-arrangement capital structure of the Resultant Company 1.

#### **4.6 Cancellation of equity shares of the Resultant Company 1 held by DCMSR**

Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed by either of DCMSR and the Resultant Company 1. Accordingly, the changes to the equity share capital of the Resultant Company 1 will automatically be effected as an integral part of this Scheme, without any further act or deed on the part of the Resultant Company 1 and without having to separately follow any provisions of the Act. The consent of the stakeholders of the Resultant Company 1 to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Act would be required to be separately passed or taken. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Act for the purpose of confirming such changes to the equity share capital of the Resultant Company 1. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Chemical Undertaking of DCMSR into the Resultant Company 1, pursuant to Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

#### **4.7 Accounting**

##### **4.7.1 Accounting treatment in the books of DCMSR**

Upon Part IV of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, DCMSR shall account for the demerger and vesting of the Chemical Undertaking with the Resultant Company 1 in its books of accounts in accordance with the Indian Accounting Standards (IndAS) prescribed under Section 133 of the Act, as notified under the Companies

(Indian Accounting Standard) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- (i) The respective carrying values of the assets, liabilities and reserves of the Chemical Undertaking, as at the close of business on the day immediately preceding the Appointed Date, shall be reduced from the books of accounts of DCMSR;
- (ii) The investment of DCMSR in the Resultant Company 1 as appearing in its books of accounts shall be cancelled; and
- (iii) The difference of the above, shall be recorded in the books of the DCMSR as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

The Board of Directors of DCMSR is authorised to account for any of the matters not dealt with in this Clause 4.7.1 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

#### 4.7.2 **Accounting treatment in the books of Resultant Company 1**

Upon Part IV of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resultant Company 1 shall account for the demerger and vesting of the Chemical Undertaking with the Resultant Company 1 in its books of accounts in accordance with 'Pooling of Interest Method' prescribed in 'Appendix C' Business combinations of entities under common control' of the Indian Accounting Standard (Ind AS) 103 for Business Combinations notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other generally accepted accounting principles in the following manner:

- (i) All the assets, liabilities and reserves pertaining to the Chemical Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, the Resultant Company 1 at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the DCMSR;
- (ii) The Resultant Company 1 shall credit to its share capital account, the aggregate face value of the equity shares of the Resultant Company 1, issued to the shareholders of DCMSR;
- (iii) The difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves transferred by DCMSR and cancellation of investments in accordance with Clause 4.7 shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements;
- (iv) Resultant Company 1 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resultant Company 1, whichever is later; and
- (v) In case of any differences in accounting policies between DCMSR and Resultant Company 1, the accounting policies followed by DCMSR shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. Further any adjustments may be made to harmonise the accounting policies of the Resultant Company 1 with DCMSR.

The Board of Directors of the Resultant Company 1 is authorised to account for any of the matters not dealt with in clauses herein above in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

## PART-V

### 5. DEMERGER OF THE RAYON UNDERTAKING

#### 5.1 Transfer and vesting of the Rayon Undertaking from DCMSR to the Resultant Company 2

- 5.1.1 With effect from the Appointed Date and upon this Scheme becoming effective, all the assets and liabilities and the entire business

of the Rayon Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 2, as a going concern, without any further act or deed, and shall be demerged from DCMSR together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme, Chapter XV of the Act and all applicable provisions of law, if any, and related provisions contained in various other taxation laws in force in India on the Effective Date, including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, with effect from the Appointed Date, the Chemical Undertaking and all the assets, liabilities and obligations pertaining thereto shall belong to and be vested in and be managed by the Resultant Company 1 and the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by DCMSR.

5.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) All assets of DCMSR pertaining to the Rayon Undertaking, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resultant Company 2 wherever located and shall become the property and an integral part of the Resultant Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of DCMSR pertaining to the Rayon Undertaking, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resultant Company 2, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by DCMSR and pertaining to the Rayon Undertaking and all the rights, title and interest of DCMSR pertaining to the Rayon Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resultant Company 2, and/or be deemed to be demerged from DCMSR and transferred to and vested in the Resultant Company 2, on the Appointed Date pursuant to the provisions of Section 232 of the Act.
- (iii) All immovable properties of DCMSR and pertaining to the Rayon Undertaking, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of DCMSR and pertaining to the Rayon Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resultant Company 2, without any further act or deed done or being required to be done by DCMSR and/or the Resultant Company 2. The Resultant Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 2 by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof, without any further act or deed to be done or executed by DCMSR and/or the Resultant Company 2. It is clarified that the Resultant Company 2 shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date and until the owned property, leasehold property and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, vested and/or perfected, in the records of the appropriate authority, in favour of the Resultant Company 2, the Resultant Company 2 is deemed to be authorised to carry on business, in the name and style of DCMSR under the relevant agreement, deed, lease and/or licenses, as the case may be, and the Resultant Company 2 shall keep a record and/or account of such transactions.

- (iv) All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of DCMSR for the purposes of the Rayon Undertaking or any other person acting on behalf of or for the benefit of DCMSR pertaining to the Rayon Undertaking for securing the obligations of the persons to whom DCMSR has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Rayon Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Act and without any

further act, instrument or deed stand vested in and be deemed to be in favour of the Resultant Company 2 and the benefit of such security shall be available to the Resultant Company 2 as if such security was ab initio created in favour of the Resultant Company 2. The mutation or substitution of the charge in relation to the movable and immovable properties of DCMSR pertaining to the Rayon Undertaking shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 2 by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

(v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of the Rayon Undertaking, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of DCMSR pertaining to the Rayon Undertaking shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resultant Company 2, and the Resultant Company 2 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

(vi) All contracts, deeds, bonds agreements, schemes, arrangements and other instruments permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies and as more particularly set out in **Schedule 4**) for the purpose of carrying on the business of DCMSR pertaining to the Rayon Undertaking and in relation thereto and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to DCMSR pertaining to the Rayon Undertaking, or to the benefit of which, the Rayon Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Resultant Company 2 and may be enforced as fully and effectually as if, instead of DCMSR and pertaining to the Rayon Undertaking, the Resultant Company 2 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by DCMSR (and not by any of its successors), shall be fulfilled by the Resultant Company 2 as if it is the duly constituted attorney of DCMSR.

The Resultant Company 2 may at its sole discretion enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which DCMSR shall, if necessary, also be a party in order to give formal effect to the provisions of this Scheme. The Resultant Company 2 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of DCMSR for the Rayon Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

(vii) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DCMSR and pertaining to the Rayon Undertaking, whether by or against DCMSR, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Rayon Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Rayon Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resultant Company 2 after the Effective Date. The Resultant Company 2 shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with DCMSR in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against DCMSR, as if this Scheme had not been implemented.

(viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of DCMSR and pertaining to the Rayon Undertaking after the Effective Date, shall be accepted by DCMSR and promptly transferred to the accounts of the Resultant Company 2.

(ix) All employees of DCMSR pertaining to the Rayon Undertaking who are on its payrolls shall become the employees of the Resultant Company 2 without any break or interruption in their services on no less favourable terms (including employee benefits such as provident fund, leave encashment and any other retiral benefits) as applicable to such employees with DCMSR and in accordance with applicable law. The Resultant Company 2 further agrees that for the purpose of payment of any retirement benefit/compensation, incentive contractual and statutory benefit, incentive plans, terminal benefits, such immediate uninterrupted past services with DCMSR, shall also be taken into account and accordingly, shall be reckoned from the date of their appointment with DCMSR. In order to give effect to this provision and to carry out or perform all formalities or compliances, DCMSR and or the Resultant Company 2, as the case may be, shall do all such acts and deeds as may be necessary, or execute such contracts, agreements, deeds or other instruments or obtain necessary approvals, permits, rights and entitlements.



- (x) All intellectual property and rights thereto, whether registered or unregistered, along with all rights of commercial nature including registrations, goodwill and licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trade-marks, of DCMSR appertaining to the Rayon Undertaking, as more particularly set out at **Schedule 6**, shall be transferred to the Resultant Company 2. It is clarified that notwithstanding the transfer of the intellectual property as contemplated herein, both DCMSR and the Resultant Company 2 shall be entitled to use the common logos as specified in **Schedule 6**, whether as part of the corporate names (including with respect to any subsidiaries, joint ventures, associate companies, etc.), logos, brand names, trademarks, products, programmes or services, in present or future. DCMSR and the Resultant Company 2 may, if required, enter into appropriate arrangements, in respect of the use of license, for no charge by DCMSR, of the intellectual property that is transferred to the Resultant Company 2 under this Scheme or vice versa for such transition period or on a long term basis as the respective Board of Directors of DCMSR and the Resultant Company 2 deem fit.
- (xi) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to DCMSR relating to the Rayon Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resultant Company 2 and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Rayon Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resultant Company 2.
- (xii) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business, including as set out in **Schedule 4**, or in connection therewith) and certificates of every kind and description whatsoever held by DCMSR in relation to the Rayon Undertaking, or to the benefit of which the Rayon Undertaking may be eligible/entitled and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect in favour of the Resultant Company 2 and may be enforced as fully and effectually as if, instead of the Rayon Undertaking, the Resultant Company 2 had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 2 pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resultant Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. It is further clarified that until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special statuses are transferred, vested, recorded, effected, and/or perfected, in the record of the appropriate authority, in favour of the Resultant Company 2, the Resultant Company 2 shall be authorised to carry on business in the name and style of DCMSR, in relation to or in connection with the Rayon Undertaking, and under the relevant license and/or permit and/or approval, as the case may be.
- (xiii) Benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to the Rayon Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, 188, 197, 198 etc., of the Act, read with the rules and regulations made there under, shall stand transferred to the Resultant Company 2 and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resultant Company 2, by virtue of approval of this Scheme. Further, benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to appointment and payment of remuneration to the directors, key managerial personnel or for the purpose of such related party transactions; which are being transferred to the Resultant Company 2 as a part of Rayon Undertaking, shall stand transferred to the Resultant Company 2 and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resultant Company 2, by virtue of approval of this Scheme.
- (xiv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Rayon Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resultant Company 2 and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resultant Company 2 to that extent and shall become the estates, assets, right, title, interests and authorities of the Resultant Company 2.
- (xv) All bank accounts operated or entitled to be operated by DCMSR relating to the Rayon Undertaking shall be deemed to have transferred and shall stand transferred to the Resultant Company 2, and name of DCMSR to the Rayon Undertaking, shall be substituted by the name of the Resultant Company 2, respectively, in the bank's records.



All the property, assets and liabilities of the Rayon Undertaking shall be transferred by DCMSR to the Resultant Company 2 at the values appearing in the books of account of DCMSR at the close of business of the day immediately preceding the Appointed Date.

- 5.1.3 Upon this Scheme becoming effective, the secured creditors of DCMSR pertaining to the Rayon Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Rayon Undertaking, as existing immediately prior to the demerger of the Rayon Undertaking into the Resultant Company 2 and any reference in any security documents or arrangements to which DCMSR is a party, wherein the assets of the Rayon Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Rayon Undertaking as are vested in the Resultant Company 2 in accordance with this Scheme, to the end and intent that pursuant to the demerger and vesting of the Rayon Undertaking into the Resultant Company 2, the secured creditors of the Rayon Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of DCMSR or the Resultant Company 2, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resultant Company 2. In so far as the assets comprised in the Rayon Undertaking are concerned, the encumbrances, if any, over such assets relating to any loans, borrowings or other debts which are not transferred to the Resultant Company 2, pursuant to this Scheme and which shall continue with DCMSR, shall without any act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities. For the avoidance of doubt, it is clarified that in so far as the assets comprising the Residual Undertaking and the Chemical Undertaking are concerned, the encumbrance, if any, over such assets relating to the liabilities transferred to Resultant Company 2, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, other security holders over the properties of DCMSR pertaining to the Rayon Undertaking (other than the secured creditors of the Rayon Undertaking) shall not be entitled to any security over the properties of DCMSR pertaining to the Residual Undertaking and/or the Chemical Undertaking. For this purpose, sanction of this Scheme by the secured creditors/ security holders shall be considered as a specific consent towards the same.
- 5.1.4 Any reference in any security documents or arrangements (to which DCMSR is a party) to DCMSR and its assets and properties, which relate to the Rayon Undertaking, shall be construed as a reference to the Resultant Company 2 and the assets and properties of DCMSR transferred to the Resultant Company 2 by virtue of this Scheme. The provisions of this Clause 5.1.4 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and/or suspended by the foregoing provisions.
- 5.1.5 It is clarified that if any assets, estate, claim, right, title, interest in or authorities relating to such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Rayon Undertaking, which DCMSR owns or to which DCMSR is a party and pertains to the Rayon Undertaking and which cannot be transferred to the Resultant Company 2 for any reason whatsoever, DCMSR shall hold such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Resultant Company 2 to which the Rayon Undertaking is being transferred in terms of the provisions of this Scheme in so far as permissible to do so until such as time as the transfer is effected.
- 5.1.6 It is clarified that in case any refunds, benefits incentives, grants, subsidies, etc., in relation to or in connection with DCMSR, DCMSR if so required by the Resultant Company 2, issue notices in such form as the Resultant Company 2 may deem fit and proper stating that pursuant to the sanction order under Section 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resultant Company 1, as the person entitled thereto, to the end and intent that the right of DCMSR to recover or realise the same, stands transferred to the Resultant Company 2 and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 5.1.7 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Rayon Undertaking to the Resultant Company 2 by virtue of Part V of the Scheme itself, the Resultant Company 2 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which DCMSR has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Rayon Undertaking. The Resultant Company 2 will, if necessary, also be a party to the above. The Resultant Company 2 shall, under the provisions of Part V of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Rayon Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Rayon Undertaking to be carried out or performed.
- 5.1.8 DCMSR and/or the Resultant Company 2 as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary

to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by DCMSR in relation to the Rayon Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 2 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resultant Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

- 5.1.9 If any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) which DCMSR owns in relation to or in connecting with the Rayon Undertaking, any liabilities that pertain to DCMSR and/or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to which DCMSR is a party in relation to or in connection with the Rayon Undertaking, have not been transferred to the Resultant Company 2, DCMSR, as applicable, shall hold such assets, liabilities and/or contracts, as the case may be, in trust for the benefit of the Resultant Company 2 in so far as it is permissible so to do until the time such assets/liabilities/contracts are duly transferred to the Resultant Company 2, subject to applicable law. DCMSR and the Resultant Company 2 shall however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Rayon Undertaking had been transferred to the Resultant Company 2 on the Effective Date. DCMSR shall render all necessary assistance to and fully cooperate with, the Resultant Company 2 with respect to such assets, liabilities and/or contracts, deeds bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date. Notwithstanding any such mechanism or arrangement between DCMSR and the Resultant Company 2 pursuant to this Clause 5.1.9, DCMSR shall with respect to the period after the Effective Date: (a) not be responsible for performance of any obligations or for any liabilities whatsoever arising from or in relation to the Rayon Undertaking; and (b) not be entitled to any rights or to receive any benefits whatsoever in relation to the Rayon Undertaking. The economic, financial, technical and operational responsibility and all related cost and expenses (direct and incurred), liabilities and taxes in connection with the Rayon Undertaking, shall rest and be borne entirely and exclusively by the Resultant Company 2 after the Effective Date, Resultant Company 2 shall promptly pay, indemnify and hold harmless DCMSR for and from any such costs, expenses, losses, damages, liabilities and taxes or requirements under the contract(s) after the Effective Date if arising pursuant to the arrangement between DCMSR and the Resultant Company 2 under this Clause 5.1.9.

## **5.2 Conduct of Business until Effective Date and upon Effectiveness of the Scheme**

5.2.1 With effect from the Appointed Date and up to and including the Effective Date:

- (i) Save as may be governed by any arrangement entered into between DCMSR and the Resultant Company 2, the business of the Rayon Undertaking shall be carried on in ordinary course and in trust by DCMSR for and behalf of the Resultant Company 2.
- (ii) DCMSR shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or committee, either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber its properties or assets or any part thereof, save and except in the following circumstances:
  - (a) if the same is in its ordinary course of business; or
  - (b) if the same is expressly permitted by this Scheme; or
  - (c) If prior written consent of the Board of Directors of DCMSR has been obtained.
- (iii) Except by mutual consent of the Boards of Directors of DCMSR and the Resultant Company 2, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by DCMSR and/or the Resultant Company 2 pertaining to the Rayon Undertaking as on the date of filing of this Scheme, or except as contemplated in this Scheme, pending sanction of this Scheme, DCMSR and/or the Resultant Company 2 shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies).
- (iv) The Resultant Company 2 shall be entitled, pending the sanction of this Scheme, to apply to the appropriate authorities concerned as necessary under applicable law for such consents, approvals and sanctions which the Resultant Company 2 may require to carry on the business of Rayon Undertaking is being transferred and vested in it in terms of this Scheme.

- 5.2.2. Any claims, liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) arising out of the activities or operations of the Rayon Undertaking after the Effective Date shall be deemed to be part of the Rayon Undertaking and shall consequently be entirely borne by the Resultant Company 2. In the event that such liability is incurred by or such claim or demand is made upon DCMSR pertaining to the Rayon Undertaking (or any successor thereof), then the Resultant Company 2 shall indemnify DCMSR (or any successor thereof) for any payments made in relation to the same.
- 5.2.3. The Resultant Company 2 undertakes to engage, upon the Scheme becoming effective, all such employees of DCMSR pertaining to the Rayon Undertaking and who are in the employment of DCMSR as on the Effective Date, on terms and conditions no less favourable than those on which they are engaged by DCMSR, with continuity of service and without any interruption of service as a result of this transfer.
- 5.2.4. The Resultant Company 2 undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by DCMSR in relation to or in connection with the Rayon Undertaking. The Resultant Company 2 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with DCMSR shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 5.2.5. In so far as the existing provident fund, gratuity fund and superannuation fund and/or schemes, leave encashment and any other special scheme or benefits, funds or trusts created or existing for the benefit of such employees of DCMSR pertaining to the Rayon Undertaking, is concerned, such proportion of the investments made in the funds and liabilities which are relatable to the transferred employees as on the Effective Date, shall be transferred to the similar funds, if any, created by the Resultant Company 2 and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Resultant Company 2, maintained as separate funds by the Resultant Company 2. In the event, that the Resultant Company 2 does not have its own funds/trusts, in respect of any of the above mentioned funds, the Resultant Company 2 may, to the extent permitted by the contracts or deeds or applicable law governing these funds/trusts and subject to necessary approvals and permissions, continue to contribute to the relevant funds of DCMSR, until such time that the Resultant Company 2 create its own funds or decides not to form its own funds, at which time the funds and the investments and contributions pertaining to the transferred employees, shall be transferred to the funds created by the Resultant Company 2 or to the concerned funds of the relevant appropriate authority (such as of the Employees' Provident Fund Organisation) and other funds as the case may be. Where the Resultant Company 2 decides not to form its own funds, and if certain benefits cannot be provisioned for through the funds of relevant appropriate authority, these benefits are to be provided in any other legally compliant manner, and the parties shall, at that time, agree on the mode for transfer of the relevant amounts from the appropriate funds of DCMSR.
- 5.2.6. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Rayon Undertaking in relation to such schemes or funds shall become those of the Resultant Company 2. Upon the Scheme becoming effective, the Resultant Company 2 shall stand substituted for the Rayon Undertaking for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.
- 5.2.7. Upon the Scheme becoming effective, the Resultant Company 2 shall carry on and shall be authorised to carry on the business of the Rayon Undertaking.
- 5.2.8. For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Resultant Company 2 shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Rayon Undertaking, in accordance with the provisions of Chapter XV of the Act. The Resultant Company 2 is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, deeds etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.
- 5.2.9. Upon the Scheme becoming effective, the Resultant Company 2, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of DCMSR pertaining to the Rayon Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.
- 5.2.10. Upon the Scheme becoming effective, all profits accruing to the Rayon Undertaking and all taxes thereof or losses arising or incurred by it relating to the Rayon Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Resultant Company 2.
- 5.2.11. Upon the coming into effect of this Scheme, the resolutions, if any, of DCMSR pertaining to the Rayon Undertaking, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Resultant Company 2 and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Resultant



Company 2.

- 5.2.12 For the avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sale of products and inventory of DCMSR manufactured and/or branded and/or labelled and/or packed, in the name of DCMSR, prior to the Effective Date, in so far as they relate to the Rayon Undertaking, the Resultant Company 2 shall have the right to own, use, market, sell, exhaust, or to in any manner deal with, any such products and inventory (including packing material) pertaining to DCMSR, at the manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resultant Company 2 after the Effective Date.

### **5.3 Consideration**

- 5.3.1 Upon this Scheme coming into effect and upon vesting of the Rayon Undertaking in the Resultant Company 2, DCMSR shall provide to the Resultant Company 2, the list of equity shareholders of DCMSR as on the Record Date, who are entitled to receive fully paid-up equity shares, in the Resultant Company 2, in terms of this Scheme.
- 5.3.2 Upon this Scheme coming into effect, the shareholders of DCMSR as of the Record Date shall be entitled to receive equity shares of the Resultant Company 2 as detailed in this Clause 5.3.
- 5.3.3 The Boards of Directors of DCMSR and the Resultant Company 2 have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived at per the share entitlement ratio report dated 14 November 2023, prepared by Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355). Upon this Scheme coming into effect the Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 (one) fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- 5.3.4 DCMSR had engaged: (a) Mr. Mukesh Chand Jain (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) to provide a share entitlement ratio report; and (b) Centrum Capital Limited, merchant bankers, to provide a fairness opinion. In connection with such engagement, Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) have issued a share entitlement ratio report dated 14 November 2023, and Centrum Capital Limited has issued a fairness opinion dated 14 November 2023.

### **5.4 Issuance mechanics and other provisions**

- 5.4.1 The equity shares to be issued and allotted by the Resultant Company 2 in terms of Clause 5.3.3 shall be subject to the provisions of the memorandum of association and the articles of association of the Resultant Company 2 and shall rank *pari passu* in all respects with the existing equity shares (if any) of the Resultant Company 2, including with respect to dividend, bonus entitlement, right shares' entitlement, voting rights and other corporate benefits.
- 5.4.2 The new equity shares to be issued pursuant to Clause 5.3.3 shall be mandatorily issued in dematerialised form by the Resultant Company 1, and the shareholders of the Resultant Company 2 shall be required to have an account with a depository participant and shall be required to provide the details thereof and such other confirmations as may be required at least 7 (seven) days before the Record Date, to the Resultant Company 2 and/or its Registrar. Any shareholder who holds shares of the Resultant Company 2 in physical form shall also receive the new equity shares in dematerialized form, provided that details of their account with the depository participant are intimated in writing to the Resultant Company 2 and/or its Registrar. In the event any shareholder has not provided the requisite details relating to his/her(s)/its accounts with a depository participant or other information/confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the equity shares, of the Resultant Company 2, then the Resultant Company 2 shall keep such equity shares in abeyance / escrow account / suspense account/ with a trustee nominated by the Board of Directors the Resultant Company 2 for the benefit of such shareholders or shall be dealt with as provided under the applicable law, and shall credit the same to the respective depository participant account of such shareholder as and when the correct details of such shareholder's account with the depository participant are intimated in writing to the Resultant Company 2 and/or its Registrar, as permitted under applicable law.
- 5.4.3 For the purpose of the allotment of the Resultant Company 2 New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in DCMSR is such that the shareholder becomes entitled to a fraction of a share of the Resultant Company 2, the Resultant Company 2 shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Resultant Company 2 New Equity Shares to a

trustee (nominated by the Resultant Company 2 in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of the Resultant Company 2 New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resultant Company 2 pertaining to the fractional entitlements.

- 5.4.4 For the purpose of the allotment of equity shares of the Resultant Company 2 pursuant to Clauses 5.3 and 5.4, any equity shares of DCMSR which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by the Resultant Company 2 or shall be dealt with as provided under the applicable law.
- 5.4.5 On the approval of the Scheme by the members of the Resultant Company 2 pursuant to Section 232 of the Act, it shall be deemed that the members have accorded their consent under Section 62 of the Act, or any other applicable provision of the law as may be applicable. The Resultant Company 2 shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including SEBI and the Stock Exchanges, for the issue and allotment by the Resultant Company 2 of its equity shares to the members of DCMSR, pursuant to this Scheme.
- 5.4.6 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of DCMSR, the Board of Directors, or any committee thereof, of DCMSR shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in DCMSR, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to DCMSR or Resultant Company 2, as the case may be, in respect of such shares in relation to the shares issued by the Resultant Company 2 after this Scheme comes into effect.
- 5.4.7 The equity shares to be issued in lieu of the shares of DCMSR which are held in the unclaimed suspense account or the Investor Education and Protection Fund Account linked to DCMSR shall be issued to a new unclaimed suspense account/ new Investor Education and Protection Fund Account (as the case may be) created for the shareholders of the Resultant Company 2.

#### **5.5 Listing of equity shares of the Resultant Company 2**

- 5.5.1 All equity shares of the Resultant Company 2 issued pursuant to Clause 5.3 and in terms of this Scheme and SEBI Circular or otherwise shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the Stock Exchanges, and/or admitted to trading, if any, as may be decided by the Board of Directors of the Resultant Company 2. The Resultant Company 2 shall apply to all the Stock Exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 2 issued pursuant to Clause 5.3. The Resultant Company 2 shall enter into such arrangements, complete such formalities and give undertakings, if any, to the Stock Exchanges as may be necessary in accordance with the applicable laws for listing of equity shares of the Resultant Company 2.
- 5.5.2 Subject to any dispensation granted by SEBI and the Stock Exchanges, the equity shares allotted pursuant to Clause 5.3 of the Scheme by the Resultant Company 2 shall remain frozen in the depositories system until permission for listing/trading is granted by the Stock Exchanges.
- 5.5.3 Until such time as the equity shares of the Resultant Company 2 are listed on the Stock Exchanges, except as provided in the Scheme, there shall be no change in the shareholding pattern or control of or pre-arrangement capital structure of the Resultant Company 2.

#### **5.6 Cancellation of equity shares of the Resultant Company 2 held by DCMSR**

Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed by either of DCMSR and the Resultant Company 2. Accordingly, the changes to the equity share capital of the Resultant Company 1 will automatically be effected as an integral part of this Scheme, without any further act or deed on the part of the Resultant Company 2 and without having to separately follow the any provisions of the Act. The consent of the stakeholders of the Resultant Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Act would be required to be separately passed or taken. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Act for the purpose of confirming such changes to the equity share capital of the Resultant Company 2. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Rayon Undertaking of DCMSR into the Resultant Company 2, pursuant to



Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

## **5.7 Accounting treatment**

### **5.7.1 Accounting treatment in the books of DCMSR**

Upon Part V of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, DCMSR shall account for the demerger and vesting of the Rayon Undertaking with the Resultant Company 2 in its books of account in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- (i) The respective carrying values of the assets, liabilities and reserves of the Rayon Undertaking, as at the close of business on the day immediately preceding the Appointed Date, shall be reduced from the books of accounts of DCMSR;
- (ii) The investment of DCMSR in the Resultant Company 2 as appearing in its books of accounts shall be cancelled; and
- (iii) The difference of the above, shall be recorded in the books of DCMSR as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

The Board of Directors of DCMSR is authorised to account for any of the matters not dealt with in Clause 5.7.1 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

### **5.7.2 Accounting treatment in the books of Resultant Company 2**

Upon Part V of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resultant Company 2 shall account for the demerger and vesting of the Rayon Undertaking with Resultant Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' prescribed in 'Appendix C' Business combinations of entities under common control' of the Indian Accounting Standard (Ind AS) 103 for Business Combinations notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- (i) All the assets, liabilities and reserves pertaining to the Rayon Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, Resultant Company 2 at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the DCMSR;
- (ii) Resultant Company 2 shall credit to its share capital account, the aggregate face value of the equity shares of the Resultant Company 2, issued to the shareholders of the DCMSR;
- (iii) The difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves transferred by DCMSR and cancellation of investments in accordance with Clause 5.7 shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements;
- (iv) Resultant Company 2 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resultant Company 2, whichever is later; and
- (v) In case of any differences in accounting policies between DCMSR and Resultant Company 2, the accounting policies followed by DCMSR shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. Further any adjustments may be made to harmonise the accounting policies of Resultant Company 2 with DCMSR.

The Board of Directors of the Resultant Company 2 is authorised to account for any of the matters not dealt with in this Clause 5.7.2 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

**6 RESIDUAL UNDERTAKING OF DCMSR**

- 6.1 The Residual Undertaking and all assets, liabilities properties, rights and obligations pertaining thereto shall continue to belong to and be vested in and be managed by DCMSR. The Resultant Company 1 and Resultant Company 2 shall have no right, claim or obligation in relation to the Residual Undertaking, and nothing in this Scheme shall operate to transfer any of the Residual Undertaking to the Resultant Companies or to make the Resultant Companies liable for any liabilities of DCMSR relating to the Residual Undertaking.
- 6.2 All legal, taxation or other proceedings by or against DCMSR under any statute, or by any quasi-judicial authority or tribunal, whether pending on the date of filing of this Scheme or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of DCMSR in respect of the Residual Undertaking) shall be continued and enforced by or against DCMSR. The Resultant Company 1 and Resultant Company 2 shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against DCMSR if proceedings are taken up against the Resultant Company 1 or Resultant Company 2 in respect of the matters referred to in this Clause, it shall defend the same in accordance with the advice of DCMSR and at the cost of DCMSR, and DCMSR shall reimburse and indemnify the Resultant Company 1 or Resultant Company 2 (as the case may be) against all liabilities and obligations incurred by Resultant Company 1 or Resultant Company 2 (as the case may be), in respect thereto.
- 6.3 In addition, all legal, taxation or other proceedings by or against DCMSR/Resultant Company 1/ Resultant Company 2 under any statute, or by any quasi-judicial authority or tribunal, whether pending on the date of filing of this Scheme or which may be instituted in future, in respect of any matter arising before the Effective Date and which proceedings are of a common nature (i.e., not specific to the Chemical Undertaking, the Rayon Undertaking or the Residual Undertaking) shall be the joint responsibility of DCMSR, the Resultant Company 1 and the Resultant Company 2, and accordingly, the entity against which such proceedings are initiated will defend the same in good faith discussions with the other two entities, and shall be reimbursed and indemnified by the other two entities such that all liabilities, costs and expenses are borne by DCMSR, the Resultant Company 1 and the Resultant Company 2 in the ratio of 1:1:1.
- 6.4 In so far as the assets forming part of the Chemical Undertaking or the Rayon Undertaking are concerned, the encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of DCMSR pertaining to the Residual Undertaking shall, as and from the Appointed Date, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as encumbrances in relation to liabilities of DCMSR pertaining to the Residual Undertaking which are not transferred to the Resultant Company 1 or Resultant Company 2, pursuant to this Scheme (and which shall continue with DCMSR). In so far as the existing encumbrances in respect of the loans and other liabilities relating to the Residual Undertaking are concerned, such encumbrances shall, without any further act, instrument or deed be continued with DCMSR only on the assets relating to the Residual Undertaking and the assets forming part of the Chemical Undertaking and the Rayon Undertaking shall be released there from.
- 6.5 It is clarified that all unknown non-specific liabilities including any unknown non-specific income-tax related liability or refunds, which do not pertain particularly to the operations of the Rayon Undertaking, the Chemical Undertaking or the Residual Undertaking, shall be allocated between DCMSR, Resultant Company 1 and Resultant Company 2 in the ratio of 1:1:1 to arrive at an equitable distribution and, if required, each entity shall indemnify the other entities as and when there is a final determination or is otherwise required to be indemnified, to this effect.
- 6.6 In so far as the existing benefits or funds created by DCMSR for the employees of DCMSR other than the transferred employees pertaining to Chemical Undertaking and Rayon Undertaking are concerned or the employees of the corporate office of DCMSR transferred to the Resultant Company 1 or the Resultant Company 2, in terms of this Scheme, are concerned, the same shall continue and DCMSR shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held inter alia for the benefit of the employees of the Residual Undertaking, and the Resultant Companies shall have no liability in respect thereof.
- 6.7 With effect from the Appointed Date and up to and including the Effective Date:
- (i) DCMSR shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf;
  - (ii) All profits or income accruing or arising to DCMSR thereon and expenditure or losses arising or incurred or suffered by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of DCMSR; and

- (iii) All assets and properties acquired by DCMSR in relation to the Residual Undertaking shall belong to and continue to remain vested in DCMSR.

6.8 Daurala Sugar Works, a unit of DCMSR, is presently supplying power and steam to (a) Daurala Organics, presently a unit of DCMSR, (b) Daurala Chemical Industries, presently a unit of DCMSR, and each of which unit shall vest in Resultant Company 1 upon the Scheme becoming effective. Daurala Sugar Works shall continue to supply power and steam to the Resultant Company 1 at Daurala as is presently being done on the terms agreed between both the parties, upon the Scheme becoming effective, and the Board of Directors of each of the Resultant Company 1 and DCMSR shall have the authority to do all acts, deeds and things to preserve such arrangement, which authority shall be exercised reasonably in the best interests of DCMSR and the Resultant Company 1.

## PART-VII

### 7 MISCELLANEOUS AND GENERAL PROVISIONS

#### 7.1 Conditions Precedent

Subject to the provisions of this Scheme, each of the companies involved in this Scheme shall make the Scheme effective upon and subject to satisfaction of the following conditions (“**Effective Date**”):

- (i) Approval of shareholders and creditors as may be required. This Scheme is conditional upon the Scheme being approved by the public shareholders of DCMSR through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the Scheme shall be acted upon only if votes cast by the public shareholders of DCMSR in favour of the proposal are more than the number of votes cast by the public shareholders (of DCMSR) against it.
- (ii) the Scheme being approved and sanctioned by the NCLT under Sections 230-232 and other applicable provisions of the Act;
- (iii) Receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended);
- (iv) the requisite consent, approval or permission of statutory or regulatory authorities which may be necessary for the implementation of the Scheme, if any, having been obtained; and
- (v) the certified copy of the order of the NCLT sanctioning the Scheme, having been filed by the companies involved in this Scheme, with the relevant jurisdictional Registrar of Companies in terms of Section 232(5) of the Act.

#### 7.2 Provisions applicable to Parts III, IV, V and VI

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (i) amalgamation of the Transferor Company into and with DCMSR in accordance with Part III of this Scheme;
- (ii) transfer of the authorised share capital of the Transferor Company to DCMSR as provided in Part III of this Scheme, and consequential increase in the authorised share capital of DCMSR as provided in Part III of this Scheme;
- (iii) issuance and allotment of fully paid up equity shares of DCMSR in accordance with Section 2(1B) of the Income Tax Act, 1961, to the shareholders of the Transferor Company, without any further act, instrument or deed, in accordance with Part III of this Scheme;
- (iv) cancellation of the shareholding of DCMSR held by the Transferor Company in its entirety, without any further act, instrument or deed;
- (v) transfer of the Chemical Undertaking from DCMSR to Resultant Company 1, as provided in Part IV of this Scheme;
- (vi) transfer of part of the authorised share capital of DCMSR to Resultant Company 1, and consequential (i) increase in the authorised share capital of Resultant Company 1, and (ii) reduction in the authorised share capital of DCMSR;
- (vii) the issue and allotment of fully paid-up equity shares of the Resultant Company 1 to the shareholders of DCMSR as of the Record Date;

- (viii) cancellation of the shareholding of the Resultant Company 1 held by DCMSR in its entirety, without any further act, instrument or deed;
- (ix) Transfer of the Rayon Undertaking from DCMSR to Resultant Company 2, as provided in Part V of this Scheme.
- (x) transfer of part of the authorised share capital of DCMSR to Resultant Company 2, and consequential (i) increase in the authorised share capital of Resultant Company 2, and (ii) reduction in the authorised share capital of DCMSR;
- (xi) the issue and allotment of fully paid-up equity shares of the Resultant Company 2 to the shareholders of DCMSR as of the Record Date; and
- (xii) Cancellation of the shareholding of the Resultant Company 2 held by DCMSR in its entirety, without any further act, instrument or deed.

### **7.3 Compliance with Laws**

- 7.3.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Chapter XV of the Act, for the purpose of amalgamation of the Transferor Company into and with DCMSR, demerger of the Chemical Undertaking to the Resultant Company 1 and demerger of Rayon Undertaking to the Resultant Company 2. The companies involved in this Scheme will ensure compliance, as applicable, with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs with regard to the 'appointed date'.
- 7.3.2 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" and "demerger" as specified under the tax laws, including Section 2(1B) and Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of each of the companies involved in this Scheme, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.
- 7.3.3 Upon the Scheme becoming effective, DCMSR and the Resultant Companies are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexure under the Income Tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law, goods and service tax laws and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the NCLT sanctioning the Scheme shall be deemed to be an order of the NCLT permitting DCMSR and the Resultant Companies to revise their financial statements and books of accounts and no further act shall be required to be undertaken by DCMSR and the Resultant Companies, as applicable.
- 7.3.4 The articles of association of the Resultant Companies, if required, shall be amended and restated to comply with provisions required for listed companies. The amendments, if any, pursuant to this Clause 7.3.4 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Resultant Companies, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the articles of association of the relevant Resultant Company and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Act.
- 7.3.5 This Scheme is conditional upon the Scheme being approved by the public shareholders of DCMSR through e-voting in terms of Part –I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the Scheme shall be acted upon only if votes cast by the public shareholders of DCMSR in favour of the proposal are more than the number of votes cast by the public shareholders (of DCMSR) against it.

### **7.4 Consequential Matters Relating to Tax**

Upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) The amalgamation of the Transferor Company into and with DCMSR as detailed under Part III of the Scheme, is in compliance of Section 2(1B), Section 47 and other relevant provisions of the Income Tax Act, 1961.
- (ii) It is clarified that all the taxes and duties payable by or accruing to the Transferor Company, from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities, refund claims, all input credit balances



(including but not limited to credits under the goods and service tax laws), shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities, refund claims, all input credit balances (including but not limited to credits under the goods and service tax laws) of DCMSR, notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of the Transferor Company.

- (iii) All deduction otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to DCMSR, upon fulfilment of the applicable conditions under the applicable law.
- (iv) Tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company, if any, pending and/or arising at the Appointed Date, shall be continued and/or enforced until the Effective Date. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against DCMSR, in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by amalgamation of Transferor Company into DCMSR, or anything contained in the Scheme.
- (v) The demergers as detailed in Part IV and Part V of the Scheme comply with the conditions relating to “demerger” as defined under Section 2(19AA), Section 47 and other relevant sections and provisions of the Income Tax Act, 1961.
- (vi) It is clarified that all the taxes and duties payable by DCMSR, relating to the Chemical Undertaking and Rayon Undertaking from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resultant Company 1 and Resultant Company 2, respectively, notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of DCMSR.
- (vii) Without prejudice to the generality of above Clause 7.4(ii), any input tax credits which are unutilised as on the date of filing of prescribed returns/form for transfer of credit to the Resultant Companies under Central Goods and Services Tax Act, 2017 read with Central Goods and Services Tax Rules, 2017 therein shall be apportioned in accordance with relevant regulation, circulars, guidance provided for the same.
- (viii) In addition, all deductions otherwise admissible to DCMSR in relation to the Chemical Undertaking and the Rayon Undertaking including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Resultant Company 1 and Resultant Company 2, respectively, upon fulfilment of the applicable conditions under the applicable law.
- (ix) Tax assessment proceedings/appeals of whatsoever nature by or against DCMSR relating to the Chemical Undertaking and the Rayon Undertaking, if any, pending and/or arising at the Appointed Date, shall be continued and/or enforced until the Effective Date as desired by the Resultant Companies. As and from the Appointed Date, the tax proceedings/appeals shall be continued and enforced by or against the Resultant Company 1 and Resultant Company 2 relating to the Chemical Undertaking and Rayon Undertaking, respectively, in the same manner and to the same extent as would or might have been continued and enforced by or against DCMSR. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the transfer and vesting of the Chemical Undertaking and Rayon Undertaking into the Resultant Company 1 and Resultant Company 2, respectively, or anything contained in the Scheme.
- (x) DCMSR, Resultant Company 1 and Resultant Company 2 are expressly permitted to file/revise their respective tax returns, related withholding tax certificates, to the extent required for claiming refunds, advance tax paid, withholding tax credits, benefit of credit of minimum alternate tax, or any other related tax compliance or filing of form.
- (xi) Any action taken by Transferor Company to comply with tax laws (including payment of taxes, maintenance of records, payments, returns, tax filing, etc.) on and from Appointed Date up to the Effective Date shall be considered as adequate compliance by DCMSR with such requirement under tax laws.
- (xii) Any action taken by DCMSR to comply with tax laws (including payment of taxes, maintenance of records, payments, returns, tax filing, etc.) in respect of Chemical Undertaking and Rayon Undertaking on and from Appointed Date up to the Effective Date shall be considered as adequate compliance by the Resultant Companies with such requirement under tax laws.



## **7.5 Dividend**

- 7.5.1 The Transferor Company shall be entitled to declare and pay dividends, whether interim and/or final, to its shareholders, prior to the Effective Date.
- 7.5.2 DCMSR and each of the Resultant Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- 7.5.3 In the event of DCMSR declaring any dividend on its equity shares, during the pendency of the Scheme, such dividend received by the Transferor Company shall be distributed to the shareholders of the Transferor Company in proportion to their shareholding in the Transferor Company.
- 7.5.4 The holders of the shares of the Transferor Company, DCMSR and the Resultant Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
- 7.5.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company, DCMSR or the Resultant Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company, DCMSR and the Resultant Companies, respectively and subject to the approval of the shareholders of the Transferor Company, DCMSR and the Resultant Companies, respectively.

## **7.6 Interpretation**

- 7.6.1 Though this Scheme shall become effective on the Effective Date, and the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.
- 7.6.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of applicable law at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the applicable law shall prevail. Subject to obtaining the sanction of the NCLT, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the NCLT, if necessary, vest with the Board of Directors of each of the companies involved in this Scheme, which power shall be exercised reasonably in the best interests of each of the companies involved in this Scheme and their respective shareholders.

## **7.7 Applications to the NCLT, SEBI etc.**

- 7.7.1 DCMSR may, with all reasonable dispatch, file all necessary applications to the SEBI and Stock Exchanges for sanctioning this Scheme, as required by applicable law.
- 7.7.2 The companies involved in this Scheme may, with all reasonable dispatch, file all necessary applications to the NCLT, under Chapter XV and other applicable provisions of the Act, including for seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and creditors, if required, and for sanctioning this Scheme with such modifications, as may be approved by the NCLT and to obtain other such approvals, as required by applicable law.
- 7.7.3 Upon this Scheme being approved by the requisite majority of the shareholders of each of the companies involved in this Scheme (wherever required), each of the companies involved in this Scheme shall, with all reasonable dispatch, file respective petitions before the NCLT for sanction of this Scheme under Chapter XV and other applicable provisions of the Act, and for such other order or orders, as the NCLT may deem fit for putting this Scheme into effect. Upon this Scheme becoming effective, the shareholders of each of the companies involved in this Scheme shall be deemed to have also accorded their approval under all relevant provisions of the Act and other applicable laws for giving effect to the provisions contained in this Scheme.

## **7.8 Modifications or Amendments to the Scheme**

- 7.8.1 Each of the companies involved in this Scheme, acting through their respective Boards of Directors, may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The companies involved in this Scheme, acting through their respective Boards of

Directors, be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

- 7.8.2 The companies involved in this Scheme, acting through their respective Boards of Directors, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.
- 7.8.3 If the Companies are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI or any further modifications as may be required by SEBI.
- 7.8.4 Except as otherwise expressly provided in this Scheme, each of DCMSR, Resultant Company 1 and Resultant Company 2 shall pay their respective costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of this Scheme, in equal proportion. Notwithstanding anything contained in this Clause, all costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of Part III of this Scheme shall be borne solely by the shareholders of the Transferor Company in the manner provided in this Scheme.
- 7.8.5 Notwithstanding anything to the contrary, the shareholders of the Transferor Company, shall indemnify DCMSR and keep DCMSR indemnified for any and all contingent liabilities and obligations including all demands, claims, suits, proceedings, litigations and the like which may be made or instituted by any third party(ies), including governmental authorities on DCMSR, and are directly relatable to the Transferor Company. The shareholders of the Transferor Company shall secure, deposit or pay, as the case may be, any legal demand raised by the governmental authority within the time frame provided therein.
- 7.8.6 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the companies involved in this Scheme and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.
- 7.8.7 If any part of this Scheme is invalid, ruled illegal or rejected or is unreasonably delayed or not sanctioned by any court of competent jurisdiction, or unenforceable under present or future laws, or not sanctioned or is unreasonably delayed, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the companies involved in this Scheme, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected, or being unreasonably delayed or not sanctioned or is unreasonably delayed by any court of competent jurisdiction, or not sanctioned unenforceable under present or future laws.
- 7.8.8 The provisions of the Scheme in respect of which the Scheme has not been sanctioned shall stand invalidated and such invalidity shall attach only to such part. The remaining portion of the Scheme shall continue in full force and effect. In such an event, the relevant companies involved in the Scheme, in respect of which the Scheme has not been sanctioned shall bear and pay its costs, charges and expenses for and/or in connection with this Scheme.
- 7.8.9 Each of the companies involved in this Scheme, shall be free to withdraw from the Scheme if any part of this Scheme is found to be unworkable or unfeasible for any reason whatsoever, this shall not, subject to the decision of companies involved in this Scheme, affect the validity or implementation of the other parts and/or provisions of this Scheme. In the event a part of this Scheme is found unworkable or unfeasible and the companies involved in this Scheme decide to implement the remaining part of this Scheme, to the extent it is unworkable or unfeasible, shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred inter se by, the parties or their respective stakeholders or any other persons with respect to such part of the Scheme.
- 7.8.10 Any issue as to whether any asset, liability, employee or litigation pertains to the Chemical Undertaking or Rayon Undertaking or the Residual Undertaking or not shall be decided by the Board of Directors of the Resultant Company 1, Resultant Company 2 and DCMSR, respectively, either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of DCMSR, on the basis of evidence that they may deem relevant for the purpose (including the books and records of DCMSR).

## **7.9 Saving of Concluded Transactions**

- 7.9.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Company with DCMSR in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against DCMSR shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Effective Date and DCMSR accepts all acts, deeds and

things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of DCMSR.

7.9.2 The transfer and vesting of the assets, liabilities and obligations of the Chemical Undertaking in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against the Resultant Company 1 shall not affect any transaction or proceedings already completed by DCMSR on or before the Effective Date and the Resultant Company 1 accepts all acts, deeds and things done and executed by and/or on behalf of DCMSR as acts, deeds and things done and executed by and on behalf of the Resultant Company 1.

7.9.3 The transfer and vesting of the assets, liabilities and obligations of the Rayon Undertaking in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against the Resultant Company 2 shall not affect any transaction or proceedings already completed by DCMSR on or before the Effective Date and the Resultant Company 2 accepts all acts, deeds and things done and executed by and/or on behalf of DCMSR as acts, deeds and things done and executed by and on behalf of the Resultant Company 2.

#### **7.10 Residual**

7.10.1 Upon this Scheme becoming effective, the past track record of DCMSR relating to the Chemical Undertaking, including without limitation the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Resultant Company 1 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resultant Company 1 in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

7.10.2 Upon this Scheme becoming effective, the past track record of DCMSR relating to the Rayon Undertaking, including without limitation the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Resultant Company 2 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resultant Company 2 in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

7.10.3 Upon this Scheme becoming effective, the Resultant Company 1 shall be entitled to operate all bank accounts, cash and deposits relating to the Chemical Undertaking, realise all monies and complete and enforce all pending contracts and transactions in respect of the Chemical Undertaking in the name of DCMSR to the extent necessary. It is clarified that until such time that the name of the bank accounts of DCMSR, in relation to or in connection with the Chemical Undertaking, have been replaced with that of the Resultant Company 1, the Resultant Company 1 shall be entitled to operate the bank accounts of DCMSR in relation to or in connect with the Chemical Undertaking, in the name of DCMSR in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of DCMSR, in relation to or in connection with the Chemical Undertaking, after the Effective Date shall be accepted by the bankers of the Resultant Company 1 and credited to the account of the Resultant Company 1, if presented by the Resultant Company 1.

7.10.4 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to operate all bank accounts, cash and deposits relating to the Rayon Undertaking, realise all monies and complete and enforce all pending contracts and transactions in respect of the Rayon Undertaking in the name of DCMSR to the extent necessary. It is clarified that until such time that the name of the bank accounts of DCMSR, in relation to or in connection with the Rayon Undertaking, have been replaced with that of the Resultant Company 2, the Resultant Company 2 shall be entitled to operate the bank accounts of DCMSR in relation to or in connect with the Rayon Undertaking, in the name of DCMSR in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of DCMSR, in relation to or in connection with the Rayon Undertaking, after the Effective Date shall be accepted by the bankers of the Resultant Company 2 and credited to the account of the Resultant Company 2, if presented by the Resultant Company 2.

7.10.5 Upon this Scheme becoming effective, the Resultant Company 1 shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Chemical Undertaking in the name of DCMSR to the extent necessary.

7.10.6 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Rayon Undertaking in the name of DCMSR to the extent necessary.

7.10.7 Upon this Scheme becoming effective, the Resultant Company 1 shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, relating to the Chemical Undertaking in the name of DCMSR to the extent necessary.

7.10.8 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, relating to the Rayon Undertaking in the name of DCMSR to the extent necessary.

7.10.9 Upon the Scheme becoming effective, the borrowings limit of Resultant Company 1 and Resultant Company 2 under Section 180(1)(c) of the Act shall stand increased to the extent of the loans vested in these two companies as per the Scheme, without any further act or approval under section 180(1)(c) of the Act and the approval of the shareholders under the said section for increasing the borrowings limit.

#### SCHEDULE –1

##### Licenses to be Transferred to Resultant Company 1 as part of the Chemical Undertaking

| Serial No. | Name of the License  | Licensor  | License No.   | Validity                                    |
|------------|--|---|---|---|
| 1.         | License for storage of chlorine gas cylinders.   | Explosives Department.  | G/CC/UP/06/840(G11249).                             | 30 September 2028.                          |
| 2.         | License for storage of Toluene.  |   | P/HQ/UP/15/143(P7534).                              | 31 December 2023.                           |
| 3.         | Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974. | Uttar Pradesh Pollution Control Board.                            | 165704/UPPCB/MEERUT(UPPCBRO)/CTO /BOTH/MEERUT/2022. | 31 December 2024.                           |
| 4.         | Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974. |   |   |   |
| 5.         | Authorisation for disposal of hazardous waste.   |   |   |   |
| 6.         | No-objection certificate for use of ground water.  | Uttar Pradesh Ground Water Authority                              | Reg. No.: 202102000157.                             | 17 February 2026.                           |
| 7.         | No-objection certificate for use of ground water - borewell.   |   | NOC No.- NOC016504.                                 | 17 February 2026.                           |
| 8.         | License to work a factory.   | Uttar Pradesh Factories Department.                               | Reg. No.-UPFA7000048.                               | 31 December 2023.                           |
| 9.         | Pressure vessels testing certificates.   | Chief Controller of Explosives.                                   | S/HO/UP/03/356(S3839).                              | Renewable every 6 months.                   |
| 10.        | Registration under Contract Labour (Regulation & Prohibition) Act, 1970.                                   | Uttar Pradesh Labour Department.                                  | MRCR-29.  | One time registration.                      |
| 11.        | No-objection certificate issued by fire department.  | Uttar Pradesh Fire Department.                                    | UPFS/2023/74954/MRT/MEERUT/1410/J D.                | 7 March 2026.                               |
| 12.        | Daurala Nagar Panchayat License.   | Nagar Panchayat.  | 31/ Book No.142.                                    | 31 March 2024.                              |
| 13.        | Inspection certificate of electrical installations - electrical load.                                      | Electric Safety Department.                                       | Certificate No. 735.                                | 9 December 2024.                            |
| 14.        | Stamping and verification certificate.   | Weights & Measurement Department.                                 | DIRLM/GOI/2021/227.                                 | Valid upto change of nomination of director |
| 15.        | Registration certificate for disposal of plastic waste.  | Plastic Waste Management (Uttar Pradesh Pollution Control Board). | PR-29-UTT-09-AAACD0204C-22.                         | 28 September 2024                           |
| 16.        | Registration certificate for disposal of plastic waste.  | Plastic Waste Management (Uttar Pradesh Pollution Control Board). | IM-21-UTT-09-AAACD0204C-22.                         | 20 September 2024                           |
| 17.        | Drugs manufacturing license.   | Uttar Pradesh Food Safety & Drug                                  | 25 of 1990.   | 31 December 2026.                           |

| Serial No. | Name of the License  | Licensor   | License No.   | Validity               |   |                        |
|------------|--|--|---|------------------------|---|------------------------|
|            |  | Administration.                                    |   |                        |   |                        |
| 18.        | TAN.   | Income Tax Department.                             | MRTD07296C.   | One time registration. |   |                        |
| 19.        | TAN.   | Income Tax Department.                             | DELD16419E.   | One time registration. |   |                        |
| 20.        | Issue of factory stuffing permission.  | Central Excise Department.                         | C. No. VIII(ICD)6/EXP/FS/628/2012                   | One time registration. |   |                        |
| 21.        | Employees' state insurance corporation registration.   | Employees' State Insurance Corporation Department. | 67000618930000304.                                  | One time registration. |   |                        |
| 22.        | Provident fund registration.   | Provident Fund Department.                         | UP/230 (Online No.-MRMRT000023000000).              | One time registration. |   |                        |
| 23.        | License for storage of chlorine gas cylinders.   | Explosives Department.                             | G/CC/UP/06/1601(G24590).                            | 30 September 2028.     |   |                        |
| 24.        | License for storage of liquid nitrogen.  |  | S/HO/UP/03/356(S3839).                              | 30 September 2027.     |   |                        |
| 25.        | Liquid nitrogen safety valve hydro testing vessel certificate.   |  | CPS106561/18/UP/210.                                | Renewable annually.    |   |                        |
| 26.        | License for storage of petroleum class-A.  |  | P/HQ/UP/15/976(P8375).                              | 31 December 2027       |   |                        |
| 27.        | License for storage of ammonia in tank.  |  | S/HO/UP/03/86(S3906).                               | 30 September 2024      |   |                        |
| 28.        | Ammonia safety valve hydro testing vessel certificate.   |  | PV(R)414/CPS55755/18/UP/10302.                      | Renewable annually.    |   |                        |
| 29.        | License for storage of methyl alcohol (MA-4).  | District Magistrate.                               | Certificate no. 2.                                  | 31 March 2024.         |   |                        |
| 30.        | License for storage of methyl alcohol (MA-2).  |  | Certificate no.1.                                   | 31 March 2024.         |   |                        |
| 31.        | Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974. | Uttar Pradesh Pollution Control Board.             | 165429/UPPCB/MEERUT(UPPCBRO)/CTO /BOTH/MEERUT/2022. | 31 December 2024.      |   |                        |
| 32.        | Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974. |  |   |                        |   |                        |
| 33.        | Authorisation for disposal of hazardous waste.   |  |   |                        | 15768/UPPCB/Meerut (UPPCBRO)/HWM/MEERUT/2021. | 12 December 2026.      |
| 34.        | Registration for disposal of bio medical waste.  |  |   |                        | 268/BMW-520/2018                              | One time registration. |
| 35.        | Registration of occupational health committee.   | CMO (Medical Department)                           | CMEE2372252.  | 30 April 2024.         |   |                        |
| 36.        | No-objection certificate for use of ground water.  | Uttar Pradesh Ground Water Authority.              | Reg.No.: 202102000151.                              | 17 February 2026.      |   |                        |
| 37.        | No-objection certificate for use of ground water - borewell.   |  | NOC No.- NOC023222.                                 | 17 February 2026.      |   |                        |
| 38.        | License to work a factory.   | Uttar Pradesh Factories Department.                | Reg. No.-UPFA7000047.                               | 31 December 2023.      |   |                        |
| 39.        | Registration under Contract Labour (Regulation & Prohibition) Act, 1970.                                   | Uttar Pradesh Labour Department.                   | MRCR-27.  | One Time Registration. |   |                        |
| 40.        | No-objection certificate issued by fire department.  | Uttar Pradesh Fire Department.                     | UPFS/2023/74953/MRT/MEERUT/1409/J D.                | 7 March 2026.          |   |                        |



| Serial No. | Name of the License   | Licensor  | License No.                            | Validity               |
|------------|---|---|--|------------------------|
| 41.        | Daurala nagar panchayat license.  | Nagar Panchayat.  | 95/ Book No.140.                       | 31 March 2024.         |
| 42.        | Inspection certificate of electrical installations - 3150 KVA electric load.  | Electric Safety Department.                                       | Certificate No. 149.                   | 20 May 2025.           |
| 43.        | Inspection certificate of electrical installations – DG set                   |   | Certificate No. 119.                   | 15 June 2024.          |
| 44.        | Inspection certificate of electrical installations - transformer              |   | Certificate No. 211.                   | 9 July 2024.           |
| 45.        | Registration certificate for disposal of plastic waste.                       | Plastic Waste Management (Uttar Pradesh Pollution Control Board). | PR-29-UTT-09-AAACD0204C-22.            | 28 September 2024      |
| 46.        | Registration certificate for disposal of plastic waste.                       | Plastic Waste Management (Uttar Pradesh Pollution Control Board). | IM-21-UTT-09-AAACD0204C-22.            | 20 September 2024      |
| 47.        | License for acetic anhydride (purchase, possession, storage and consumption). | Narcotics Department  | DLCD0100202.                           | One time registration. |
| 48.        | TAN.  | Income Tax Department   | MRTD01386A.                            | One time registration. |
| 49.        | TAN.  | Income Tax Department   | DELD08601F.                            | One time registration. |
| 50.        | Issue of factory stuffing permission.   | Central Excise Department.  | C.No. VIII(ICD)6/EXP/FS/627/2012.      | One time registration. |
| 51.        | Employees' state insurance corporation registration.                          | Employees' State Insurance Corporation Department.                | 67000615720000399.                     | One time registration. |
| 52.        | Provident fund registration.  | Provident Fund Department.  | UP/17378 (Online No.-MRMRT0017378000). | One time registration. |
| 53.        | Shops & establishment registration.   | Department of Labour, Delhi.                                      | 20150066367.                           | One time registration. |

**SCHEDULE -2**

**Assets pertaining to the Chemical Undertaking**

**A. Daurala (District Meerut – Uttar Pradesh)**

| Serial No. | Location                 | Khasra No.     | Area (in Sq. Mtr.) | Type of Asset |
|------------|--------------------------|----------------|--------------------|---------------|
| 1.         | Village Daurala.         | 1732.          | 2,696.             | Freehold.     |
| 2.         | Village Daurala.         | 1733.          | 6,557.             | Freehold.     |
| 3.         | Village Daurala.         | 313, 314, 315. | 10,243.            | Freehold.     |
| 4.         | Village Mohd. Pur Hayak. | 298.           | 120.               | Freehold.     |
| 5.         | Village Mohd. Pur Hayak. | 297.           | 370.               | Freehold.     |
| 6.         | Village Mohd. Pur Hayak. | 312.           | 5,550              | Freehold.     |
| 7.         | Village Mohd. Pur Hayak. | 294.           | 10,484.            | Freehold.     |

| Serial No.   | Location                 | Khasra No.      | Area<br>(in Sq. Mtr.) | Type of Asset |
|--------------|--------------------------|-----------------|-----------------------|---------------|
| 8.           | Village Mohd. Pur Hayak. | 296.            | 700.                  | Freehold.     |
| 9.           | Village Mohd. Pur Hayak. | 295.            | 643.                  | Freehold.     |
| 10.          | Village Mohd. Pur Hayak. | 288.            | 450.                  | Freehold.     |
| 11.          | Village Mataur.          | 421.            | 5,850.                | Freehold.     |
| 12.          | Village Mataur.          | 433.            | 2,956.                | Freehold.     |
| 13.          | Village Mataur.          | 434.            | 17,057.               | Freehold.     |
| 14.          | Village Mataur.          | 435.            | 6,551.                | Freehold.     |
| 15.          | Village Mataur.          | 436.            | 4,086.                | Freehold.     |
| 16.          | Village Mataur.          | 437.            | 3,110.                | Freehold.     |
| 17.          | Village Mataur.          | 438.            | 7,564.                | Freehold.     |
| 18.          | Village Mataur.          | 439.            | 1,250.                | Freehold.     |
| 19.          | Village Mataur.          | 440.            | 1,250.                | Freehold.     |
| 20.          | Village Mataur.          | 441.            | 1,239.                | Freehold.     |
| 21.          | Village Mataur.          | 442 & 492.      | 8,985.                | Freehold.     |
| 22.          | Village Mataur.          | 443.            | 1,680.                | Freehold.     |
| 23.          | Village Mataur.          | 444.            | 1,701.                | Freehold.     |
| 24.          | Village Mataur.          | 445.            | 3,856.                | Freehold.     |
| 25.          | Village Mataur.          | 446.            | 2,177.                | Freehold.     |
| 26.          | Village Mataur.          | 447.            | 2,177.                | Freehold.     |
| 27.          | Village Mataur.          | 70 (Ka).        | 18,676.               | Freehold.     |
| 28.          | Village Daurala.         | 63.             | 5,108.                | Freehold.     |
| 29.          | Village Daurala.         | 70.             | 251.                  | Freehold.     |
| 30.          | Village Daurala.         | 60.             | 16,258.               | Freehold.     |
| <b>Total</b> |                          | <b>1,49,595</b> |                       |               |

**SCHEDULE –3**

**Details of Intellectual Property Rights of DCMSR appertaining to Chemical Undertaking**

**Part A: Details of Copyright**

| Serial No. | Title of the Work | Class     | Registration No. | Status      | Owner | Entities Using the Copyright after the Effective Date |
|------------|-------------------|-----------|------------------|-------------|-------|---|
| 1.         | DCM Shriram.      | Artistic. | A-54102/97.      | Registered. | DCMSR | DCMSR and Resultant Companies.                        |

Part B: Details of Trademarks Used by the DCM Shriram Group

| Serial No. | Trademark   | Class | Application/Registration No. | Description   | Status               | Owner/Applicant | Entities Using the Trademark After the Effective Date |
|------------|---|-------|------------------------------|---|----------------------|-----------------|---|
| 1.         |  | 414   | 5363222                      | Education, providing of training, entertainment, sporting and cultural activities.  | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 2.         |   | 42    | 5363233                      | Scientific and technological services and research and design relating thereto, industrial analysis and research services, design and development of computer hardware and software.  | Registered.          | DCMSR           | DCMSR and Resultant Companies.                        |
| 3.         |   | 9     | 5363226                      | Scientific, nautical, surveying, including through drones, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire extinguishing apparatus. | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 4.         |   | 11    | 5363210                      | All kinds of power generation.  | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 5.         |   | 5     | 5363208                      | All pharmaceutical, drug intermediaries, sanitisers of different compositions, veterinary and sanitary preparations, dietetic substances adapted for medical use, fungicides, herbicides.   | Pending registration | DCMSR.          | DCMSR and Resultant Companies.                        |
| 6.         |   | 1     | 5363207                      | All chemicals including fine chemicals used in industry, science, photography, agriculture, horticulture and forestry, unprocessed artificial   | Pending registration | DCMSR.          | DCMSR and Resultant Companies.                        |

| Serial No. | Trademark | Class | Application/Registration No. | Description   | Status | Owner/Applicant | Entities Using the Trademark After the Effective Date |
|------------|-----------|-------|------------------------------|---|--------|-----------------|---|
|            |           |       |                              | resins, unprocessed plastics, manures, fire extinguishing compositions, tempering and soldering preparations, chemical substances for preserving foodstuffs, tanning substances, adhesive used in industry. |        |                 |   |

**SCHEDULE –4**

**Licenses to be Transferred to Resultant Company 2 as part of the Rayon Undertaking**

| Serial No. | Name of the License   | Licensor   | License No.                              | Validity   |
|------------|---|--|--|--|
| 1.         | Registration and license to work a factory.   | Rajasthan Factories Department.  | Reg. No. – RJ 1941.                      | 31 March 2024.   |
| 2.         | EPF and ESI Registration Letters.   | Provident Fund Department and Employees' State Insurance Corporation Department. | ESI: RJ/1128/85.<br>EPF: PF/RJ/1128/851. | Valid until cancelled.   |
| 3.         | Consent to operate captive power plant-9.2 MW situated at Shriram Nagar, Kota.                | Rajasthan State Pollution Control Board.   | 2023-2024/CD/6901                        | 30 November 2027.  |
| 4.         | Consent to operate captive power plant – 2 MW situated at Shriram Nagar, Kota.                | Rajasthan State Pollution Control Board.   | 2023-2024/CD/6874                        | 30 September 2023 (renewal application filed on 29 June 2023). |
| 5.         | Consent to operate – Carbon Di Sulphide plant situated at Shriram Nagar, Kota.                | Rajasthan State Pollution Control Board.   | 2019-2020/CD/6365                        | 31 October 2023 (renewal application filed on 30 June 2023).   |
| 6.         | Consent to operate – Dipping Plant situated at Shriram Nagar, Kota.                           | Rajasthan State Pollution Control Board.   | 2022-2023/CD/6648                        | 30 November 2026.  |
| 7.         | Consent to establish – engineering project section plant situated at Shriram Nagar, Kota.     | Rajasthan State Pollution Control Board.   | 2020-2021/CD/6423                        | 28 February 2025.  |
| 8.         | Consent to operate – Main Plant -23 TPD Rayon Plant situated at Shriram Nagar, Kota.          | Rajasthan State Pollution Control Board.   | 2023-2024/CD/6875                        | 30 June 2026.  |
| 9.         | Consent to operate – Main Plant -7 TPD Expansion Rayon Plant situated at Shriram Nagar, Kota. | Rajasthan State Pollution Control Board.   | Application ID: 336099                   | Under process.   |
| 10.        | Authorisation for storage of hazardous waste.   | Rajasthan State Pollution Control Board.   | RPCB/HWM/2019-2020/HSW/HSW/271           | 31 October 2024.   |

| Serial No. | Name of the License  | Licensor                                     | License No.              | Validity  |
|------------|--|--|--------------------------|---|
| 11.        | Consent to operate for operation of 2 sewage treatment plants (150 KLD each) in Shriram Nagar Colony, Kota.  | Rajasthan State Pollution Control Board.     | 2023-2024/CD/6915        | 31 December 2027.   |
| 12.        | Industrial license from Ministry of Textile.   | Ministry of Textiles.                        | No. L/23/5/M 17.Tex.D/61 | Valid until cancelled.  |
| 13.        | Certificate of establishment.  | Department of Labour.                        | 201565241                | Valid until cancelled.  |
| 14.        | Sulphur storage licence.   | Explosives Department.                       | 114/6465 Jaipur          | 31 December 2017<br>(Under Renewal since December 2017)   |
| 15.        | License under The Industries (Development and Regulation) Act, 1951 for establishing a new industrial undertaking for manufacturing of communications equipment. | Department of Industrial Policy & Promotion. | DIL:34(2018).            | License will cease to be valid if commercial production in the new industrial undertaking is not established within 15 years. |
| 16.        | License under The Industries (Development and Regulation) Act, 1951 for establishing a new industrial undertaking for manufacturing of Opto electronic devices.  | Department of Industrial Policy & Promotion. | DIL:33(2018).            | License will cease to be valid if commercial production in the new industrial undertaking is not established within 15 years. |
| 17.        | License under the Arms Act, 1959 for manufacture of bullet proof vehicles.   | Department of Industrial Policy & Promotion. | LN10248C7A14318          | Valid until cancelled.  |
| 18.        | License under the Arms Act, 1959 for manufacture of unmanned aerial vehicles.  | Department of Industrial Policy & Promotion. | LN10248C7A14218          | Valid until cancelled.  |

**SCHEDULE –5**

**Assets pertaining to the Rayon Undertaking**

**A. At District Kota (Rajasthan)**

| Serial No. | Location                             | Khasra No.  | Area<br>(in Hectares) | Type of Asset |
|------------|--------------------------------------|---|-----------------------|---------------|
| 1.         | Village Kansua. (Factory)            | Present Khasra Nos.:-<br>356,361,362,363,364 Old Khasra Nos as per Court Order:-<br>293,294,297,300 and 301 | 32.49                 | Leasehold.    |
| 2.         | Village Umedgunj (Colony).           | Present Khasra No.:- 10.Old Khasra Nos as per Court Order:-<br>13,14,16 and 17                              |                       | Leasehold.    |
| 3.         | Village Rajpura.(Factory and Colony) | Present Khasra No.: - 422.Old Khasra Nos: as per Court Order  |                       | Leasehold.    |



| Serial No. | Location                               | Khasra No.                             | Area<br>(in Hectares) | Type of Asset |
|------------|--|--|-----------------------|---------------|
|            |  | 322 and 324.                           | 45.23                 |               |
| 4.         | Village Devlimanji.                    | 419.                                   | 1.63.                 | Freehold.     |
| 5.         | Village Aanwa.                         | 167.                                   | 1.39.                 | Freehold.     |
| 6.         | Village Khajuri.                       | 1632, 1658, 1659, 1663, 1664 and 1667. | 3.01.                 | Freehold.     |
| 7.         | Land for Guest House (Umedgunj/Kansua) | 418,419.                               | 0.4054.               | Leasehold.    |

**B. At Delhi**

| Serial No. | Location                          | Area(in Sq. Ft.) | Type of Asset |
|------------|-----------------------------------|------------------|---------------|
| 1.         | Akashdeep Building, Flat No. 403. | 708.             | Leasehold.    |
| 2.         | Akashdeep Building, Flat No. 405. | 440.             | Leasehold.    |
| 3.         | Akashdeep Building, Flat No. 406. | 708.             | Leasehold.    |
| 4.         | Akashdeep Building, Flat No. 502. | 708.             | Leasehold.    |
| 5.         | Akashdeep Building, Flat No. 507. | 708.             | Leasehold.    |

**C. At District Meerut – Uttar Pradesh**

| Serial No. | Location            | Khasra No. | Area(in Sq. Mtr.) | Type of Asset |
|------------|---------------------|------------|-------------------|---------------|
| 1.         | Village Palhera.    | 1-Ma.      | 61,840.           | Freehold.     |
| 2.         | Village Palhera.    | 2.         | 1,140.            | Freehold.     |
| 3.         | Village Palhera.    | 3-M.       | 6,450.            | Freehold.     |
| 4.         | Village Palhera.    | 4-M.       | 5,720.            | Freehold.     |
| 5.         | Village Palhera.    | 6.         | 380.              | Freehold.     |
| 6.         | Village Pabli Khas. | 1697.      | 10,620.           | Freehold.     |

**SCHEDULE –6**


**Details of Intellectual Property Rights of DCMSR appertaining to Rayon Undertaking**



**Part A: Details of Copyright Used by the DCM Shriram Group**

| Serial No. | Title of the Work | Class | Registration No. | Status | Owner | Entities Using the Copyright after the Effective Date |
|------------|-------------------|-------|------------------|--------|-------|---|
|------------|-------------------|-------|------------------|--------|-------|---|

|    |              |           |             |             |        |                                |
|----|--------------|-----------|-------------|-------------|--------|--------------------------------|
| 1. | DCM Shriram. | Artistic. | A-54102/97. | Registered. | DCMSR. | DCMSR and Resultant Companies. |
|----|--------------|-----------|-------------|-------------|--------|--------------------------------|

**Part B: Details of Trademarks Used by the DCM Shriram Group**

| Serial No. | Trademark   | Class | Application /Registration No. | Description   | Status               | Owner/Applicant | Entities Using the Trademark after the Effective Date |
|------------|---|-------|-------------------------------|---|----------------------|-----------------|---|
| 1.         |  | 23    | 5363211                       | Yarns and threads, for textiles and industrial use.   | Registered.          | DCMSR.          | Resultant Company 2.                                  |
| 2.         |   | 414   | 5363222                       | Education, providing of training, entertainment, sporting and cultural activities.  | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 3.         |   | 42    | 5363233                       | Scientific and technological services and research and design relating thereto, industrial analysis and research services, design and development of computer hardware and software.  | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 4.         |   | 9     | 5363226                       | Scientific, nautical, surveying, including through drones, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire extinguishing apparatus. | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 5.         |   | 11    | 5363210                       | All kinds of power generation.  | Registered.          | DCMSR.          | DCMSR and Resultant Companies.                        |
| 6.         |   | 5     | 5363208                       | All pharmaceutical, drug intermediaries, sanitisers of different compositions, veterinary and sanitary preparations, dietetic substances adapted for medical use, fungicides, herbicides.   | Pending registration | DCMSR.          | DCMSR and Resultant Companies.                        |
| 7.         |   | 6     | 5363209                       | Metal fabricated items for industrial and transport needs, common metals and their alloys, metal building materials,  | Pending registration | DCMSR.          | Resultant Company 2.                                  |

| Serial No. | Trademark   | Class | Application /Registration No. | Description   | Status               | Owner/Applicant | Entities Using the Trademark after the Effective Date |
|------------|---|-------|-------------------------------|---|----------------------|-----------------|---|
|            |   |       |                               | transportable buildings of metal, materials of metal for railway tracks, non-electric cables and wires of common metal, ironmongery, small items of metal hardware, pipes and tubes of metal, safes, goods of common metal not included in other classes and ores.  |                      |                 |   |
| 8.         |   | 1     | 5363207                       | All chemicals including fine chemicals used in industry, science, photography, agriculture, horticulture and forestry, unprocessed artificial resins, unprocessed plastics, manures, fire extinguishing compositions, tempering and soldering preparations, chemical substances for preserving foodstuffs, tanning substances, adhesive used in industry. | Pending registration | DCMSR.          | DCMSR and Resultant Companies.                        |
| 9.         |   | 12    | 5363228                       | Vehicles, apparatus for locomotion by land, air or water including drones.  | Pending registration | DCMSR.          | Resultant Company 2.                                  |
| 10.        |   | 13    | 5363230                       | Firearms, ammunition and projectiles, explosives, fireworks, defense products under licensing or non-licensing categories such as thermal imaging, electronics and communications.  | Pending registration | DCMSR.          | Resultant Company 2.                                  |
| 11.        |  | 12    | 3700597                       | Automobiles, vehicles, cars, buses, trucks, tyres and tubes, automobiles parts, fitting & accessories included in class 12, engine for vehicles, automobile body and chassis, apparatus for locomotion by land, air or water.   | Registered.          | DCMSR.          | Resultant Company 2.                                  |
| 12.        |  | 12    | 5593529                       | Drones, delivery drones, rescue drones, photography drones, military and civil drones, camera drones, defense, security, commercial, unmanned aerial vehicle and its commercial applications under class 12.  | Pending registration | DCMSR.          | Resultant Company 2.                                  |

Lily Commercial Private Limited  
Standalone Balance Sheet as at September 30, 2024

| Particulars  | Notes | As at September 30, | As at March 31, |
|--|-------|---------------------|-----------------|
|  |       | 2024                | 2024            |
|  |       | Rs. lakhs           | Rs. lakhs       |
| <b>ASSETS</b>  |       |                     |                 |
| <b>Non-current assets</b>  |       |                     |                 |
| Financial Assets   |       |                     |                 |
| (i) Investments  | 4     | 6147.52             | 6,147.52        |
| (ii) Other financial assets  | 5     | 0.18                | 0.18            |
| Income-tax assets (net)  | 6     | 98.47               | 11.29           |
| Deferred tax assets (net)  | 24    | 17.22               | 23.06           |
| <b>Total non-current assets</b>  |       | <b>6263.39</b>      | <b>6,182.05</b> |
| <b>Current assets</b>  |       |                     |                 |
| Financial assets   |       |                     |                 |
| (i) Cash and cash equivalents  | 7     | 13.98               | 15.89           |
| (ii) Bank balances other than (i) above                                  | 8     | 210.25              | 375.86          |
| (iii) Other financial assets   | 9     | 87.06               | -               |
| Other current assets   | 10    | 0.08                | 0.01            |
| <b>Total current assets</b>  |       | <b>311.36</b>       | <b>391.76</b>   |
| <b>TOTAL ASSETS</b>  |       | <b>6,574.75</b>     | <b>6,573.81</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                     |                 |
| <b>EQUITY</b>  |       |                     |                 |
| Equity share capital   | 11    | 1095.13             | 1,095.13        |
| Other equity   | 12    | 5099.63             | 5,098.32        |
| <b>Total equity</b>  |       | <b>6194.76</b>      | <b>6,193.44</b> |
| <b>LIABILITIES</b>   |       |                     |                 |
| <b>Non-current liabilities</b>   |       |                     |                 |
| Provisions   | 13    | -                   | -               |
| <b>Total non-current liabilities</b>                                     |       | <b>-</b>            | <b>-</b>        |
| <b>Current liabilities</b>   |       |                     |                 |
| Financial liabilities  |       |                     |                 |
| (i) Borrowings   | 14    | -                   | -               |
| (ii) Trade payables  | 15    | -                   | -               |
| - Total outstanding dues of micro and small enterprises                  |       | -                   | -               |
| -Total outstanding dues of creditors other than micro and small          |       | -                   | 0.33            |
| (iii) Other financial liabilities  | 16    | -                   | -               |
| Other current liabilities  | 17    | -                   | 0.04            |
| Provisions   | 18    | 380.00              | 380.00          |
| <b>Total current liabilities</b>   |       | <b>380.00</b>       | <b>380.37</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      |       | <b>6,574.76</b>     | <b>6,573.81</b> |
| Summary of material accounting policies                                  | 3     |                     |                 |
| The accompanying notes form an integral part of the financial statements |       |                     |                 |

For and on behalf of the Board of Directors of  
Lily Commercial Private Limited

Sd/-  
Richa Dhuria  
Company Secretary  
Membership No.: A66110

Sd/- S.K. Jain  
Director  
DIN:00278611

Sd/- S.K. Chowdhary  
Director  
DIN:08866999

Place : New Delhi  
Date : October 05, 2024



Lily Commercial Private Limited  
Statement of Standalone Profit and Loss for the period ended September 30, 2024

| Particulars  | Notes | As at September | For the year            |
|--|-------|-----------------|-------------------------|
|  |       | 30, 2024        | ended March 31,<br>2024 |
|  |       | Rs. lakhs       | Rs. lakhs               |
| <b>Income</b>  |       |                 |                         |
| Revenue from operations  | 19    | -               | -                       |
| Other income   | 20    | 885.96          | 21.35                   |
| <b>Total Income</b>  |       | <b>885.96</b>   | <b>21.35</b>            |
| <b>Expenses</b>  |       |                 |                         |
| Employee benefits expense  | 21    | 5.90            | 13.67                   |
| Finance costs  | 22    | 0.14            | 6.37                    |
| Other expenses   | 23    | 2.14            | 503.60                  |
| <b>Total expenses</b>  |       | <b>8.18</b>     | <b>523.63</b>           |
| <b>(Loss)/Profit before tax</b>  |       | <b>877.78</b>   | <b>(502.28)</b>         |
| <b>Tax expense:</b>  |       |                 |                         |
| Current tax  | 24    | -               | -                       |
| Tax relating to earlier years  | 24    | -               | 43.47                   |
| Deferred tax (credit)/charge   | 24    | 5.84            | (18.21)                 |
|  |       | <b>5.84</b>     | <b>25.26</b>            |
| <b>(Loss)/Profit for the period</b>                                      |       | <b>871.94</b>   | <b>(527.54)</b>         |
| <b>Other comprehensive income/(expense), net of taxes</b>                |       | <b>-</b>        | <b>-</b>                |
| <b>Total comprehensive loss for the period, net of taxes</b>             |       | <b>871.94</b>   | <b>(527.54)</b>         |
| <b>Earnings/(loss) per equity share (face value Rs 100 per share)</b>    |       |                 |                         |
| - Basic /diluted   |       | 79.62           | (60.80)                 |
| Summary of material accounting policies                                  | 3     |                 |                         |
| The accompanying notes form an integral part of the financial statements |       |                 |                         |

For and on behalf of the Board of Directors of  
Lily Commercial Private Limited

|   |   |  |
|---|---|--|
| Sd/-<br>Richa Dhuria<br>Company Secretary<br>Membership No.: A66110 | Sd/-<br>S.K. Jain<br>Director<br>DIN:00278611 | Sd/-<br>S.K. Chowdhary<br>Director<br>DIN:08866999 |
|---|---|--|

Place : New Delhi  
Date : October 05, 2024



Lily Commercial Private Limited  
Standalone statement of cash flows for the period ended September 30, 2024

| Particulars   | As at September | For the year          |
|---|-----------------|-----------------------|
|   | 30, 2024        | ended Mar 31,<br>2024 |
|   | Rs. lakhs       | Rs. lakhs             |
| <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                 |                       |
| (Loss)/Profit before tax  | 877.78          | (502.28)              |
| <b>Adjustments for:</b>   |                 |                       |
| Dividend Received   | (871.77)        | -                     |
| Dividend Paid   | -               | -                     |
| Finance costs   | 0.14            | 6.37                  |
| <b>Operating loss before change in assets and liabilities</b>                           | <b>6.15</b>     | <b>(495.92)</b>       |
| <b>Change in assets and liabilities</b>   |                 |                       |
| (Increase)/decrease in financial assets   | (87.06)         | (0.18)                |
| (Increase)/decrease in other assets   | (0.07)          | 0.50                  |
| Increase/(decrease) in trade payables   | (0.33)          | (1.40)                |
| Increase/(decrease) in other financial liabilities                                      | -               | (0.37)                |
| Increase/(decrease) in provisions   | -               | 370.37                |
| Increase/(decrease) in other liabilities  | (0.04)          | (0.56)                |
| <b>Cash generated from /(used in) operating activities post working capital changes</b> | <b>(81.36)</b>  | <b>(127.56)</b>       |
| Income tax paid (net)   | (87.18)         | (2.36)                |
| <b>Net cash generated from/(used in) used in operating activities (A)</b>               | <b>(168.53)</b> | <b>(129.92)</b>       |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                 |                       |
| Changes in other bank balances  | 165.61          | (375.86)              |
| Dividend received   | 871.77          | -                     |
| <b>Net cash used in investing activities (B)</b>  | <b>1,037.39</b> | <b>(375.86)</b>       |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                 |                       |
| Dividend Received   | -               | -                     |
| Dividend Paid   | (870.62)        | -                     |
| Repayment of Borrowings   | -               | -                     |
| Issue of Equity share capital   | -               | 450.00                |
| Finance costs paid  | (0.14)          | (6.37)                |
| <b>Net cash flow from financing activities (C)</b>                                      | <b>(870.77)</b> | <b>443.63</b>         |
| Increase/(decrease) in cash and cash equivalents (A+B+C)                                | (1.91)          | (62.15)               |
| Cash and cash equivalents at the beginning of the year                                  | 15.89           | 49.51                 |
| Cash and cash equivalents acquired on merger  | -               | 28.54                 |
| <b>Cash and cash equivalents at the end of the year</b>                                 | <b>13.98</b>    | <b>15.89</b>          |
| Represented by :  |                 |                       |
| Balance with bank   | 13.74           | 15.66                 |
| Cash in hand  | 0.23            | 0.23                  |
|   | <b>13.98</b>    | <b>15.89</b>          |

**Notes:**

The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

For and on behalf of the Board of Directors of  
Lily Commercial Private Limited

Place: New Delhi  
Date : October 05, 2024

|                        |              |                |
|------------------------|--------------|----------------|
| Sd/-                   | Sd/-         | Sd/-           |
| Richa Dhuria           | S.K. Jain    | S.K. Chowdhary |
| Company Secretary      | Director     | Director       |
| Membership No.: A66110 | DIN:00278611 | DIN:08866999   |

Lily Commercial Private Limited  
Statement of standalone changes in equity for the period ended September 30, 2024

| A Equity share capital                               |             | Rs. lakhs |
|--|-------------|-----------|
| Balance as at April 01, 2022                         | Particulars | 477.96    |
| Issued during the year                               |             | -         |
| Balance as at March 31, 2023                         |             | 477.96    |
| Changes in equity share capital consequent to merger |             | 167.16    |
| Balance as at April 01, 2023                         |             | 645.13    |
| Right issue during the year                          |             | 450.00    |
| Balance as at March 31, 2024                         |             | 1,095.13  |
| Balance as At September 30, 2024                     |             | 1,095.13  |

| B Other equity                                       |                            | Rs. lakhs       |                 |                    |                   |          |
|--|----------------------------|-----------------|-----------------|--------------------|-------------------|----------|
| Particulars  | Capital Redemption Reserve | Capital Reserve | General Reserve | Securities Premium | Retained Earnings | Total    |
| Balance as at April 01, 2022                         | 50.05                      | 71.96           | 128.31          | -                  | 1,458.68          | 1,708.99 |
| Addition during the year/ (Transfer during the year) | 40.00                      | -               | -               | -                  | -                 | 40.00    |
| Premium paid on buyback of shares                    | -                          | -               | -               | -                  | -                 | -        |
| Profit/(Loss) for the year                           | -                          | -               | -               | -                  | 653.05            | 653.05   |
| Balance as at March 31, 2023                         | 90.05                      | 71.96           | 128.31          | -                  | 2,111.72          | 2,402.04 |
| Addition consequent to business combination (Merger) | 264.50                     | 417.94          | 32.17           | 14.93              | 2,494.28          | 3,223.82 |
| Balance as at April 01, 2023                         | 354.55                     | 489.90          | 160.48          | 14.93              | 4,606.00          | 5,625.86 |
| Addition during the year/ (Transfer during the year) | -                          | -               | -               | -                  | -                 | -        |
| Profit/(Loss) for the year                           | -                          | -               | -               | -                  | (527.54)          | (527.54) |
| Balance as at March 31, 2024                         | 354.55                     | 489.90          | 160.48          | 14.93              | 4,078.46          | 5,098.32 |
| Addition during the year/ (Transfer during the year) |                            |                 |                 |                    |                   |          |
| Profit/(Loss) for the year                           |                            |                 |                 |                    | 871.94            | 871.94   |
| Less: Interim dividend                               |                            |                 |                 |                    | (870.62)          | (870.62) |
| Balance as at September 30, 2024                     | 354.55                     | 489.90          | 160.48          | 14.93              | 4,079.77          | 5,099.63 |

**Nature and purpose of reserve**

**-Capital Redemption Reserve:** Created on redemption of preference shares of merged entities and equity shares bought back by the Company.

**-Capital Reserve:** Capital Reserve are the reserves created as per Scheme of Arrangement for amalgamation.

**-General Reserve:** Profits earned by the Company are transferred to General Reserve as decided.

**-Retained earnings:** Retained earnings, when positive is a free reserve available to the company.

Material Accounting Policies- refer note 3

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors of  
Lily Commercial Private Limited

Place : New Delhi  
Date : October 05, 2024

Sd/-  
Richa Dhuria  
Company Secretary  
Membership No.: A66110

Sd/-  
S.K. Jain  
Director  
DIN:00278611

Sd/-  
S.K. Chowdhary  
Director  
DIN:08866999

**Lily Commercial Private Limited**  
**Notes to financial statements for the period ended September 30, 2024**

| 4. Investments- Non current  | As at September<br>30, 2024 | As at<br>March 31, 2024 |
|--|-----------------------------|-------------------------|
|  | Rs. lakhs                   | Rs. lakhs               |
| <b>Investment in equity instruments</b>  |                             |                         |
| <b>Investments measured at Cost</b>  |                             |                         |
| <b>Quoted equity instruments</b>   |                             |                         |
| DCM Shriram Industries Limited (Subsidiary w.e.f. April 01, 2023)<br>4,35,88,680 (April 01, 2023: 4,35,88,680) equity shares of face value of Rs. 2 each, fully paid up  | 6,147.52                    | 6,147.52                |
| March 31, 2023: 1,63,21,115 equity shares of face value of Rs. 2 each, fully paid up   |                             | -                       |
| April 01, 2022: 1,57,51,765 equity shares of face value of Rs. 2 each, fully paid up   |                             | -                       |
| <b>Unquoted equity instruments</b>   |                             |                         |
| Versa Trading Private Limited<br>Nil (April 01, 2023: Nil, March 31, 2023: 76,72,317, April 01, 2022: 76,72,317) equity shares of face value of Rs. 10/- each, fully paid up   |                             | -                       |
| H.R. Travels Private Limited<br>Nil (April 01, 2023: Nil, March 31, 2023: 15,50,000, April 01, 2022: 15,50,000) equity shares of face value of Rs. 10/- each, fully paid up  |                             | -                       |
| Bantam Enterprises Private Limited<br>Nil (April 01, 2023: Nil, March 31, 2023: 295, April 01, 2022: 295) equity shares of face value of Rs. 100/- each, fully paid up   |                             | -                       |
| DCM Containers & Engineering Private Limited<br>(Formerly - Hindustan Vacuum Glass Private Limited)<br>Nil (April 01, 2023: Nil, March 31, 2023: Nil, April 01, 2022: 1,27,710) equity shares of Face Value of Rs. 10/- each fully paid up |                             | -                       |
| DCM Hyundai Limited<br>Nil (April 01, 2023: Nil, March 31, 2023: Nil, April 01, 2022: 2,250) equity shares of face value of Rs. 10/- each, fully paid up   |                             | -                       |
| Varuna Overseas Private Limited<br>Nil (April 01, 2023: Nil, March 31, 2023: Nil, April 01, 2022: 49) equity shares of face value of Rs. 10/- each, fully paid up  |                             | -                       |
| <b>Unquoted Preference instruments</b>   |                             |                         |
| Versa Trading Pvt. Ltd.<br>Nil (April 01, 2023: Nil, March 31, 2023: 2,42,800, April 01, 2022: Nil) 5% Redeemable Non-Convertible Non-Cumulative of Rs. 100/- each, fully paid up  |                             | -                       |
| <b>Total</b>   | <b>6,147.52</b>             | <b>6,147.52</b>         |
| Market Value of quoted investments   | 87120.69                    | 79,854.46               |

## Lily Commercial Private Limited

### Notes to financial statements for the period ended September 30, 2024

| 5. Other financial assets- Non-current<br>(unsecured, considered good unless otherwise stated) | As at September<br>30, 2024 | As at<br>March 31, 2024 |
|--|-----------------------------|-------------------------|
|  | Rs. lakhs                   | Rs. lakhs               |
| Security deposits  | 0.18                        | 0.18                    |
| <b>Total</b>   | <b>0.18</b>                 | <b>0.18</b>             |
| 6. Income tax assets (net)   | As at September<br>30, 2024 | As at<br>March 31, 2024 |
|  | Rs. lakhs                   | Rs. lakhs               |
| Advance income tax (net of provision)  | 98.47                       | 11.29                   |
| <b>Total</b>   | <b>98.47</b>                | <b>11.29</b>            |
| 7. Cash and cash equivalents   | As at September<br>30, 2024 | As at March 31,<br>2024 |
|  | Rs. lakhs                   | Rs. lakhs               |
| Balances with banks  |                             |                         |
| - On current account   | 13.74                       | 15.66                   |
| Cash in hand   | 0.23                        | 0.23                    |
| <b>Total</b>   | <b>13.98</b>                | <b>15.89</b>            |
| 8. Other bank balances   | As at September<br>30, 2024 | As at March 31,<br>2024 |
|  | Rs. lakhs                   | Rs. lakhs               |
| Deposits with original maturity of more than three months but upto twelve months               | 210.25                      | 375.86                  |
| Earmarked deposits-Buy back account  |                             | -                       |
| <b>Total</b>   | <b>210.25</b>               | <b>375.86</b>           |
| 9. Other financial assets-current<br>(unsecured, considered good unless otherwise stated)      | As at September<br>30, 2024 | As at March 31,<br>2024 |
|  | Rs. lakhs                   | Rs. lakhs               |
| TDS refundable   | 87.06                       | -                       |
| <b>Total</b>   | <b>87.06</b>                | <b>-</b>                |
| 10. Other current assets<br>(unsecured, considered good unless otherwise stated)               | As at September<br>30, 2024 | As at March 31,<br>2024 |
|  | Rs. lakhs                   | Rs. lakhs               |
| Others   | 0.08                        | 0.01                    |
| <b>Total</b>   | <b>0.08</b>                 | <b>0.01</b>             |

| 11. Equity share capital  | As at September | As at           |
|---|-----------------|-----------------|
|   | 30, 2024        | March 31, 2024  |
|   | Rs. lakhs       | Rs. lakhs       |
| <b>Authorised</b>   |                 |                 |
| Equity Shares   |                 |                 |
| 45,59,000 equity shares of Rs 100 each  | 4,559.00        | 4,559.00        |
| Preference shares   |                 |                 |
| 1,000 Nos. 12.50 % Redeemable Non Cumulative of Rs. 100/-   | 1.00            | 1.00            |
| 50,000 Nos. 5.00 % Convertible Non Cumulative of Rs. 100/-  | 50.00           | 50.00           |
| 2,90,000 Nos. 10.00 % Redeemable Non Cumulative of Rs. 100/-  | 290.00          | 290.00          |
| 7,00,000 Nos. 5.00 % Redeemable Non- Convertible Non Cumulative of Rs. 100/-  | 700.00          | 700.00          |
|   | <b>5,600.00</b> | <b>5,600.00</b> |
| <b>Issued subscribed and fully paid up</b>  |                 |                 |
| 10,95,125 (April 01, 2023: 6,45,125, March 31, 2023: 4,77,963, April 01, 2022: 4,77,963) equity shares of Rs 100 each fully paid up | 1,095.13        | 1,095.13        |
|   | <b>1,095.13</b> | <b>1,095.13</b> |

**a) Terms, rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs.100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The

**b) Issue of shares for other than cash**

There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash.

**c) Number of shares held by each shareholder holding more than 5% Shares in the Company**

| Particulars  | As at September 30, 2024   |                   | As at March 31, 2024       |                   |
|--|----------------------------|-------------------|----------------------------|-------------------|
|  | No of shares @ Rs 100 each | % of total shares | No of shares @ Rs 100 each | % of total shares |
| - Mr. Alok B. Shriram Karta- L. Banshi Dhar & Sons | 3,02,199                   | 27.59%            | 3,02,199                   | 27.59%            |
| - Mrs. Urvashi Tilak Dhar                          | 1,47,971                   | 13.51%            | 1,47,971                   | 13.51%            |
| - Mr. Madhav B. Shriram                            | 1,09,278                   | 9.98%             | 1,09,278                   | 9.98%             |
| - Mrs. Karuna Shriram                              | 1,03,975                   | 9.49%             | 1,03,975                   | 9.49%             |
| - Mrs. Divya Shriram                               | 91,638                     | 8.37%             | 91,638                     | 8.37%             |
| - Akshay Foundation                                | 74,779                     | 6.83%             | 74,779                     | 6.83%             |
| - Mr. Alok B. Shriram                              | 60,020                     | 5.48%             | 60,020                     | 5.48%             |
| - Mrs. Suman Banshi Dhar                           |                            |                   |                            |                   |
| - Bantam Enterprises Pvt. Ltd.                     |                            |                   |                            |                   |
| - H.R. Travels Pvt. Ltd.                           |                            |                   |                            |                   |
|  | <b>8,89,860</b>            | <b>81.26%</b>     | <b>8,89,860</b>            | <b>81.26%</b>     |

**d) Details of shareholding of promoters in the company is as under:**

| Particulars   | As at September 30, 2024   |                   | As at March 31, 2024       |                   |
|---|----------------------------|-------------------|----------------------------|-------------------|
|   | No of shares @ Rs 100 each | % of total shares | No of shares @ Rs 100 each | % of total shares |
| - Mr. Alok B. Shriram Karta - L. Banshi Dhar & Sons HUF | 3,02,199                   | 27.59%            | 3,02,199                   | 27.59%            |
| - Mrs. Urvashi Tilak Dhar                               | 1,47,971                   | 13.51%            | 1,47,971                   | 13.51%            |
| - Mr. Madhav B. Shriram                                 | 1,09,278                   | 9.98%             | 1,09,278                   | 9.98%             |
| - Mrs. Karuna Shriram                                   | 1,03,975                   | 9.49%             | 1,03,975                   | 9.49%             |
| - Mrs. Divya Shriram                                    | 91,638                     | 8.37%             | 91,638                     | 8.37%             |
| - M/s Akshay Foundation                                 | 74,779                     | 6.83%             | 74,779                     | 6.83%             |
| - Mr. Alok B. Shriram                                   | 60,020                     | 5.48%             | 60,020                     | 5.48%             |
| - Mrs. Suman Banshi Dhar                                | 44,147                     | 4.03%             | 44,147                     | 4.03%             |
| - Ms. Kanika Shriram                                    | 36,589                     | 3.34%             | 36,589                     | 3.34%             |
| - Mr. Akshay Dhar                                       | 31,997                     | 2.92%             | 31,997                     | 2.92%             |
| - Ms. Aditi Dhar  | 31,928                     | 2.92%             | 31,928                     | 2.92%             |
| - Mr. Uday Shriram                                      | 23,528                     | 2.15%             | 23,528                     | 2.15%             |
| - Mr. Rudra Shriram                                     | 24,089                     | 2.20%             | 24,089                     | 2.20%             |
| - Mr. Akshay Dhar Karta- Tilak Dhar & Sons-HUF          | 12,767                     | 1.17%             | 12,767                     | 1.17%             |
| - Mr. Rohan Shriram                                     | 212                        | 0.02%             | 212                        | 0.02%             |
| - Mr. S.K. Jain   | 8                          | 0.00%             | 8                          | 0.00%             |
| - Versa Trading Pvt. Ltd.                               | -                          | 0.00%             | -                          | 0.00%             |
| - Dcm Containers Pvt. Ltd..                             | -                          | 0.00%             | -                          | 0.00%             |
| - Hi-Vac Wares Pvt. Ltd.                                | -                          | 0.00%             | -                          | 0.00%             |
| - Bantam Enterprises Pvt. Ltd.                          | -                          | 0.00%             | -                          | 0.00%             |
| - H.R. Travels Pvt. Ltd.                                | -                          | 0.00%             | -                          | 0.00%             |
|   | <b>10,95,125</b>           | <b>100.00%</b>    | <b>10,95,125</b>           | <b>100.00%</b>    |

**e) Reconciliation of issued and subscribed share capital at the beginning and at the end of the reporting period**

| Particulars  | No of shares     | Amount (Rs./Lakhs) |
|--|------------------|--------------------|
| <b>Balance as at March 31, 2022</b>                  | 4,77,963         | 477.96             |
| Issued during the year                               | -                | -                  |
| <b>Balance as at March 31, 2023</b>                  | 4,77,963         | 477.96             |
| Changes in equity share capital consequent to merger | 1,67,162         | 167.16             |
| <b>Balance as at April 01, 2023</b>                  | <b>6,45,125</b>  | <b>645.13</b>      |
| Right issue during the year                          | 4,50,000         | 450.00             |
| <b>Balance as at March 31, 2024</b>                  | <b>10,95,125</b> | <b>1,095.13</b>    |
| Issued/(Redeem) during the year                      | -                | -                  |
| <b>Balance as at September 30, 2024</b>              | <b>10,95,125</b> | <b>1,095.13</b>    |



## Lily Commercial Private Limited

### Notes to financial statements for the period ended September 30, 2024

| 12. Other equity                             | As at September 30,<br>2024 | As at<br>March 31, 2024 |
|--|-----------------------------|-------------------------|
|  | Rs. lakhs                   | Rs. lakhs               |
| <b>(a) Captial Redemption Reserve</b>        |                             |                         |
| Balance as at the beginning of the year      | 354.55                      | 354.55                  |
| Addition during the year (net)               | -                           | -                       |
| Addition consequent to merger                | -                           | -                       |
| <b>Balance at the end of the year</b>        | <b>354.55</b>               | <b>354.55</b>           |
| <b>(b) Captial Reserve</b>                   |                             |                         |
| Balance as at the beginning of the year      | 489.90                      | 489.90                  |
| Addition during the year (net)               | -                           | -                       |
| Addition consequent to merger                | -                           | -                       |
| <b>Balance at the end of the year</b>        | <b>489.90</b>               | <b>489.90</b>           |
| <b>(c) General Reserve</b>                   |                             |                         |
| Balance as at the beginning of the year      | 160.48                      | 160.48                  |
| Addition during the year (net)               | -                           | -                       |
| Addition consequent to merger                | -                           | -                       |
| <b>Balance at the end of the year</b>        | <b>160.48</b>               | <b>160.48</b>           |
| <b>(d) Securities Premium</b>                |                             |                         |
| Balance as at the beginning of the year      | 14.93                       | 14.93                   |
| Addition during the year (net)               | -                           | -                       |
| Addition consequent to merger                | -                           | -                       |
| <b>Balance at the end of the year</b>        | <b>14.93</b>                | <b>14.93</b>            |
| <b>(e) Retained Earnings</b>                 |                             |                         |
| Balance as at the beginning of the year      | 4,078.46                    | 4,606.00                |
| Less: Premium paid on buyback of shares      | -                           | -                       |
| Less: Transfer to Capital Redemption Reserve | -                           | -                       |
| Add: (Loss)/Profit for the period            | 871.94                      | (527.54)                |
| Less: Dividend paid                          | (870.62)                    | -                       |
| <b>Balance at the end of the year</b>        | <b>4,079.77</b>             | <b>4,078.46</b>         |
| <b>Total</b>                                 | <b>5,099.63</b>             | <b>5,098.32</b>         |

| 13. Provisions-Non current               | As at September 30,<br>2024 | As at<br>March 31, 2024 |
|--|-----------------------------|-------------------------|
|  | Rs. lakhs                   | Rs. lakhs               |
| Provision for employee benefits-Gratuity | -                           | -                       |
| <b>Total</b>                             | <b>-</b>                    | <b>-</b>                |

| 14. Borrowings-Current    | As at September 30,<br>2024 | As at<br>March 31, 2024 |
|---------------------------|-----------------------------|-------------------------|
|                           | Rs. lakhs                   | Rs. lakhs               |
| <b>From related party</b> |                             |                         |
| <b>Unsecured</b>          |                             |                         |
| Intercorporate loan       | -                           | -                       |
|                           | -                           | -                       |

# Lily Commercial Private Limited

## Notes to financial statements for the period ended September 30, 2024

| 15. Trade payables *   | As at<br>September 30,<br>2024 | As at<br>March 31, 2024 |
|--|--------------------------------|-------------------------|
|  | Rs. lakhs                      | Rs. lakhs               |
| Total outstanding dues of Micro and Small Enterprises                      | -                              | -                       |
| Total outstanding dues of creditors other than Micro and Small Enterprises | -                              | 0.33                    |
|  | <u>-</u>                       | <u>0.33</u>             |

\* Refer note no. 34

**-Ageing of trade payables is as under** Rs. Lakhs

| Particulars                     | Outstanding for following periods from due date of payment |           |           |                   | Total       |
|---------------------------------|--|-----------|-----------|-------------------|-------------|
|                                 | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |             |
| <b>As at September 30, 2024</b> |  |           |           |                   |             |
| MSME                            | -  | -         | -         | -                 | -           |
| Others                          | -  | -         | -         | -                 | -           |
| Disputed dues – MSME            | -  | -         | -         | -                 | -           |
| Disputed dues - Others          | -  | -         | -         | -                 | -           |
| <b>Total</b>                    | -  | -         | -         | -                 | -           |
| <b>As at March 31, 2024</b>     |  |           |           |                   |             |
| MSME                            | -  | -         | -         | -                 | -           |
| Others                          | 0.33   | -         | -         | -                 | 0.33        |
| Disputed dues – MSME            | -  | -         | -         | -                 | -           |
| Disputed dues - Others          | -  | -         | -         | -                 | -           |
| <b>Total</b>                    | <b>0.33</b>  | -         | -         | -                 | <b>0.33</b> |
| Disputed dues – MSME            | -  | -         | -         | -                 | -           |
| Disputed dues - Others          | -  | -         | -         | -                 | -           |
| <b>Total</b>                    | <b>0.45</b>  | -         | -         | -                 | <b>0.45</b> |

| 16. Other financial liabilities - current | As at<br>September 30,<br>2024 | As at<br>March 31, 2024 |
|---|--------------------------------|-------------------------|
|   | Rs. lakhs                      | Rs. lakhs               |
| Interest payable on borrowings            | -                              | -                       |
| Employee related payables                 | -                              | -                       |
| <b>Total</b>                              | <u>-</u>                       | <u>-</u>                |

| 17. Other current liabilities | As at<br>September 30,<br>2024 | As at<br>March 31, 2024 |
|-------------------------------|--------------------------------|-------------------------|
|                               | Rs. lakhs                      | Rs. lakhs               |
| Statutory dues                | -                              | 0.04                    |
| <b>Total</b>                  | <u>-</u>                       | <u>0.04</u>             |

| 18. Provisions-Current                   | As at<br>September 30,<br>2024 | As at<br>March 31, 2024 |
|--|--------------------------------|-------------------------|
|  | Rs. lakhs                      | Rs. lakhs               |
| Provision for employee benefits-Gratuity | -                              | -                       |
| Provision for restructuring expenses     | 380.00                         | 380.00                  |
| <b>Total</b>                             | <u>380.00</u>                  | <u>380.00</u>           |

## Lily Commercial Private Limited

### Notes to financial statements for the period ended September 30, 2024

| 19. Revenue from operations    | For the period<br>ended September<br>30, 2024 | For the year ended<br>March 31, 2024 |
|--------------------------------|---|--------------------------------------|
|                                | Rs. lakhs                                     | Rs. lakhs                            |
| <b>Other operating revenue</b> |   |                                      |
| Interest on loan               | -   | -                                    |
|                                | -   | -                                    |

| 20. Other income  | For the period<br>ended September<br>30, 2024 | For the year ended<br>March 31, 2024 |
|---|---|--------------------------------------|
|   | Rs. lakhs                                     | Rs. lakhs                            |
| <b>Interest income from financial assets measured at amortised cost</b> |   |                                      |
| From deposits with banks  | 14.19   | 9.46                                 |
| <b>Other non-operating income</b>                                       |   |                                      |
| Dividend income   | 871.77  | -                                    |
| Provisions/liabilities no longer required, written back                 | -   | 9.63                                 |
| Gain on sale of shares  | -   | -                                    |
| Miscellaneous income  | -   | 2.25                                 |
|   | <b>885.96</b>                                 | <b>21.35</b>                         |

| 21. Employee benefits expense             | For the period<br>ended September<br>30, 2024 | For the year ended<br>March 31, 2024 |
|---|---|--------------------------------------|
|   | Rs. lakhs                                     | Rs. lakhs                            |
| Salaries, wages and bonus                 | 5.90  | 12.65                                |
| Contribution to provident and other funds | -   | -                                    |
| Staff welfare expense                     | 0.00  | 1.02                                 |
|   | <b>5.90</b>                                   | <b>13.67</b>                         |

| 22. Finance costs | For the period<br>ended September<br>30, 2024 | For the year ended<br>March 31, 2024 |
|-------------------|---|--------------------------------------|
|                   | Rs. lakhs                                     | Rs. lakhs                            |
| Interest expense  | 0.14  | 6.37                                 |
|                   | <b>0.14</b>                                   | <b>6.37</b>                          |

| 23. Other expenses                                   | For the period<br>ended September<br>30, 2024 | For the year ended<br>March 31, 2024 |
|--|---|--------------------------------------|
|  | Rs. lakhs                                     | Rs. lakhs                            |
| Restructuring expenses                               | 0.21  | 110.08                               |
| Professional fees                                    | 0.35  | 1.17                                 |
| Travelling expenses                                  | 0.09  | 0.30                                 |
| Rates and taxes                                      | -   | 0.21                                 |
| Payment to auditors:                                 |   |                                      |
| -Audit fee   | -   | 0.56                                 |
| Corporate Social Responsibility                      | -   | 9.41                                 |
| Provision for Restructuring expenses (Refer note 35) | -   | 380.00                               |
| Stamp Duty   | 0.72  | -                                    |
| Miscellaneous expenses                               | 0.77  | 1.86                                 |
|  | <b>2.14</b>                                   | <b>503.60</b>                        |

**Note: Details of corporate social responsibility expenditure**

|  |               |
|--|---------------|
| a) Amount approved by Board of Directors required to be spent by the Company during the year | 9.41          |
| b) Amount spent during the year (in cash)  |               |
| (i) Construction/acquisition of any asset  |               |
| (ii) On purposes other than (i) above  | 9.41          |
| c) Amount unspent  | -             |
| d) <u>Nature of CSR activities*</u>  | CSR-Donations |
| - Asavari Centre for Kathak - Protection of National Heritage                                | 1.91          |
| - Dipam Foundation - Promoting Education among poor children                                 | 4.50          |
| - Astitav- Program for children with special needs   | 1.50          |
| - TISS - Education to socio-economic women students  | 1.50          |
| - <b>Total</b>   | <b>9.41</b>   |

**Lily Commercial Private Limited**
**Notes to financial statements for the period ended September 30, 2024**
**24. Income tax**
**A. Amounts recognised in statement of profit and loss**

The major components of income tax expense are:

|  | (Rs.Lakhs)                                       |                                      |
|--|--|--------------------------------------|
|  | For the period<br>ended<br>September<br>30, 2024 | For the year ended<br>March 31, 2024 |
| Current tax expense  | -  | -                                    |
| Tax relating to earlier years  | -  | 43.47                                |
| Total tax expense  | -  | 43.47                                |
| Deferred tax charge  | 5.84   | (18.21)                              |
| <b>Income tax expense reported in the statement of profit and loss</b> | <b>5.84</b>                                      | <b>25.26</b>                         |

**B. Amounts recognised in other comprehensive income**

The major components of income tax expense are:

|   | (Rs.Lakhs)                                       |                                      |
|---|--|--------------------------------------|
|   | For the period<br>ended<br>September<br>30, 2024 | For the year ended<br>March 31, 2024 |
| <b>Income tax</b>   |  |                                      |
| Remeasurement of post employment benefit obligation                 | -  | -                                    |
| <b>Income tax charges to other comprehensive (expense) / income</b> | <b>-</b>   | <b>-</b>                             |

**C. Reconciliation of effective tax rate**

Reconciliation of tax expense and the accounting profit, based on India's domestic tax rate:

|  | For the period<br>ended<br>September 30, 2024 |               | For the year ended<br>March 31, 2024 |                 |
|--|---|---------------|--------------------------------------|-----------------|
|  | Rate  | Amount        | Rate                                 | Amount          |
| <b>Profit before tax including OCI</b> |   | <b>877.78</b> |                                      | <b>(502.28)</b> |
| Tax based on domestic tax rate         | 25.17%  | 220.94        | 25.17%                               | (126.42)        |
| Tax effect of:                         |   |               |                                      |                 |
| Tax relating to earlier years          | 0.00%   | -             | 0.00%                                | 43.47           |
| Non-deductible expenses                | 0.00%   | -             | 0.00%                                | 95.65           |
| Income taxable at lower/ Nil rate      | -24.96%                                       | (219.14)      | 0.00%                                | -               |
| Others                                 | 0.46%   | 4.04          | -2.50%                               | 12.57           |
| <b>Effective tax rate</b>              | <b>0.67%</b>                                  | <b>5.84</b>   | <b>22.67%</b>                        | <b>25.26</b>    |

**D. Deferred tax assets/ liabilities**

(Rs.Lakhs)

| Particulars                                    | Deferred tax assets         |                            |
|--|-----------------------------|----------------------------|
|  | As at<br>September 30, 2024 | As at<br>March 31,<br>2024 |
| Expenses deductible in future                  | 17.22                       | 23.06                      |
| Others   | -                           | -                          |
|  | 17.22                       | 23.06                      |
| MAT credit entitlement **                      | -                           | -                          |
| <b>Net deferred tax assets / (liabilities)</b> | <b>17.22</b>                | <b>23.06</b>               |



## Lily Commercial Private Limited

### Notes to financial statements for the period ended September 30, 2024

#### 25. Disclosure of related party transactions

##### a) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

###### Subsidiary

DCM Shriram Industries Limited

###### Entities under common control

Daurala Foods & Beverages Private Limited

DCM Shriram International Limited

DCM Shriram Fine Chemicals Limited

###### Associate of Subsidiary

DCM Hyundai Limited

###### Key Management Personnel

Mr. Alok B. Shriram

Mrs. Urvashi Tilakdhar

Mr. Madhav B. Shriram

Mr. S.K. Jain

Mr. S.K. Chowdhary

###### Relatives/HUF of Key Management Personnel

L. Bansi Dhar & Sons

###### Others (enterprises over which key management personnel or their relatives are able to exercise significant influence)

Breinworks Services Pvt. Limited

Synergy Environics Limited

Wanderlust Fintech LLP

DCM Containers & Engineering Private Limited (Formerly- Hindustan Vacuum Glass Private Limited)

Shriram Midivisana Private Limited

##### b) Transactions during the year with related parties

| S. No. | Particulars   | For the period ended September 30, 2024 | For the year ended March 31, 2024 |
|--------|---|---|-----------------------------------|
| 1      | <b>Subsidiary-DCM Shriram Industries Limited</b><br>Dividend Received | 871.77                                  | -                                 |

| S. No. | Particulars                                 | As at March 31, 2024 |
|--------|---|----------------------|
|        | <b>Balances outstanding at the year end</b> |                      |

#### 22. Commitments and Contingencies

a) Capital commitments : Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2024 - Rs. Nil (April 01, 2023, March 31, 2023 and April 01, 2022 Rs. Nil).

Other commitments: There are other commitments in the normal course of business. The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

##### b) Contingent liabilities

Claims against the company which are not acknowledged as debts as on March 31, 2024 - Rs. Nil (April 01, 2023, March 31, 2023 and April 01, 2022 Rs. Nil).

Note: Summary of Material Accounting Policies are available on the website <https://dcmsr.com/scheme-of-arrangement-2023/>



## Annexure-3

**BSR & Co.LLP**  
Chartered Accountants

**Building No. 10, 12th Floor,  
Tower-C, DLF Cyber City, Phase - II  
Gurugram - 122 002, India  
Tel: +91 124719 1000  
Fax: +91 1242358613**

**Limited Review Report on unaudited standalone financial results of DCM Shriram Industries Limited for the quarter ended 30 September 2024 and year-to-date results for the period from 1 April 2024 to 30 September 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To the Board of Directors of DCM Shriram Industries Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of DCM Shriram Industries Limited (herein after referred to as "the Company") for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of interim financial information Performed by the independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We draw attention to Note 1 to the Statement, which states that as per the policy consistently followed by the Company for the preparation of quarterly financial results, the sugar off-season expenses amounting to Rs. 3,200 lakhs are not considered as part of cost of sugar produced during the period and are carried forward as inventory for inclusion in the cost of sugar to be produced in the remaining part of the financial year. However, for annual accounts, such expenses are fully absorbed in cost of sugar produced during the year. Had the Company recognised the above expenses in profit and loss account in the period it is incurred, the decrease in stock-in-trade would have been higher by Rs. 1,116 lakhs for the quarter and six months ended 30 September 2024. Consequently, profit after tax would have been lower by Rs. 726 for the quarter and six months ended 30 September 2024. Our review report for the corresponding quarter and six months ended 30 September 2023 included in the Statement was also modified in respect of the above matter.
5. Based on our review conducted as above, except for the effect of matter referred in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For BSR&Co.LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Sd/-



New Delhi  
07 November 2024

**Adhir Kapoor**  
*Partner*  
Membership No.:098297  
UDIN :24098297BKLSTH4366

**BSR&Co.LLP**  
**Chartered Accountants**

**Building No. 10, 12th Floor,**  
**Tower-C, DLF Cyber City, Phase - II**  
**Gurugram - 122 002, India**  
**Tel: +91 1247191000**  
**Fax: +91 1242358613**

**Limited Review Report on unaudited consolidated financial results of DCM Shriram Industries Limited for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of DCM Shriram Industries Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of DCM Shriram Industries Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associate for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.  
We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of the following entities:  
DCM Shriram Industries Limited (Holding Company)  
Daurala Foods and Beverages Private Limited (Subsidiary)  
DCM Shriram Fine Chemicals Limited (Subsidiary)  
DCM Shriram International Limited (Subsidiary)  
DCM Hyundai Limited (Associate)
5. We draw attention to Note 1 to the Statement, which states that as per the policy consistently followed by the Holding Company for the preparation of quarterly financial results, the sugar off-season expenses amounting to Rs. 3,200 lakhs are not considered as part of cost of sugar produced during the period and are carried forward as inventory for inclusion in the cost of sugar to be produced in there maining part of the financial year. However, for annual accounts, such expenses are fully absorbed in cost of sugar produced during the year. Had the Holding

- Company recognised the above expenses in profit and loss account in the period it is incurred, the decrease in stock-in trade would have been higher by Rs. 1,116 lakhs for the quarter and six months ended 30 September 2024. Consequently, profit after tax would have been lower by Rs. 726 for the quarter and six months ended 30 September 2024. Our review report for the corresponding quarter and six months ended 30 September 2023 included in the Statement was also modified in respect of the above matter.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the effect of the matter referred to in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
  7. We did not review the interim financial results of two subsidiaries included in the Statement, whose interim financial results reflects total assets of Rs. 4,095 lakhs as at 30 September 2024 and total revenues of Rs. 26 lakhs and Rs. 51 lakhs, total net profit after-tax of Rs. 15 lakhs and Rs. 24 lakhs and total comprehensive income of Rs. 15 lakhs and Rs. 24 lakhs, for the quarter ended 30 September 2024 and for the period from 1 April 2024 to 30 September 2024 respectively, and Company's share of cash inflows (net) of Rs 13 Lakhs for the period from 1 April 2024 to 30 September 2024. as considered in the Statement. The Statement also include the Group's share of net profit after tax of Rs. 43 Lakhs and Rs. 83 Lakhs and total comprehensive income of Rs. 43 Lakhs and Rs. 83 Lakhs, for the quarter ended 30 September 2024 and for the period from 1 April 2024 to 30 September 2024 respectively as considered in the Statement, in respect of an associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

**For BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.:101248W/W-100022

Sd/-  
**Adhir Kapoor**  
*Partner*  
Membership No.:098297  
UDIN:24098297BKLSTI3317

New Delhi  
07 November 2024



**DCM SHRIRAM INDUSTRIES LIMITED**  
**CIN : L74899DL1989PLC035140**  
 Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110 001  
 TEL.: 011-43745000, E-mail: dsil@dcmsr.com,  
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**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / SIX MONTHS ENDED 30 SEPTEMBER 2024**

(₹ in Lakhs)

| Sl. No. | PARTICULARS   | Standalone                |                           |                           |                           |                           |                         | Consolidated              |                           |                           |                           |                           |                         |
|---------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|         |   | Quarter ended             |                           |                           | Six months ended          |                           | Year ended              | Quarter ended             |                           |                           | Six months ended          |                           | Year ended              |
|         |   | 30.09.2024<br>(Unaudited) | 30.06.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 30.09.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 31.03.2024<br>(Audited) | 30.09.2024<br>(Unaudited) | 30.06.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 30.09.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 31.03.2024<br>(Audited) |
| 1.      | <b>Revenue</b>  |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | Net sales   | 52,642                    | 54,807                    | 57,334                    | 1,07,449                  | 1,09,021                  | 2,05,618                | 52,642                    | 54,807                    | 57,334                    | 1,07,449                  | 1,09,021                  | 2,05,618                |
|         | Other operating income  | 666                       | 586                       | 712                       | 1,252                     | 1,270                     | 2,672                   | 666                       | 586                       | 712                       | 1,252                     | 1,270                     | 2,672                   |
|         | <b>Revenue from operations</b>  | 53,308                    | 55,393                    | 58,046                    | 1,08,701                  | 1,10,291                  | 2,08,290                | 53,308                    | 55,393                    | 58,046                    | 1,08,701                  | 1,10,291                  | 2,08,290                |
|         | Other income  | 805                       | 628                       | 439                       | 1,433                     | 961                       | 2,161                   | 831                       | 653                       | 463                       | 1,484                     | 998                       | 2,255                   |
|         | <b>Total Income (1)</b>   | 54,113                    | 56,021                    | 58,485                    | 1,10,134                  | 1,11,252                  | 2,10,451                | 54,139                    | 56,046                    | 58,509                    | 1,10,185                  | 1,11,289                  | 2,10,545                |
| 2.      | <b>Expenses</b>   |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | a) Cost of materials consumed   | 13,812                    | 24,554                    | 15,448                    | 38,366                    | 41,953                    | 1,30,302                | 13,812                    | 24,554                    | 15,448                    | 38,366                    | 41,953                    | 1,30,302                |
|         | b) Purchases of stock-in-trade  | -                         | -                         | 1,258                     | -                         | 5,714                     | 5,713                   | -                         | -                         | 1,258                     | -                         | 5,714                     | 5,713                   |
|         | c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade  | 18,184                    | 9,008                     | 19,963                    | 27,192                    | 21,027                    | (13,153)                | 18,184                    | 9,008                     | 19,963                    | 27,192                    | 21,027                    | (13,153)                |
|         | d) Employee benefits expense  | 5,070                     | 4,821                     | 4,524                     | 9,891                     | 8,974                     | 19,411                  | 5,070                     | 4,821                     | 4,524                     | 9,891                     | 8,974                     | 19,411                  |
|         | e) Finance cost   | 954                       | 1,091                     | 916                       | 2,045                     | 2,038                     | 3,556                   | 954                       | 1,091                     | 922                       | 2,045                     | 2,052                     | 3,577                   |
|         | f) Depreciation and amortisation expense  | 998                       | 980                       | 961                       | 1,978                     | 1,913                     | 3,888                   | 999                       | 981                       | 963                       | 1,980                     | 1,916                     | 3,892                   |
|         | g) Other expenses   | 11,646                    | 10,830                    | 12,287                    | 22,476                    | 22,273                    | 43,550                  | 11,650                    | 10,838                    | 12,287                    | 22,488                    | 22,279                    | 43,570                  |
|         | <b>Total Expense (2)</b>  | 50,664                    | 51,284                    | 55,357                    | 1,01,948                  | 1,03,892                  | 1,93,267                | 50,669                    | 51,293                    | 55,365                    | 1,01,962                  | 1,03,915                  | 1,93,312                |
| 3.      | <b>Profit before tax and share in profit of the associate (1 - 2)</b>             | 3,449                     | 4,737                     | 3,128                     | 8,186                     | 7,360                     | 17,184                  | 3,470                     | 4,753                     | 3,144                     | 8,223                     | 7,374                     | 17,233                  |
| 4.      | Share of profit / (loss) of the associate (net of tax)                            | -                         | -                         | -                         | -                         | -                         | -                       | 43                        | 40                        | 46                        | 83                        | (32)                      | 25                      |
| 5.      | <b>Profit before tax (3 + 4)</b>  | 3,449                     | 4,737                     | 3,128                     | 8,186                     | 7,360                     | 17,184                  | 3,513                     | 4,793                     | 3,190                     | 8,306                     | 7,342                     | 17,258                  |
| 6.      | <b>Tax expenses</b>   | 1,205                     | 1,640                     | 1,112                     | 2,845                     | 2,571                     | 5,690                   | 1,222                     | 1,657                     | 1,129                     | 2,879                     | 2,573                     | 5,719                   |
| 7.      | <b>Net Profit for the period/year (5 - 6)</b>                                     | 2,244                     | 3,097                     | 2,016                     | 5,341                     | 4,789                     | 11,494                  | 2,291                     | 3,136                     | 2,061                     | 5,427                     | 4,769                     | 11,539                  |
| 8.      | <b>Other Comprehensive Income/(Loss) [OCI]</b>                                    |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | <b>A. (i) Items that will not be reclassified to Profit or loss</b>               | 26                        | 27                        | (81)                      | 53                        | (162)                     | 109                     | 27                        | 26                        | (81)                      | 53                        | (162)                     | 109                     |
|         | (ii) Income tax relating to items that will not be reclassified to Profit or loss | (9)                       | (9)                       | 28                        | (18)                      | 56                        | (38)                    | (9)                       | (9)                       | 28                        | (18)                      | 56                        | (38)                    |
|         | (iii) Share in OCI/(loss) of Associate (net of tax)                               | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
|         | <b>B. (i) Items that will be reclassified to Profit or loss</b>                   | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
|         | (ii) Income tax relating to items that will be reclassified to Profit or loss     | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
|         | <b>Total other Comprehensive Income/(loss) for the period/year (A+B)</b>          | 17                        | 18                        | (53)                      | 35                        | (106)                     | 71                      | 18                        | 17                        | (53)                      | 35                        | (106)                     | 71                      |
| 9.      | <b>Total Comprehensive Income (after tax) (7 + 8)</b>                             | 2,261                     | 3,115                     | 1,963                     | 5,376                     | 4,683                     | 11,565                  | 2,309                     | 3,153                     | 2,008                     | 5,462                     | 4,663                     | 11,610                  |
| 10.     | Net profit for the period attributable to:  |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Owners of the Company   | 2,244                     | 3,097                     | 2,016                     | 5,341                     | 4,789                     | 11,494                  | 2,291                     | 3,136                     | 2,061                     | 5,427                     | 4,769                     | 11,539                  |
|         | (b) Non Controlling interest  | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
| 11.     | Other Comprehensive Income/(Loss) for the period attributable to:                 |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Owners of the Company   | 17                        | 18                        | (53)                      | 35                        | (106)                     | 71                      | 18                        | 17                        | (53)                      | 35                        | (106)                     | 71                      |
|         | (b) Non Controlling interest  | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
| 12.     | Total Comprehensive Income for the period attributable to:                        |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Owners of the Company {10(a) + 11(a)}   | 2,261                     | 3,115                     | 1,963                     | 5,376                     | 4,683                     | 11,565                  | 2,309                     | 3,153                     | 2,008                     | 5,462                     | 4,663                     | 11,610                  |
|         | (b) Non Controlling interest {10(b) + 11(b)}                                      | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
| 13.     | Paid-up equity Share Capital<br>(Face value ₹ 2 per equity share)                 | 1,740                     | 1,740                     | 1,740                     | 1,740                     | 1,740                     | 1,740                   | 1,740                     | 1,740                     | 1,740                     | 1,740                     | 1,740                     | 1,740                   |
| 14.     | Other Equity  |                           |                           |                           |                           |                           | 78,006                  |                           |                           |                           |                           |                           | 79,798                  |
| 15.     | Basic and diluted earnings per share (₹) (Not annualised)                         | 2.58                      | 3.56                      | 2.32                      | 6.14                      | 5.50                      | 13.21                   | 2.63                      | 3.60                      | 2.37                      | 6.24                      | 5.48                      | 13.27                   |

Place : New Delhi  
 Date : 07 November 2024

For and on behalf of the Board

Sd/-  
**ALOK B. SHRIRAM**  
 Sr. Managing Director & CEO  
 DIN : 00203808

**DCM SHRIRAM INDUSTRIES LIMITED**

**SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

(₹ in Lakhs)

| Sl. No. | PARTICULARS  | Standalone                |                           |                           |                           |                           |                         | Consolidated              |                           |                           |                           |                           |                         |
|---------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|         |  | Quarter ended             |                           |                           | Six months ended          |                           | Year ended              | Quarter ended             |                           |                           | Six months ended          |                           | Year ended              |
|         |  | 30.09.2024<br>(Unaudited) | 30.06.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 30.09.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 31.03.2024<br>(Audited) | 30.09.2024<br>(Unaudited) | 30.06.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 30.09.2024<br>(Unaudited) | 30.09.2023<br>(Unaudited) | 31.03.2024<br>(Audited) |
| 1.      | <b>Segment Revenue</b>   |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Sugar *  | 27,558                    | 28,061                    | 29,820                    | 55,619                    | 56,331                    | 98,297                  | 27,558                    | 28,061                    | 29,820                    | 55,619                    | 56,331                    | 98,297                  |
|         | (b) Industrial fibres and related products                       | 14,618                    | 16,171                    | 16,902                    | 30,789                    | 33,452                    | 68,711                  | 14,618                    | 16,171                    | 16,902                    | 30,789                    | 33,452                    | 68,711                  |
|         | (c) Chemicals  | 11,132                    | 11,161                    | 11,324                    | 22,293                    | 20,508                    | 41,282                  | 11,132                    | 11,161                    | 11,324                    | 22,293                    | 20,508                    | 41,282                  |
|         | <b>Total</b>   | 53,308                    | 55,393                    | 58,046                    | 1,08,701                  | 1,10,291                  | 2,08,290                | 53,308                    | 55,393                    | 58,046                    | 1,08,701                  | 1,10,291                  | 2,08,290                |
|         | (d) Less : Inter segment revenue                                 | -                         | -                         | -                         | -                         | -                         | -                       | -                         | -                         | -                         | -                         | -                         | -                       |
|         | <b>Revenue from operations</b>                                   | 53,308                    | 55,393                    | 58,046                    | 1,08,701                  | 1,10,291                  | 2,08,290                | 53,308                    | 55,393                    | 58,046                    | 1,08,701                  | 1,10,291                  | 2,08,290                |
| 2.      | <b>Segment Results</b>   |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | <b>Profit before tax &amp; finance costs</b>                     |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Sugar *  | 1,502                     | 1,941                     | 5                         | 3,443                     | 1,302                     | 3,985                   | 1,502                     | 1,941                     | 5                         | 3,443                     | 1,302                     | 3,985                   |
|         | (b) Industrial fibres and related products                       | 2,579                     | 3,531                     | 3,632                     | 6,110                     | 7,596                     | 16,910                  | 2,579                     | 3,531                     | 3,632                     | 6,110                     | 7,596                     | 16,910                  |
|         | (c) Chemicals  | 1,059                     | 1,182                     | 1,628                     | 2,241                     | 2,498                     | 4,766                   | 1,059                     | 1,182                     | 1,628                     | 2,241                     | 2,498                     | 4,766                   |
|         | <b>Total</b>   | 5,140                     | 6,654                     | 5,265                     | 11,794                    | 11,396                    | 25,661                  | 5,140                     | 6,654                     | 5,265                     | 11,794                    | 11,396                    | 25,661                  |
|         | (d) Less :   |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | i) Finance costs   | 954                       | 1,091                     | 916                       | 2,045                     | 2,038                     | 3,556                   | 954                       | 1,091                     | 922                       | 2,045                     | 2,052                     | 3,577                   |
|         | ii) Other unallocable expenditure<br>(Net of unallocable income) | 737                       | 826                       | 1,221                     | 1,563                     | 1,998                     | 4,921                   | 716                       | 810                       | 1,199                     | 1,526                     | 1,970                     | 4,851                   |
|         | <b>Profit before tax and share in profit of associate</b>        | 3,449                     | 4,737                     | 3,128                     | 8,186                     | 7,360                     | 17,184                  | 3,470                     | 4,753                     | 3,144                     | 8,223                     | 7,374                     | 17,233                  |
| 3.      | <b>Assets</b>  |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | <b>Segment Assets</b>  |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Sugar *  | 97,826                    | 1,19,975                  | 87,473                    | 97,826                    | 87,473                    | 1,26,416                | 97,826                    | 1,19,975                  | 87,473                    | 97,826                    | 87,473                    | 1,26,416                |
|         | (b) Industrial fibers and related products                       | 50,515                    | 47,478                    | 48,251                    | 50,515                    | 48,251                    | 50,599                  | 50,515                    | 47,478                    | 48,251                    | 50,515                    | 48,251                    | 50,599                  |
|         | (c) Chemicals  | 23,654                    | 23,732                    | 23,459                    | 23,654                    | 23,459                    | 22,739                  | 23,654                    | 23,732                    | 23,459                    | 23,654                    | 23,459                    | 22,739                  |
|         | <b>Total Segment Assets</b>                                      | 1,71,995                  | 1,91,185                  | 1,59,183                  | 1,71,995                  | 1,59,183                  | 1,99,754                | 1,71,995                  | 1,91,185                  | 1,59,183                  | 1,71,995                  | 1,59,183                  | 1,99,754                |
|         | <b>Unallocated Assets</b>  | 20,529                    | 17,094                    | 14,622                    | 20,529                    | 14,622                    | 18,073                  | 22,730                    | 19,215                    | 16,788                    | 22,730                    | 16,788                    | 20,141                  |
|         | <b>Total Assets</b>  | 1,92,524                  | 2,08,279                  | 1,73,805                  | 1,92,524                  | 1,73,805                  | 2,17,827                | 1,94,725                  | 2,10,400                  | 1,75,971                  | 1,94,725                  | 1,75,971                  | 2,19,895                |
| 4.      | <b>Liabilities</b>   |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | <b>Segment Liabilities</b>                                       |                           |                           |                           |                           |                           |                         |                           |                           |                           |                           |                           |                         |
|         | (a) Sugar *  | 41,315                    | 47,310                    | 40,020                    | 41,315                    | 40,020                    | 53,649                  | 41,315                    | 47,310                    | 40,020                    | 41,315                    | 40,020                    | 53,649                  |
|         | (b) Industrial fibres and related products                       | 12,851                    | 11,872                    | 14,105                    | 12,851                    | 14,105                    | 13,949                  | 12,851                    | 11,872                    | 14,105                    | 12,851                    | 14,105                    | 13,949                  |
|         | (c) Chemicals  | 5,373                     | 6,564                     | 6,008                     | 5,373                     | 6,008                     | 5,027                   | 5,373                     | 6,564                     | 6,008                     | 5,373                     | 6,008                     | 5,027                   |
|         | <b>Total Segment Liabilities</b>                                 | 59,539                    | 65,746                    | 60,133                    | 59,539                    | 60,133                    | 72,625                  | 59,539                    | 65,746                    | 60,133                    | 59,539                    | 60,133                    | 72,625                  |
|         | <b>Unallocated Liabilities</b>                                   | 47,864                    | 59,673                    | 39,068                    | 47,864                    | 39,068                    | 65,456                  | 48,187                    | 59,963                    | 39,508                    | 48,187                    | 39,508                    | 65,732                  |
|         | (a) Borrowings   | 36,269                    | 49,359                    | 29,991                    | 36,269                    | 29,991                    | 51,359                  | 36,269                    | 49,359                    | 30,144                    | 36,269                    | 30,144                    | 51,359                  |
|         | (b) Others   | 11,595                    | 10,314                    | 9,077                     | 11,595                    | 9,077                     | 14,097                  | 11,918                    | 10,604                    | 9,364                     | 11,918                    | 9,364                     | 14,373                  |
|         | <b>Total Liabilities</b>   | 1,07,403                  | 1,25,419                  | 99,201                    | 1,07,403                  | 99,201                    | 1,38,081                | 1,07,726                  | 1,25,709                  | 99,641                    | 1,07,726                  | 99,641                    | 1,38,357                |

\* Comprising sugar, power and alcohol.



## DCM SHRIRAM INDUSTRIES LIMITED

### STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2024

(₹ in Lakhs)

| Sl. No.   | Particulars  | Standalone                   |                            | Consolidated                 |                            |
|-----------|--|------------------------------|----------------------------|------------------------------|----------------------------|
|           |  | As at 30.09.2024 (Unaudited) | As at 31.03.2024 (Audited) | As at 30.09.2024 (Unaudited) | As at 31.03.2024 (Audited) |
| <b>A.</b> | <b>ASSETS</b>  |                              |                            |                              |                            |
| <b>1.</b> | <b>NON-CURRENT ASSETS</b>  |                              |                            |                              |                            |
|           | (a) Property, plant and equipment                                  | 58,074                       | 58,667                     | 62,217                       | 61,034                     |
|           | (b) Capital work-in-progress                                       | 3,094                        | 684                        | 3,094                        | 684                        |
|           | (c) Right-of-use-assets  | 1,228                        | 1,486                      | 1,228                        | 1,486                      |
|           | (d) Intangible assets  | 118                          | 156                        | 118                          | 156                        |
|           | (e) Equity accounted Investee                                      | -                            | -                          | 1,506                        | 1,423                      |
|           | (f) Financial assets   |                              |                            |                              |                            |
|           | (i) Investments  | 4,220                        | 3,672                      | 314                          | 315                        |
|           | (ii) Loans   | 28                           | 36                         | 28                           | 36                         |
|           | (iii) Other financial assets                                       | 485                          | 588                        | 486                          | 700                        |
|           | (g) Income-tax Assets (Net)  | 2,382                        | 2,345                      | 2,388                        | 2,348                      |
|           | (h) Other non-current assets                                       | 5,823                        | 5,851                      | 6,059                        | 6,085                      |
|           | <b>Total non-current assets</b>                                    | <b>75,452</b>                | <b>73,485</b>              | <b>77,438</b>                | <b>74,266</b>              |
| <b>2.</b> | <b>CURRENT ASSETS</b>  |                              |                            |                              |                            |
|           | (a) Inventories  | 44,130                       | 73,954                     | 44,130                       | 73,954                     |
|           | (b) Financial assets   |                              |                            |                              |                            |
|           | (i) Investments  | 2,960                        | 3,359                      | 2,960                        | 3,359                      |
|           | (ii) Trade receivables   | 26,393                       | 27,587                     | 26,393                       | 27,587                     |
|           | (iii) Cash and cash equivalents                                    | 914                          | 1,876                      | 934                          | 1,883                      |
|           | (iv) Other bank balances other than (iii) above                    | 5,708                        | 1,186                      | 5,708                        | 1,186                      |
|           | (v) Loans  | 1,254                        | 20                         | 19                           | 20                         |
|           | (vi) Other financial assets  | 33,235                       | 33,485                     | 34,653                       | 34,761                     |
|           | (c) Other current assets   | 2,478                        | 2,841                      | 2,490                        | 2,845                      |
|           | (d) Assets held for sale   | -                            | 34                         | -                            | 34                         |
|           | <b>Total current assets</b>  | <b>1,17,072</b>              | <b>1,44,342</b>            | <b>1,17,287</b>              | <b>1,45,629</b>            |
|           | <b>TOTAL ASSETS</b>  | <b>1,92,524</b>              | <b>2,17,827</b>            | <b>1,94,725</b>              | <b>2,19,895</b>            |
| <b>B.</b> | <b>EQUITY &amp; LIABILITIES</b>                                    |                              |                            |                              |                            |
| <b>1.</b> | <b>EQUITY</b>  |                              |                            |                              |                            |
|           | (a) Equity share capital   | 1,740                        | 1,740                      | 1,740                        | 1,740                      |
|           | (b) Other equity   | 83,381                       | 78,006                     | 85,259                       | 79,798                     |
|           | <b>Total equity attributable to equity shareholders</b>            | <b>85,121</b>                | <b>79,746</b>              | <b>86,999</b>                | <b>81,538</b>              |
|           | <b>Total equity</b>  | <b>85,121</b>                | <b>79,746</b>              | <b>86,999</b>                | <b>81,538</b>              |
| <b>2.</b> | <b>LIABILITIES</b>   |                              |                            |                              |                            |
|           | <b>Non-current liabilities</b>                                     |                              |                            |                              |                            |
|           | (a) Financial liabilities  |                              |                            |                              |                            |
|           | (i) Borrowings   | 3,795                        | 3,553                      | 3,795                        | 3,553                      |
|           | (ii) Lease liabilities   | 867                          | 1,136                      | 867                          | 1,136                      |
|           | (iii) Other financial liabilities                                  | 5,733                        | 5,771                      | 5,733                        | 5,771                      |
|           | (b) Provisions   | 1,321                        | 1,102                      | 1,321                        | 1,102                      |
|           | (c) Deferred tax liabilities (Net)                                 | 7,602                        | 7,600                      | 7,902                        | 7,873                      |
|           | (d) Other non-current liabilities                                  | 26                           | 22                         | 26                           | 22                         |
|           | <b>Total non-current liabilities</b>                               | <b>19,344</b>                | <b>19,184</b>              | <b>19,644</b>                | <b>19,457</b>              |
|           | <b>Current liabilities</b>   |                              |                            |                              |                            |
|           | (a) Financial liabilities  |                              |                            |                              |                            |
|           | (i) Borrowings   | 32,291                       | 47,682                     | 32,291                       | 47,682                     |
|           | (ii) Lease liabilities   | 542                          | 531                        | 542                          | 531                        |
|           | (iii) Trade payables   |                              |                            |                              |                            |
|           | - Total outstanding dues of Micro and Small Enterprises            | 845                          | 1,310                      | 845                          | 1,310                      |
|           | - Total outstanding dues of other than Micro and Small Enterprises | 15,862                       | 30,371                     | 15,883                       | 30,374                     |
|           | (iv) Other financial liabilities                                   | 2,793                        | 5,558                      | 2,793                        | 5,558                      |
|           | (b) Other current liabilities                                      | 1,280                        | 1,451                      | 1,282                        | 1,451                      |
|           | (c) Provisions   | 32,885                       | 31,288                     | 32,885                       | 31,288                     |
|           | (d) Current tax liability (net)                                    | 1,561                        | 706                        | 1,561                        | 706                        |
|           | <b>Total current liabilities</b>                                   | <b>88,059</b>                | <b>1,18,897</b>            | <b>88,082</b>                | <b>1,18,900</b>            |
|           | <b>Total liabilities</b>   | <b>1,07,403</b>              | <b>1,38,081</b>            | <b>1,07,726</b>              | <b>1,38,357</b>            |
|           | <b>TOTAL EQUITY AND LIABILITIES</b>                                | <b>1,92,524</b>              | <b>2,17,827</b>            | <b>1,94,725</b>              | <b>2,19,895</b>            |

## DCM SHRIRAM INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(₹ in Lakhs)

| Particulars   | Standalone           |                 |                | Consolidated     |                 |                |
|---|----------------------|-----------------|----------------|------------------|-----------------|----------------|
|   | Six months ended     |                 | Year ended     | Six months ended |                 | Year ended     |
|   | 30.09.2024           | 30.09.2023      | 31.03.2024     | 30.09.2024       | 30.09.2023      | 31.03.2024     |
|   | (Unaudited)          | (Unaudited)     | (Audited)      | (Unaudited)      | (Unaudited)     | (Audited)      |
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                      |                 |                |                  |                 |                |
| Profit before Tax   | 8,186                | 7,360           | 17,184         | 8,306            | 7,342           | 17,258         |
| <u>Adjustments for :</u>  |                      |                 |                |                  |                 |                |
| Depreciation and amortisation   | 1,978                | 1,913           | 3,888          | 1,980            | 1,916           | 3,892          |
| Finance costs   | 2,045                | 2,038           | 3,556          | 2,045            | 2,052           | 3,577          |
| Interest income   | (411)                | (127)           | (130)          | (462)            | (164)           | (224)          |
| Interest received against subvention  | (45)                 | (42)            | (211)          | (45)             | (42)            | (211)          |
| Provisions/liabilities no longer required, written back   | (91)                 | -               | (109)          | (91)             | -               | (109)          |
| Profit on sale of property, plant and equipment / discarded assets (net)                            | (125)                | (27)            | (11)           | (125)            | (27)            | (11)           |
| Profit on sale of current investments   | (32)                 | (5)             | (138)          | (32)             | (5)             | (138)          |
| Share of profit of equity accounted Investees (net of tax)  | -                    | -               | -              | (83)             | 32              | (25)           |
| Net gain on fair value of investments   | (93)                 | (87)            | (98)           | (93)             | (87)            | (98)           |
| <b>Operating profit before changes in assets and liabilities</b>                                    | <b>11,412</b>        | <b>11,023</b>   | <b>23,931</b>  | <b>11,400</b>    | <b>11,017</b>   | <b>23,911</b>  |
| <u>Changes in operating assets and liabilities</u>  |                      |                 |                |                  |                 |                |
| (Decrease)/ Increase in trade payables  | (14,975)             | (6,953)         | 4,207          | (14,976)         | (6,953)         | 4,207          |
| (Decrease)/ Increase in financial liabilities   | (1,318)              | (903)           | 153            | (1,318)          | (903)           | 153            |
| Increase in Other liabilities & provisions  | 1,794                | 2,443           | 4,353          | 1,815            | 2,444           | 4,354          |
| Decrease/ (Increase) in trade receivables   | 1,194                | (2,356)         | (3,363)        | 1,194            | (2,356)         | (3,363)        |
| Decrease/ (Increase) in inventories   | 29,825               | 27,494          | (10,472)       | 29,825           | 27,494          | (10,472)       |
| Decrease/ (Increase) in financial assets  | 320                  | (2,537)         | (6,679)        | 320              | (2,543)         | (6,674)        |
| Decrease/ (Increase) in other assets  | 410                  | (649)           | (1,003)        | (1,377)          | (650)           | (1,003)        |
| <b>Cash generated from operations</b>   | <b>28,662</b>        | <b>27,562</b>   | <b>11,127</b>  | <b>26,883</b>    | <b>27,550</b>   | <b>11,113</b>  |
| Income tax paid (Net)   | (1,818)              | (1,047)         | (3,435)        | (1,828)          | (1,053)         | (3,449)        |
| <b>Net cash from operating activities</b>   | <b>(A) 26,844</b>    | <b>26,515</b>   | <b>7,692</b>   | <b>25,055</b>    | <b>26,497</b>   | <b>7,664</b>   |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                      |                 |                |                  |                 |                |
| Capital expenditure on acquisition of items of property, plant and equipments and intangible assets | (3,389)              | (1,988)         | (3,498)        | (3,390)          | (2,033)         | (3,573)        |
| Proceeds from sale of property, plant and equipments  | 226                  | 130             | 162            | 226              | 130             | 162            |
| Purchase of current investments   | (1,475)              | (950)           | (3,475)        | (1,475)          | (950)           | (3,475)        |
| Loan to wholly owned subsidiary   | (1,234)              | -               | -              | -                | -               | -              |
| Advance to wholly owned subsidiary for share capital  | (549)                | (218)           | (411)          | -                | -               | -              |
| Proceeds from sale of current investments   | 2,000                | 652             | 3,187          | 2,000            | 652             | 3,187          |
| Change in bank deposits   | 40                   | (5)             | (87)           | 40               | (330)           | (412)          |
| Changes in other bank balances  | (4,377)              | (785)           | (437)          | (4,408)          | (785)           | (437)          |
| Interest received   | 40                   | 116             | 184            | 91               | 153             | 223            |
| <b>Net cash used in Investing activities</b>  | <b>(B) (8,718)</b>   | <b>(3,048)</b>  | <b>(4,375)</b> | <b>(6,916)</b>   | <b>(3,163)</b>  | <b>(4,325)</b> |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                      |                 |                |                  |                 |                |
| Proceeds from long term borrowings  | 1,965                | 621             | 900            | 1,965            | 621             | 900            |
| Repayment of long term borrowings   | (2,582)              | (3,636)         | (6,928)        | (2,582)          | (3,636)         | (7,233)        |
| (Repayments) of / Proceeds from short term borrowings (net)   | (14,536)             | (16,345)        | 8,054          | (14,536)         | (16,498)        | 8,054          |
| Repayment of lease liabilities  | (259)                | (219)           | (508)          | (259)            | (219)           | (508)          |
| Finance costs paid (Net of subvention)  | (1,937)              | (1,999)         | (3,380)        | (1,937)          | (2,013)         | (3,400)        |
| Dividend paid   | (1,739)              | (26)            | (53)           | (1,739)          | (26)            | (53)           |
| <b>Net cash used in financing activities</b>  | <b>(C) (19,088)</b>  | <b>(21,604)</b> | <b>(1,915)</b> | <b>(19,088)</b>  | <b>(21,771)</b> | <b>(2,240)</b> |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>  | <b>(A+B+C) (962)</b> | <b>1,863</b>    | <b>1,402</b>   | <b>(949)</b>     | <b>1,563</b>    | <b>1,099</b>   |
| Add: Cash and cash equivalents at the beginning of the year   | <b>1,876</b>         | <b>474</b>      | <b>474</b>     | <b>1,883</b>     | <b>784</b>      | <b>784</b>     |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>914</b>           | <b>2,337</b>    | <b>1,876</b>   | <b>934</b>       | <b>2,347</b>    | <b>1,883</b>   |
| <b>Components of cash and cash equivalents at the end of the year</b>                               |                      |                 |                |                  |                 |                |
| Balances with scheduled banks:  |                      |                 |                |                  |                 |                |
| - Current accounts  | 898                  | 2,328           | 1,860          | 918              | 2,338           | 1,867          |
| - Cash in hand  | 16                   | 9               | 16             | 16               | 9               | 16             |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>914</b>           | <b>2,337</b>    | <b>1,876</b>   | <b>934</b>       | <b>2,347</b>    | <b>1,883</b>   |

## Notes

1. In accordance with the accounting policy consistently followed by the Company, off-season expenditure aggregating ₹ 3,200 Lakhs (corresponding previous half year ₹ 3,919 Lakhs) has been deferred for inclusion in the cost of sugar to be produced in the remainder of the year.
2. 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.
3. There has been ambiguity with regard to chargeability of UP VAT or GST on certain supplies made to a party and therefore no tax is charged on invoices raised for such supplies. The Hon'ble Allahabad High Court has held that no VAT is chargeable on such transactions. This matter is sub-judice before the Hon'ble Supreme Court. GST demand is raised on these transactions from July, 2017 which is contested and is adequately provided as provision for contingencies with corresponding reimbursement asset based on back-to-back undertaking by the party to indemnify for any liability that may finally arise.  
  
GST council in its meeting dated October 7, 2023 has ceded the right to tax such supplies to state governments. Changes suggested by GST council have been incorporated in the Finance Bill, 2024 for bringing necessary amendments in GST laws. Pending this, the Company has continued the same accounting treatment in respect of the transactions as in previous quarter(s).
4. The Board of Directors in the meeting held on 14 November, 2023 approved a Composite Scheme of Arrangement ("the Scheme") between DCM Shriram Industries Limited and DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited (wholly owned subsidiaries of DCM Shriram Industries Limited) and Lily Commercial Private Limited, for amalgamation of Lily Commercial Private Limited with DCM Shriram Industries Limited, and subsequent demerger of Chemical and Rayon businesses of DCM Shriram Industries Limited into DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited, respectively, with effect from the appointed date of 1 April 2023, subject to regulatory and statutory approvals, as applicable. The Scheme has been cleared by BSE and NSE under listing regulations and has been filed for approval with Hon'ble NCLT, New Delhi on 23rd October, 2024 as required under section 230-232 of the Companies Act, 2013. Pending the necessary approvals, the effect of the Scheme has not been given in the financial results.
5. The above financial results have been reviewed by the Audit Committee and then approved by the Board of Directors in its meeting held on 07 November 2024. The above financial results are available on the Company's website [www.dcmsr.com](http://www.dcmsr.com) and also on [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

### Limited Review

The Statutory Auditors have carried out a Limited Review of the aforesaid results. The Limited Review Report does not have any impact on the said results and notes in aggregate except in respect of matter explained in note 1.

For and on behalf of the Board

Sd/-

**ALOK B. SHRIRAM**  
Sr. Managing Director & CEO  
DIN : 00203808

Place : New Delhi  
Date : 07 November 2024

## DCM Shriram Fine Chemicals Limited

### Balance sheet as at September 30, 2024

| Particulars   | Notes | As at           | As at March 31, |
|---|-------|-----------------|-----------------|
|   |       | Sept 30, 2024   | 2024            |
|   |       | Rs. lakhs       | Rs. lakhs       |
| <b>ASSETS</b>   |       |                 |                 |
| <b>Non-current assets</b>   |       |                 |                 |
| Property, plant and equipment   | 4     | 2,411.84        | 2,412.74        |
| Financial Assets  |       |                 |                 |
| (i) Other financial assets  | 5     | 0.90            | 0.90            |
| Other non current assets  | 6     | 235.88          | 233.93          |
| <b>Total non-current assets</b>   |       | <b>2,648.62</b> | <b>2,647.58</b> |
| <b>Current assets</b>   |       |                 |                 |
| Financial assets  |       |                 |                 |
| (i) Cash and cash equivalents   | 7     | 0.55            | 0.89            |
| Other current assets  | 8     | -               | 0.11            |
| <b>Total current assets</b>   |       | <b>0.55</b>     | <b>1.00</b>     |
| <b>TOTAL ASSETS</b>   |       | <b>2,649.17</b> | <b>2,648.58</b> |
| <b>EQUITY AND LIABILITIES</b>   |       |                 |                 |
| <b>EQUITY</b>   |       |                 |                 |
| Equity share capital  | 9     | 2,000.00        | 2,000.00        |
| Other equity  | 10    | 648.67          | 647.32          |
| <b>Total equity</b>   |       | <b>2,648.67</b> | <b>2,647.32</b> |
| <b>LIABILITIES</b>  |       |                 |                 |
| <b>Non-current liabilities</b>  |       |                 |                 |
| Financial liabilities   |       |                 |                 |
| (i) Borrowings  | 11    | -               | -               |
| <b>Total non- current liabilities</b>                                       |       | <b>-</b>        | <b>-</b>        |
| <b>Current liabilities</b>  |       |                 |                 |
| Financial liabilities   |       |                 |                 |
| (i) Borrowings  | 12    | -               | -               |
| (ii) Trade payables   | 13    |                 |                 |
| - Total outstanding dues of micro and small enterprises                     |       | -               | -               |
| -Total outstanding dues of creditors other than micro and small enterprises |       | 0.50            | 1.08            |
| (iii) Other financial liabilities   | 14    | -               | -               |
| Other current liabilities   | 15    | -               | 0.18            |
| <b>Total current liabilities</b>  |       | <b>0.50</b>     | <b>1.26</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |       | <b>2,649.17</b> | <b>2,648.58</b> |
| Material accounting policies  | 3     |                 |                 |
| The accompanying notes form an integral part of the financial statements    |       |                 |                 |
| As per our report of even date attached                                     |       |                 |                 |

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Date : 09.10.2024  
Place : New Delhi

Sd/-  
(Akshay Dhar)  
Whole Time Director  
DIN : 01078392

Sd/-  
(Vineet Manaktala)  
Director  
DIN : 09145644



**DCM Shriram Fine Chemicals Limited**  
**Statement of profit and loss for the half year ended September 30, 2024**

| Particulars   | Notes | For the half year ended | For the year ended March 31, |
|---|-------|-------------------------|------------------------------|
|   |       | September 30, 2024      | 2024                         |
|   |       | Rs. lakhs               | Rs. lakhs                    |
| <b>Income</b>   |       |                         |                              |
| Revenue from operations   |       | -                       | -                            |
| Other income  |       | -                       | -                            |
| <b>Total Income</b>   |       | <b>-</b>                | <b>-</b>                     |
| <b>Expenses</b>   |       |                         |                              |
| Finance costs   | 16    | 0.04                    | 20.08                        |
| Depreciation and amortisation expenses                              | 17    | 2.25                    | 4.07                         |
| Other expenses  | 18    | 10.85                   | 10.61                        |
| <b>Total expenses</b>   |       | <b>13.15</b>            | <b>34.76</b>                 |
| <b>(Loss) before tax</b>  |       | <b>(13.15)</b>          | <b>(34.76)</b>               |
| <b>Tax expense:</b>   |       |                         |                              |
| Current tax   |       | -                       | -                            |
| Deferred tax (credit)/charge  |       | -                       | -                            |
| <b>Loss for the period</b>  |       | <b>(13.15)</b>          | <b>(34.76)</b>               |
| <b>Other comprehensive income/(expense), net of taxes</b>           |       | <b>-</b>                | <b>-</b>                     |
| <b>Total comprehensive loss for the period, net of taxes</b>        |       | <b>(13.15)</b>          | <b>(34.76)</b>               |
| <b>Earnings/(loss) per equity share (face value Rs 2 per share)</b> |       |                         |                              |
| - Basic /diluted  | 20    | (0.01)                  | (0.03)                       |
| Material accounting policies  | 3     |                         |                              |

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited**

Date : 09.10.2024  
Place : New Delhi

Sd/-  
**(Akshay Dhar)**  
Whole Time Director  
DIN : 01078392

Sd/-  
**(Vineet Manaktala)**  
Director  
DIN : 09145644



**DCM Shriram Fine Chemicals Limited**  
**Statement of cash flows for the half year ended September 30, 2024**

| Particulars  | For the half year   | For the year ended |
|--|---------------------|--------------------|
|  | ended Sept 30, 2024 | March 31, 2024     |
|  | Rs. lakhs           | Rs. lakhs          |
| <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                    |
| (Loss) before tax  | (13.15)             | (34.76)            |
| <b>Adjustments for:</b>  |                     |                    |
| Finance costs  | 0.04                | 20.08              |
| Depreciation and amortisation expenses   | 2.25                | 4.07               |
| <b>Operating loss before change in assets and liabilities</b>                          | <b>(10.85)</b>      | <b>(10.61)</b>     |
| <b>Change in assets and liabilities</b>  |                     |                    |
| (Increase)/decrease in financial assets  | -                   | -                  |
| (Increase)/decrease in other assets  | (1.84)              | (0.88)             |
| Increase/(decrease) in trade payables  | (0.58)              | 0.08               |
| Increase/(decrease) in other liabilities   | (0.18)              | (0.10)             |
| <b>Cash generated from/(used in) operating activities post working capital changes</b> | <b>(13.45)</b>      | <b>(11.51)</b>     |
| Income tax paid (net)  | -                   | -                  |
| <b>Net cash generated from/(used in) used in operating activities (A)</b>              | <b>(13.45)</b>      | <b>(11.51)</b>     |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                    |
| Capital expenditure on acquisition of items of property, plant and equipments          | (1.34)              | (75.33)            |
| <b>Net cash used in investing activities (B)</b>                                       | <b>(1.34)</b>       | <b>(75.33)</b>     |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                    |
| Repayment of Deferred Liability  | -                   | (305.08)           |
| Advance against equity share capital #   | 14.50               | 411.28             |
| Finance costs paid   | (0.04)              | (20.08)            |
| <b>Net cash flow from financing activities (C)</b>                                     | <b>14.46</b>        | <b>86.12</b>       |
| Increase/(decrease) in cash and cash equivalents (A+B+C)                               | (0.33)              | (0.72)             |
| Cash and cash equivalents at the beginning of the year                                 | 0.89                | 1.61               |
| Cash and cash equivalents at the end of the year                                       | <b>0.56</b>         | <b>0.89</b>        |
| Represented by :   |                     |                    |
| Balance with bank  | 0.55                | 0.89               |
|  | <b>0.55</b>         | <b>0.89</b>        |
| <b>Reconciliation of liabilities from financing activities:</b>                        |                     |                    |
| - Balance at the beginning of the year   | -                   | 305.08             |
| - Proceeds   | -                   | -                  |
| - Repayments   | -                   | (305.08)           |
| - Balance at the end of the year   | -                   | -                  |

**Notes:**

The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

As per our report of even date attached

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Sd/-  
**(Akshay Dhar)**  
Whole Time Director  
DIN : 01078392

Sd/-  
**(Vineet Manaktala)**  
Director  
DIN : 09145644

Date : 09.10.2024  
Place : New Delhi



**DCM Shriram Fine Chemicals Limited**  
**Statement of changes in equity for the half year ended September 30, 2024**

**A Equity share capital**

| Particulars                      | Rs. lakhs |
|----------------------------------|-----------|
| Balance as at April 1, 2023      | 2,000.00  |
| Addition during the year         | -         |
| Balance as at March 31, 2024     | 2,000.00  |
| Addition during the year         | -         |
| Balance as at September 30, 2024 | 2,000.00  |

**B Other equity**

| Particulars                      | Rs. lakhs                            |                   |         |
|----------------------------------|--------------------------------------|-------------------|---------|
|                                  | Advance against Equity Share Capital | Retained Earnings | Total   |
| Balance as at March 31, 2023     | 331.27                               | (60.47)           | 270.80  |
| Addition during the year         | 411.28                               | -                 | 411.28  |
| (Loss) for the year              | -                                    | (34.76)           | (34.76) |
| Balance as at March 31, 2024     | 742.55                               | (95.23)           | 647.32  |
| Addition during the year         | 14.50                                | -                 | 14.50   |
| Issuance of equity share capital | -                                    | -                 | -       |
| (Loss) for the year              | -                                    | (13.15)           | (13.15) |
| Balance as at September 30, 2024 | 757.05                               | (108.38)          | 648.67  |

**-Retained earnings:** Retained earnings, when positive is a free reserve available to the company.

Material Accounting Policies- refer note 3

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Sd/-  
(Akshay Dhar)  
Whole Time Director  
DIN : 01078392

Sd/-  
(Vineet Manaktala)  
Director  
DIN : 09145644

Date : 09.10.2024  
Place : New Delhi

## DCM Shriram Fine Chemicals Limited

### Notes to the Financial Statements for the period ended September 30, 2024

#### 1. Corporate Information

DCM Shriram Fine Chemicals Limited (the "Company") is a Public Limited Company incorporated on 29<sup>th</sup> September 2021 in India and having its registered office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi — 110001. It is a wholly owned subsidiary of DCM Shriram Industries Limited (Holding company). The main objects of the Company are production and sale of chemicals and their by-products and to undertake contract manufacturing of chemical products.

#### 2. Basis of preparation of financial statements

##### a) Statement of Compliance

These financial Statements ("Financial Statements") of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as applicable.

##### b) 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 lakhs, unless otherwise indicated.

##### c) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention.

##### d) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these Estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are Recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment — notes 3(b)
- Estimated impairment of financial assets and non-financial assets — notes 3(e) & 3(j)

#### 3. Material accounting policies

##### a) Operating Cycle

Based on the nature of 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.

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.

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 date.

## **b) Property, plant and equipment (PPE)**

### **(i) Recognition and initial measurement**

All items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation/amortization and accumulated impairment losses, if any.

Cost of acquisition or construction 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 and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of profit and loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

### **(ii) Subsequent expenditure**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

### **(iii) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05 lakhs are fully depreciated in the period of purchase.

Leasehold land (being in the nature of perpetual lease) are not depreciated.

Depreciation methods, useful lives, and residual values are reviewed in each Financial period, and changes, if any, is accounted for prospectively.

## **c) Revenue recognition**

### **Sale of Goods**

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and 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. At contract inception, the Company assess the goods or services promised in a contract with a customer and identify a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The timing of the transfer of Control varies depending

on individual term of the sales agreements.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

#### **d) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income (OCI).

- Current tax comprises the expected tax payable or receivable 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 payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset 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 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 only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **e) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date determine whether there is any indication of impairment considering the provisions of 'Ind AS 36 Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized:

#### **f) Provisions and contingent liabilities**



Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made, of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on assets associated.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more 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 probability of outflow of economic benefits is remote.

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent liabilities in respect of show cause notices are considered only when converted into demands.

#### **g) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **h) Earnings per share (EPS)**

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the period attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus / rights issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **i) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized 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 (ie. 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 Company has an established control framework with respect to the measurement of fair values. It regularly reviews significant inputs and valuation adjustments.

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 fairvalue 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 the change has occurred.

### **Impairment of financial assets**

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at Fair value through other comprehensive Income (FVOCI)— debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred .

### **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or Fair value through profit and loss(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 recognized in the Statement of Profit and 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 de-recognition is also recognised in the Statement of Profit and Loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is 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.

### **j) 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.

### **k) Goods and Service tax input credit**

Goods and services tax input credit is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
2. When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

DCM Shiriram fine Chemicals Limited  
Notes to the financial Statements for the half year ended September 30, 2024

4. Property, plant and equipment and capital work-in-progress

| Particulars   | Leasehold Land * | Building      | Vehicle     | Office Equipment | Furniture & Fixtures | Portable Cabin | Solar System Offgrid | Total           | Rs. lakhs                |
|---|------------------|---------------|-------------|------------------|----------------------|----------------|----------------------|-----------------|--------------------------|
|   |                  |               |             |                  |                      |                |                      |                 | Capital Work in Progress |
| <b>Gross carrying amount as at April 1, 2023</b>          | 2,290.50         | 127.02        | 0.42        | -                | -                    | -              | -                    | 2,417.94        | 1.17                     |
| Additions during the year                                 | -                | -             | -           | -                | -                    | -              | -                    | -               | (1.17)                   |
| Less: Disposals/Adjustments/Capitalised during the year   | -                | -             | -           | -                | -                    | -              | -                    | -               | -                        |
| <b>Balance as at March 31, 2024</b>                       | <b>2,290.50</b>  | <b>127.02</b> | <b>0.42</b> | -                | -                    | -              | -                    | <b>2,417.94</b> | -                        |
| Additions during the period                               | -                | -             | -           | -                | -                    | 0.70           | 0.64                 | 1.34            | -                        |
| Less: Disposals/Adjustments/Capitalised during the period | -                | -             | -           | -                | -                    | -              | -                    | -               | -                        |
| <b>Balance as at September 30, 2024</b>                   | <b>2,290.50</b>  | <b>127.02</b> | <b>0.42</b> | -                | -                    | <b>0.70</b>    | <b>0.64</b>          | <b>2,419.28</b> | -                        |
| <b>Accumulated Depreciation as at April 1, 2023</b>       | -                | 1.09          | 0.03        | -                | -                    | -              | -                    | 1.12            | -                        |
| Depreciation expense for the year                         | -                | 4.03          | 0.04        | -                | -                    | -              | -                    | 4.07            | -                        |
| Less: Disposals / adjustments during the year             | -                | -             | -           | -                | -                    | -              | -                    | -               | -                        |
| <b>Balance as at March 31, 2024</b>                       | -                | <b>5.12</b>   | <b>0.07</b> | -                | -                    | -              | -                    | <b>5.19</b>     | -                        |
| Depreciation expense for the period                       | -                | 2.02          | 0.02        | -                | -                    | 0.20           | 0.01                 | 2.25            | -                        |
| Less: Disposals / adjustments during the period           | -                | -             | -           | -                | -                    | -              | -                    | -               | -                        |
| <b>Balance as at September 30, 2024</b>                   | -                | <b>7.14</b>   | <b>0.09</b> | -                | -                    | <b>0.20</b>    | <b>0.01</b>          | <b>7.44</b>     | -                        |
| <b>Net carrying amount As at September 30, 2024</b>       | <b>2,290.50</b>  | <b>119.88</b> | <b>0.33</b> | -                | -                    | <b>0.50</b>    | <b>0.63</b>          | <b>2,411.84</b> | -                        |
| <b>As at March 31, 2024</b>                               | <b>2,290.50</b>  | <b>121.89</b> | <b>0.35</b> | -                | -                    | -              | -                    | <b>2,412.74</b> | -                        |

\* In respect of leasehold land, the lease deed is yet to be executed.

**Notes:**

- 1) Borrowing cost capitalised during the period Rs. Nil (March 31, 2024: Nil).
- 2) Leasehold land is in the nature of perpetual lease.

**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the half year ended September 30, 2024**

| <b>5. Other financial assets - non current</b><br>(Unsecured, considered good, unless otherwise stated) | <b>As at<br/>Sept 30, 2024</b> | <b>As at<br/>March 31, 2024</b> |
|---|--------------------------------|---------------------------------|
|   | <b>Rs. lakhs</b>               | <b>Rs. lakhs</b>                |
| Security deposit (To parties other than related parties)  | 0.90                           | 0.90                            |
| <b>Total</b>  | <b>0.90</b>                    | <b>0.90</b>                     |

| <b>6. Other non current assets</b><br>(Unsecured, considered good, unless otherwise stated) | <b>As at Sept 30,<br/>2024</b> | <b>As at March 31,<br/>2024</b> |
|---|--------------------------------|---------------------------------|
|   | <b>Rs. lakhs</b>               | <b>Rs. lakhs</b>                |
| Balances with government authorities  | 235.88                         | 233.93                          |
| <b>Total</b>  | <b>235.88</b>                  | <b>233.93</b>                   |

| <b>7. Cash and cash equivalents</b>        | <b>As at Sept 30,<br/>2024</b> | <b>As at March 31,<br/>2024</b> |
|--|--------------------------------|---------------------------------|
|  | <b>Rs. lakhs</b>               | <b>Rs. lakhs</b>                |
| Balances with bank<br>- On current account | 0.55                           | 0.89                            |
| <b>Total</b>                               | <b>0.55</b>                    | <b>0.89</b>                     |

| <b>8. Other current assets</b><br>(unsecured, considered good unless otherwise stated) | <b>As at Sept 30,<br/>2024</b> | <b>As at March 31,<br/>2024</b> |
|--|--------------------------------|---------------------------------|
|  | <b>Rs. lakhs</b>               | <b>Rs. lakhs</b>                |
| Others   |                                |                                 |
| - Prepaid expenses   | -                              | 0.05                            |
| - Other Receivables  | -                              | 0.06                            |
| <b>Total</b>   | <b>-</b>                       | <b>0.11</b>                     |



**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the half year ended September 30, 2024**

| 9. Equity share capital   | As at<br>Sept 30, 2024 | As at<br>March 31, 2024 |
|---|------------------------|-------------------------|
|   | Rs. lakhs              | Rs. lakhs               |
| <b>Authorised</b>   |                        |                         |
| 12,50,00,000 (March 31, 2024: 12,50,00,000) equity shares of Rs. 2 each               | 2,500.00               | 2,500.00                |
|   | <u>2,500.00</u>        | <u>2,500.00</u>         |
| <b>Issued subscribed and fully paid up</b>  |                        |                         |
| 10,00,00,000 (March 31, 2024: 10,00,00,000) equity shares of Rs. 2 each fully paid up | 2,000.00               | 2,000.00                |
|   | <u>2,000.00</u>        | <u>2,000.00</u>         |

**a) Terms, rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders 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 equity shares held by the shareholder.

**b) Issue of shares for other than cash**

There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash.

c) 100% of the shareholding is held by the promoter, DCM Shriram Industries Limited, the holding company as at September 30, 2024 and March 31, 2024. These include 6 equity shares held by other equity shareholders as nominee on behalf of the DCM Shriram Industries Limited, the holding company.

| 10. Other equity   | As at<br>Sept 30, 2024 | As at<br>March 31, 2024 |
|--|------------------------|-------------------------|
|  | Rs. lakhs              | Rs. lakhs               |
| <b>(a) Advance against equity share capital from DCM Shriram Industries Limited, the holding company</b> |                        |                         |
| <b>Balance as at the beginning of the year</b>   | 742.55                 | 331.27                  |
| Addition during the year (net)   | 14.50                  | 411.28                  |
| Less: Issuance of equity share capital during the year   | -                      | -                       |
| <b>Balance at the end of the year</b>  | <u>757.05</u>          | <u>742.55</u>           |
| <b>(b) Retained earnings</b>   |                        |                         |
| Balance as at the beginning of the year  | (95.23)                | (60.47)                 |
| Less: Loss for the year  | (13.15)                | (34.76)                 |
| <b>Balance at the end of the year</b>  | <u>(108.38)</u>        | <u>(95.23)</u>          |
| <b>Total</b>   | <u>648.67</u>          | <u>647.32</u>           |



## DCM Shriram Fine Chemicals Limited

### Notes to financial statements for the half year ended September 30, 2024

| 11. Trade payables *   | As at<br>Sept 30, 2024 | As at<br>March 31, 2024 |
|--|------------------------|-------------------------|
|  | Rs. lakhs              | Rs. lakhs               |
| Total outstanding dues of Micro and Small Enterprises                      | -                      | -                       |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 0.50                   | 1.08                    |
|  | <b>0.50</b>            | <b>1.08</b>             |

| 12. Other current liabilities | As at Sept 30,<br>2024 | As at March 31,<br>2024 |
|-------------------------------|------------------------|-------------------------|
|                               | Rs. lakhs              | Rs. lakhs               |
| Statutory dues                | -                      | 0.18                    |
| <b>Total</b>                  | <b>-</b>               | <b>0.18</b>             |

| 13. Finance costs                      | For the half year<br>ended September 30,<br>2024 | For the year<br>ended<br>March 31, 2024 |
|--|--|---|
|  | Rs. lakhs  | Rs. lakhs                               |
| Interest on deferred payment liability | -  | 20.02                                   |
| Other borrowing costs - Bank charges   | 0.04   | 0.06                                    |
|  | <b>0.04</b>                                      | <b>20.08</b>                            |

| 14. Depreciation and amortisation expenses    | For the half year<br>ended September 30,<br>2024 | For the year<br>ended March 31,<br>2024 |
|---|--|---|
|   | Rs. lakhs  | Rs. lakhs                               |
| Depreciation on property, plant and equipment | 2.25   | 4.07                                    |
|   | <b>2.25</b>                                      | <b>4.07</b>                             |

| 15. Other expenses                             | For the half year<br>ended September 30,<br>2024 | For the year<br>ended March 31,<br>2024 |
|--|--|---|
|  | Rs. lakhs  | Rs. lakhs                               |
| Repair and maintenance                         | 4.63   | 2.93                                    |
| Legal and professional charges                 | 1.99   | 4.92                                    |
| Payment to auditors                            |  |   |
| - Statutory audit fee                          | 0.50   | 0.85                                    |
| - Verification of statements and other records | -  | 0.35                                    |
| - Out of pocket expenses                       | -  | 0.07                                    |
| Rates and taxes                                | 0.03   | 0.05                                    |
| Travelling expenses                            | 0.20   | 0.85                                    |
| Security Expenses                              | 3.00   | -                                       |
| Miscellaneous expenses                         | 0.50   | 0.59                                    |
|  | <b>10.85</b>                                     | <b>10.61</b>                            |

**Annexure-5****DCM Shriram International Limited****Balance Sheet as at Sep 30, 2024**

(All amounts in Rs. hundred except otherwise stated)

| <b>Particulars</b>   | <b>Notes</b> | <b>As at<br/>Sep 30, 2024</b> | <b>As at<br/>March 31, 2024</b> |
|--|--------------|-------------------------------|---------------------------------|
| <b>ASSETS</b>  |              |                               |                                 |
| <b>Non-current assets</b>  |              |                               |                                 |
| Property, plant and equipment  | 4            | 17,77,432.00                  | -                               |
| Financial assets   |              |                               |                                 |
| (i) Other financial assets   | 5            | 100.00                        | 100.00                          |
| <b>Total non-current assets</b>  |              | <b>17,77,532.00</b>           | <b>100.00</b>                   |
| <b>Current assets</b>  |              |                               |                                 |
| Financial assets   |              |                               |                                 |
| (i) Cash and cash equivalents  | 6            | 5,081.82                      | 437.11                          |
| (ii) Other Bank Balances   |              |                               |                                 |
| (iii) Loans  |              |                               |                                 |
| Other current assets   | 7            | 7,575.76                      | -                               |
| <b>Total current assets</b>  |              | <b>12,657.58</b>              | <b>437.11</b>                   |
| <b>TOTAL ASSETS</b>  |              | <b>17,90,189.58</b>           | <b>537.11</b>                   |
| <b>EQUITY AND LIABILITIES</b>  |              |                               |                                 |
| <b>EQUITY</b>  |              |                               |                                 |
| Equity share capital   | 8            | 1,000.00                      | 1,000.00                        |
| Other equity   | 9            | 17,66,688.57                  | (1,501.89)                      |
| <b>Total equity</b>  |              | <b>17,67,688.57</b>           | <b>(501.89)</b>                 |
| <b>LIABILITIES</b>   |              |                               |                                 |
| <b>Current liabilities</b>   |              |                               |                                 |
| Financial liabilities  |              |                               |                                 |
| (i) Trade payables   | 10           | -                             | -                               |
| - total outstanding dues of micro enterprises and small enterprises; and                 |              |                               |                                 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises |              | 21,475.25                     | 939.00                          |
| Other current liabilities  | 11           | 1,025.76                      | 100.00                          |
| <b>Total current liabilities</b>   |              | <b>22,501.01</b>              | <b>1,039.00</b>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |              | <b>17,90,189.58</b>           | <b>537.11</b>                   |
| <b>Material accounting policies</b>  | 3            |                               |                                 |

The notes referred to above form an integral part of the financial statements.

**For & on behalf of the Board of Directors of  
DCM Shriram International Limited**Sd/-  
**Ashish Jha**  
*Company Secretary*  
FCS11326Place : New Delhi  
Date : Oct 18, 2024

**DCM Shriram International Limited**  
**Statement of Profit and Loss for the period ended Sep 30, 2024**  
 (All amounts in Rs. hundred except otherwise stated)

| Particulars   | Notes | For the period ended<br>Sep 30, 2024 | For the period ended<br>March 31, 2024 |
|---|-------|--------------------------------------|--|
| Revenue from operations   |       | -                                    | -                                      |
| <b>Total Income</b>   |       | <b>-</b>                             | <b>-</b>                               |
| <b>Expenses</b>   |       |                                      |  |
| Finance costs   | 12    | 8.29                                 | 14.16                                  |
| Other expenses  | 13    | 301.25                               | 1,223.40                               |
| <b>Total expenses</b>   |       | <b>309.54</b>                        | <b>1,237.56</b>                        |
| <b>Loss before tax</b>  |       | <b>(309.54)</b>                      | <b>(1,237.56)</b>                      |
| <b>Tax expense</b>  |       | <b>-</b>                             | <b>-</b>                               |
| <b>Loss for the year/period</b>                                   |       | <b>(309.54)</b>                      | <b>(1,237.56)</b>                      |
| <b>Other comprehensive income/(expense), net of taxes</b>         |       | <b>-</b>                             | <b>-</b>                               |
| <b>Total comprehensive loss for the year/period, net of taxes</b> |       | <b>(309.54)</b>                      | <b>(1,237.56)</b>                      |
| <b>Loss per share (face value Rs 2 per share)</b>                 |       |                                      |  |
| - Basic and diluted   |       | (0.62)                               | (2.48)                                 |

**Material accounting policies** 3

The notes referred to above form an integral part of the financial statements.

**For and on behalf of the Board of Directors of  
DCM Shriram International Limited**

Sd/-  
**Ashish Jha**  
*Company Secretary*  
 FCS11326

Place : New Delhi  
 Date : Oct 18, 2024



**DCM Shriram International Limited**  
**Statement of Changes in Equity for the year ended Sep 30, 2024**  
 (All amounts in Rs. hundred except otherwise stated)

**A. Equity share capital**

| Particulars                             | Amount          |
|---|-----------------|
| <b>Balance as at March 31, 2023</b>     | 1,000.00        |
| Changes in equity share capital         | -               |
| <b>Balance as at March 31, 2024</b>     | <b>1,000.00</b> |
| Changes in equity share capital         | -               |
| <b>Balance as at September 30, 2024</b> | <b>1,000.00</b> |

**B. Other equity**

| Particulars   | Reserves and surplus | Advance against the | Total other equity  |
|---|----------------------|---------------------|---------------------|
|   | Retained earnings    | share capital       |                     |
| <b>Balance as at March 31, 2023</b>                   | (605.25)             | 340.92              | (264.33)            |
| Loss for the year                                     | (1,237.56)           | -                   | (1,237.56)          |
| Other comprehensive income for the year net of tax    | -                    | -                   | -                   |
| <b>Total comprehensive income for the year</b>        | <b>(1,842.81)</b>    | <b>340.92</b>       | <b>(1,501.89)</b>   |
| Addition during the period (net)                      | -                    | -                   | -                   |
| <b>Balance as at March 31, 2024</b>                   | <b>(1,842.81)</b>    | <b>340.92</b>       | <b>(1,501.89)</b>   |
| <b>Balance as at April 1, 2024</b>                    | <b>(1,842.81)</b>    | <b>340.92</b>       | <b>(1,501.89)</b>   |
| Loss for the year                                     | (309.54)             | -                   | (309.54)            |
| Other comprehensive (expense) for the year net of tax | -                    | -                   | -                   |
| <b>Total comprehensive income for the year</b>        | <b>(2,152.35)</b>    | <b>340.92</b>       | <b>(1,811.43)</b>   |
| Addition during the period (net)                      | -                    | 17,68,500.00        | 17,68,500.00        |
| <b>Balance as at September 30, 2024</b>               | <b>(2,152.35)</b>    | <b>17,68,840.92</b> | <b>17,66,688.57</b> |

**Nature and purpose of reserve**

**-Retained earnings:** Retained earnings, when positive is a free reserve available to the company.

**Material accounting policies (refer note 3)**

The notes referred to above form an integral part of the financial statements.

**For and on behalf of the Board of Directors of  
DCM Shriram International Limited**

Sd/-  
**Ashish Jha**  
*Company Secretary*  
 FCS11326

Place : New Delhi  
 Date : Oct 18, 2024

**DCM Shriram International Limited**  
**Statement of Cash Flows for the period ended Sep 30, 2024**  
 (All amounts in Rs. hundred except otherwise stated)

| Particulars  | For the period<br>ended Sep 30, 2024 | For the period ended<br>March 31, 2024 |
|--|--------------------------------------|--|
| <b><u>A CASH FLOWS FROM OPERATING ACTIVITIES</u></b>                 |                                      |  |
| Loss before tax  | (309.54)                             | (1,237.56)                             |
| <b><u>Adjustments for:</u></b>                                       |                                      |  |
| Finance costs  | 8.29                                 | 14.16                                  |
| <b>Operating loss before change in assets and liabilities</b>        | <b>(301.25)</b>                      | <b>(1,223.40)</b>                      |
| <b><u>Change in assets &amp; liabilities</u></b>                     |                                      |  |
| (Increase) in other non current assets                               | (17,77,432.00)                       | -                                      |
| (Increase)/decrease in other current assets                          | (7,575.76)                           | -                                      |
| (Decrease)/Increase in other current liabilities and trade payable   | 21,462.01                            | 889.00                                 |
| <b>Cash generated (used in) operating activities</b>                 | <b>(17,63,545.75)</b>                | <b>889.00</b>                          |
| Income tax paid (net)  | -                                    | -                                      |
| <b>Net cash generated (used in) used in operating activities (A)</b> | <b>(17,63,847.00)</b>                | <b>(334.40)</b>                        |
| <b><u>B CASH FLOWS FROM INVESTING ACTIVITIES</u></b>                 |                                      |  |
|  | -                                    | -                                      |
| <b><u>C CASH FLOWS FROM FINANCING ACTIVITIES</u></b>                 |                                      |  |
| Advance against share capital  | 17,68,500.00                         | -                                      |
| Finance costs paid   | (8.29)                               | (14.16)                                |
| <b>Net cash flow (used in) financing activities (B)</b>              | <b>17,68,491.71</b>                  | <b>(14.16)</b>                         |
| (Decrease)/increase in cash and cash equivalents (A+B)               | 4,644.71                             | (348.56)                               |
| Cash and cash equivalents at the beginning of the period             | 437.11                               | 785.67                                 |
| Cash and cash equivalents at the end of the period                   | <b>5,081.82</b>                      | <b>437.11</b>                          |
| Component of cash and cash equivalents (A+B)                         |                                      |  |
| Balance with bank - On current account                               | 5,081.82                             | 437.11                                 |
|  | <b>5,081.82</b>                      | <b>437.11</b>                          |

**Notes:** The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

The notes referred to above form an integral part of the financial statements.

**For and on behalf of the Board of Directors of  
DCM Shriram International Limited**

Sd/-  
**Ashish Jha**  
*Company Secretary*  
 FCS11326

Place : New Delhi  
 Date : Oct 18, 2024



**DCM Shriram International Limited**  
**Notes to the financial Statements for the Period ended September 30, 2024**  
 (All amounts in Rs. hundred except otherwise stated)

**4. Property, plant and equipment and capital work-in-progress**

| <b>Particulars</b>  | <b>Building</b>  | <b>Total</b>     |
|---|------------------|------------------|
| <b>Gross carrying amount</b>                              |                  | -                |
| Additions during the period                               | 17,77,432        | 17,77,432        |
| Less: Disposals/Adjustments/Capitalised during the period |                  | -                |
| <b>Balance as at Sep 30, 2024</b>                         | <b>17,77,432</b> | <b>17,77,432</b> |
| <b>Accumulated depreciation</b>                           |                  |                  |
| Depreciation expense for the period                       | -                | -                |
| Less: Disposals / adjustments during the period           |                  | -                |
| <b>Balance as at Sep 30, 2024</b>                         | <b>-</b>         | <b>-</b>         |
| <b>Net carrying value</b>                                 |                  |                  |
| <b>As at September 30, 2024</b>                           | <b>17,77,432</b> | <b>17,77,432</b> |

| <b>5. Other financial assets</b>                            | <b>As at Sep 30, 2024</b> | <b>As at March 31,</b> |
|---|---------------------------|------------------------|
| <b>(Unsecured, considered good unless otherwise stated)</b> |                           | <b>2024</b>            |

|   |  |  |
|---|--|--|
| <b>Financial assets at amortised cost</b> |  |  |
|---|--|--|

|                                  |  |  |
|----------------------------------|--|--|
| <i>Unsecured considered good</i> |  |  |
|----------------------------------|--|--|

|                   |        |        |
|-------------------|--------|--------|
| Security deposits | 100.00 | 100.00 |
|-------------------|--------|--------|

|              |               |               |
|--------------|---------------|---------------|
| <b>Total</b> | <b>100.00</b> | <b>100.00</b> |
|--------------|---------------|---------------|

| <b>6. Cash and cash equivalents</b> | <b>As at Sep 30, 2024</b> | <b>As at March 31,</b> |
|-------------------------------------|---------------------------|------------------------|
|                                     |                           | <b>2024</b>            |

|                      |          |        |
|----------------------|----------|--------|
| Balances with bank   |          |        |
| - On current account | 5,081.82 | 437.11 |

|              |                 |               |
|--------------|-----------------|---------------|
| <b>Total</b> | <b>5,081.82</b> | <b>437.11</b> |
|--------------|-----------------|---------------|

The Company's exposure to credit risk are disclosed in note 16

| <b>7. Other current assets</b> | <b>As at Sep 30, 2024</b> | <b>As at March 31,</b> |
|--------------------------------|---------------------------|------------------------|
|                                |                           | <b>2024</b>            |

|                          |         |   |
|--------------------------|---------|---|
| Advance against property | 7575.76 | - |
|--------------------------|---------|---|

|              |                 |          |
|--------------|-----------------|----------|
| <b>Total</b> | <b>7,575.76</b> | <b>-</b> |
|--------------|-----------------|----------|



DCM Shriram International Limited  
Notes to financial statements for the period ended September 30, 2024  
(All amounts in Rs. hundred except otherwise stated)

| 8. Equity share capital  | As at Sep 30, 2024 | As at March 31, 2024 |
|--|--------------------|----------------------|
| <b>Authorised</b>  |                    |                      |
| 2,50,000 (March 31, 2023: 2,50,000) equity shares of Rs 2 each           | 5,000.00           | 5,000.00             |
|  | <b>5,000.00</b>    | <b>5,000.00</b>      |
| <b>Issued subscribed and fully paid up</b>                               |                    |                      |
| 50,000 (March 31, 2023: 50,000) equity shares of Rs 2 each fully paid up | 1,000.00           | 1,000.00             |
|  | <b>1,000.00</b>    | <b>1,000.00</b>      |

**a) Terms, rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders 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 equity shares held by the shareholder.

**b) Issue of shares for other than cash**

There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash.

**(c) Number of shares held by each shareholder holding more than 5% Shares in the Company**

| Particulars                                      | As at<br>Sep 30, 2024 |               | As at<br>March 31, 2024 |               |
|--|-----------------------|---------------|-------------------------|---------------|
|  | Number                | % of holding  | Number                  | % of holding  |
| DCM Shriram Industries Limited (Holding Company) | 49,994                | 99.99%        | 49,994                  | 99.99%        |
|  | <b>49,994</b>         | <b>99.99%</b> | <b>49,994</b>           | <b>99.99%</b> |

**(d) Details of shareholding of promoters in the company is as under:**

| Particulars                                      | As at<br>Sep 30, 2024       |                   |                             |
|--|-----------------------------|-------------------|-----------------------------|
|  | No of shares @<br>Rs 2 each | % of total shares | % Change during<br>the year |
| DCM Shriram Industries Limited (Holding Company) | 49,994                      | 99.99%            | -                           |
| Alok Bansidhar Shriram                           | 1                           | 0.00%             | -                           |
| Kanika Shriram                                   | 1                           | 0.00%             | -                           |
| Rudra Shriram                                    | 1                           | 0.00%             | -                           |
| Karuna Shriram                                   | 1                           | 0.00%             | -                           |
| Sunil Kumar Chowdhary                            | 1                           | 0.00%             | -                           |
| Sushil Kumar Jain                                | 1                           | 0.00%             | -                           |
| <b>Total</b>                                     | <b>50,000</b>               | <b>100.00%</b>    | <b>-</b>                    |

| Particulars                                      | As at<br>March 31, 2024     |                   |                             |
|--|-----------------------------|-------------------|-----------------------------|
|  | No of shares @<br>Rs 2 each | % of total shares | % Change during<br>the year |
| DCM Shriram Industries Limited (Holding Company) | 49,994                      | 99.99%            | -                           |
| Alok Bansidhar Shriram                           | 1                           | 0.00%             | -                           |
| Kanika Shriram                                   | 1                           | 0.00%             | -                           |
| Rudra Shriram                                    | 1                           | 0.00%             | -                           |
| Karuna Shriram                                   | 1                           | 0.00%             | -                           |
| Sunil Kumar Chowdhary                            | 1                           | 0.00%             | -                           |
| Sushil Kumar Jain                                | 1                           | 0.00%             | -                           |
| <b>Total</b>                                     | <b>50,000</b>               | <b>100.00%</b>    | <b>-</b>                    |

**(e) Reconciliation of shares outstanding at the beginning and at the end of reporting period:**

| Particulars   | As at<br>Sep 30, 2024 |              | As at<br>March 31, 2024 |              |
|---|-----------------------|--------------|-------------------------|--------------|
|   | Number of shares      | Amount       | Number of shares        | Amount       |
| Equity shares outstanding at the beginning of the year/period | 50,000                | 1,000        | -                       | -            |
| Add: shares issued during the year                            | -                     | -            | 50,000                  | 1,000        |
| <b>Outstanding at the end of the year/period</b>              | <b>50,000</b>         | <b>1,000</b> | <b>50,000</b>           | <b>1,000</b> |

**9. Other equity**

|   | As at Sep 30, 2024  | As at March 31, 2024 |
|---|---------------------|----------------------|
| <b>(a) Other Equity</b>                                       |                     |                      |
| <b>Retained earnings</b>                                      |                     |                      |
| Balance as at the beginning of the year/period                | (1,842.81)          | (605)                |
| -Loss during the year/period                                  | (309.54)            | (1,237.56)           |
| <b>Balance at the end of the year/period</b>                  | <b>(2,152.35)</b>   | <b>(1,842.81)</b>    |
| <b>(b) Advance against capital from the holding company</b>   |                     |                      |
| Balance as at the beginning of the year/period                | 340.92              | 340.92               |
| Additions during the year/period                              | 17,68,500.00        | -                    |
| Less: Issuance of equity share capital during the year/period | -                   | -                    |
| <b>Balance at the end of the year/period</b>                  | <b>17,68,840.92</b> | <b>340.92</b>        |
| <b>Total</b>  | <b>17,66,688.57</b> | <b>(1,501.89)</b>    |

| 10. Trade payables   | As at Sep 30, 2024 | As at<br>March 31, 2024 |
|--|--------------------|-------------------------|
| - total outstanding dues of micro enterprises and small enterprises; and                 | -                  | -                       |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 21,475.25          | 939.00                  |
|  | <u>21,475.25</u>   | <u>939.00</u>           |

Aging of trade payable as on September 30, 2024 is as under:

| Particulars              | Outstanding for following periods from due date of payment |         |                  |           |           |                   | Total     |
|--------------------------|--|---------|------------------|-----------|-----------|-------------------|-----------|
|                          | Unbilled dues  | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |           |
| - MSME                   | -  | -       | -                | -         | -         | -                 | -         |
| - Others                 | -  | -       | 21,475.25        | -         | -         | -                 | 21,475.25 |
| - Disputed dues - others | -  | -       | -                | -         | -         | -                 | -         |
| <b>Total</b>             | -  | -       | 21,475.25        | -         | -         | -                 | 21,475.25 |

As on March 31, 2023, there is no trade payable outstanding, hence ageing disclosure not presented.

| 11. Other current liabilities | As at Sep 30, 2024 | As at March 31, 2024 |
|-------------------------------|--------------------|----------------------|
| Audit fees payable            | -                  | -                    |
| Statutory dues payable        | 1,025.76           | 100.00               |
| <b>Total</b>                  | <u>1,025.76</u>    | <u>100.00</u>        |

| 12. Finance costs | For the period ended Sep 30,<br>2024 | For the period September<br>7, 2022 to March 31, 2023 |
|-------------------|--------------------------------------|---|
| Bank charges      | 8.29                                 | 14.16   |
|                   | <u>8.29</u>                          | <u>14.16</u>  |

| 13. Other expenses    | For the period ended Sep 30,<br>2024 | For the period September<br>7, 2022 to March 31, 2023 |
|-----------------------|--------------------------------------|---|
| Professional fees     | -                                    | 90.00   |
| Rates and taxes       | 59.00                                | 12.00   |
| Payment to auditor    |                                      |   |
| - Statutory audit fee | 239.00                               | 1,121.40  |
| - Limited review fee  |                                      |   |
| Interest On TDS       | 3.25                                 | -   |
|                       | <u>301.25</u>                        | <u>1,223.40</u>                                       |

#### 14. Income tax

As the operation of the company have yet to commence, no current tax and deferred tax asset on losses has been recognised.

#### 15. Earnings per share

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti-dilutive.

|  | For the period ended Sep 30,<br>2024 | For the period September<br>7, 2022 to March 31, 2023 |
|--|--------------------------------------|---|
| Loss after tax attributable to the equity holders                          | (309.54)                             | (1,237.56)  |
| Number of equity shares  | 50,000                               | 50,000  |
| Weighted average number of equity shares outstanding during the year (No.) | 50,000                               | 50,000  |
| Nominal value per share (Rs.)  | 2.00                                 | 2.00  |
| <b>Basic and diluted loss per share (Rs.)</b>                              | <b>(0.62)</b>                        | <b>(2.48)</b>   |



**DCM Shriram International Limited**

**Notes to financial statements for the period ended September 30, 2024**

(All amounts in Rs. hundred except otherwise stated)

**16. Disclosure of related party transactions**

**a) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

**Holding Company**

DCM Shriram Industries Limited

**Key Management Personnel**

Mr. Alok B. Shriram, Director (w.e.f. 07.09.2022)

Ms. Kanika Shriram, Director (w.e.f. 07.09.2022)

Mr. Rudra Shriram, Director (w.e.f. 07.09.2022)

Mr. Ashish Jha, Company Secretary (w.e.f. 28.09.2022)

**b) Transactions with related parties during the year/period**

| Particulars                             | For the period ended Sep 30, 2024 | For the period ended March 31, 2024 |
|---|-----------------------------------|-------------------------------------|
|   | Holding Company                   | Holding Company                     |
| <b>Payment on behalf of the company</b> |                                   |                                     |
| DCM Shriram Industries Limited          | 17,68,840.92                      | 340.92                              |

**c) Balances outstanding with related parties at the year/period end**

| Particulars                          | For the period ended Sep 30, 2024 | For the period ended March 31, 2024 |
|--------------------------------------|-----------------------------------|-------------------------------------|
|                                      | Holding Company                   | Holding Company                     |
| <b>Advance against share capital</b> |                                   |                                     |
| DCM Shriram Industries Limited       | 17,68,840.92                      | 340.92                              |

**17. Commitments and Contingencies**

**a) Capital commitment**

Estimated amount of contracts remaining to be executed on capital account (net of advances) as at Sep 30, 2024 - 5.18 Crore ( March 31, 2024- Nil)

**b) Contingent liabilities**

There are no claims against the company which are not acknowledged as debt as on Sep 30, 2024 ( March 31, 2024- Nil)



**DCM Shriram Fine Chemicals Limited**

**Notes to financial statements for the period ended September 30, 2024**

(All amounts in Rs. hundred except otherwise stated)

**18. Fair value hierarchy**

| Particulars                               | As at Sep 30,<br>2024 | As At<br>March 31, 2024 |
|---|-----------------------|-------------------------|
| <b>Financial assets-At carrying value</b> |                       |                         |
| <b>Non current</b>                        |                       |                         |
| Other financial assets                    | 100.00                | 100.00                  |
| <b>Adjusted net debt (A)</b>              | <b>100.00</b>         | <b>100.00</b>           |

a) The Management has assessed that deposits and cash and cash equivalents approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The Fair value of financial assets and liabilities are substantially same as their carrying amount.

**Financial risk management objectives and policies**

The Company's financial risk management is carried out under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of excess liquidity.

**(A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has not commenced operations and at present is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks.

**- Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The company does not have trade receivables as on September 30, 2024 ( March 31, 2024- Nil).

**(B) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

The company does not have any financial liability as on September 30, 2024 ( March 31, 2024- Nil).



**DCM Shriram International Limited**

**Notes to financial statements for the period ended September 30, 2024**

(All amounts in Rs. hundred except otherwise stated)

**19. Ratios analysis and its elements:**

| Particulars   | Numerator      | Denominator         | 2024-25 | 2023-24 | %   | Rational |
|---------------|----------------|---------------------|---------|---------|-----|----------|
| Current ratio | Current assets | Current liabilities | 0.56    | 0.42    | 34% | *        |

\*The Company is yet to commence its operation and has no earnings during the period ended 30th June 2024. As such, other ratios i.e Debt service coverage ratio, Debt equity ratio, Return on equity, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio, Return on capital employed and Return on investment are not applicable for the Company.

20. Segments information: As operations are yet to commence, segment reporting in accordance with Ind AS 108 – “Operating Segments” is not applicable.

**21. Additional Regulatory Information**

- i. The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii. The Company does not have any transactions with struck off companies.
- iii. The Company has not borrowed any money from bank or financial institutions which require charge creation.
- iv. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- v. The Company has 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
- vi. The Company has 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.
- vii. The Company has not made 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).
- viii. The Company has not been declared a wilful defaulter by any bank or other lender (as defined under the Companies Act, 2013), in accordance with the guidelines on wilful defaulters.
- ix. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- x. There are no title deeds of immovable property which are not held in name of the Company.
- xi. The provisions of section 135 are not applicable to the Company.
- xii. The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has One CICs as part of the Group.

22. The Company has used spreadsheets for maintaining underlying records of the financial statements. As per FAQ 25 of the Implementation Guide on Reporting on Audit Trail under Rule (11)(g) of the Companies (Audit and Auditors) Rules, 2014, the spreadsheets are not required to be treated as part of books of account and therefore, such spreadsheets will not attract the audit trail requirements.

23. The Board of Directors in the meeting held on November 14, 2023 approved the Composite scheme of arrangement ("the Scheme") between DCM Shriram Industries Limited ("the Holding Company" or "the Demerged Company"), DCM Shriram Fine Chemical Limited and the Company for demerger of Chemical and Rayon business of DCM Shriram Industries Limited respectively, and amalgamation of Lily Commercial Private Limited with DCM Shriram Industries Limited with effect from appointed date of 1 April 2023, subject to regulatory and statutory approvals as applicable. Pending the necessary approvals, the effect of the scheme has not been given in the financial statements.

**For and on behalf of the Board of Directors of  
DCM Shriram International Limited**

**Sd/-  
Ashish Jha  
Company Secretary  
FCS11326**

Place : New Delhi  
Date : Oct 18, 2024

Note: Summary of Material Accounting Policies are available on the website <https://dcmsr.com/scheme-of-arrangement-2023/>

## Annexure-6

### REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LILY COMMERCIAL PRIVATE LIMITED (UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013)

#### 1. Background

The Board of Directors (“**Board**”) of Lily Commercial Private Limited (“**Transferor Company**”/“**Company**”) (at its Board meeting held on November 14, 2023 has approved a composite scheme of arrangement (with an appointed date of April 1, 2023) involving: (a) amalgamation of Transferor Company into and with DCM Shriram Industries Limited (“**DCMSR**”); and (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (“**Chemical Undertaking**”) into DCM Shriram Fine Chemicals Limited (“**Resultant Company 1**”) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (“**Rayon Undertaking**”) into DCM Shriram International Limited (“**Resultant Company 2**”) (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the “**Resultant Companies**”), such that post such demergers, the sugar undertaking of DCMSR (including power and alcohol businesses) will continue in DCMSR (together, the “**Scheme**”).

Pursuant to Section 232(2)(c) of the Companies Act, 2013 (as amended) (“**Act**”), the Board of the Company is required to adopt a report explaining the effect of the Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and, specifying any special valuation difficulties, and the same is required to be circulated along with the notice of meeting(s) to the shareholders and the creditors.

This report, in connection with the Scheme, has been accordingly adopted by the Board of the Company in order to comply with the requirements of Section 232(2)(c) of the Act after considering the following documents:

- (a) Draft Scheme;
- (b) Share exchange report dated November 14, 2023 issued by TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, Registered Valuer, recommending the share exchange ratio for issuance of equity shares by DCMSR to the shareholders of the Company;
- (c) Fairness opinion dated November 14, 2023, issued by Centrum Capital Limited, Merchant Bankers;
- (d) Audited financial statements of the Company for last 3 financial years; and
- (e) Audited financial results of the Company for the half year ended September 30, 2023.

#### 2. Proposed Scheme

The salient features of the draft Scheme are as under:

- The Scheme involves: (a) amalgamation of the Company (i.e., the Transferor Company) into and with DCMSR; and (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (i.e., Chemical Undertaking) into DCM Shriram Fine Chemicals Limited (i.e., Resultant Company 1) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (i.e., Rayon Undertaking) into DCM Shriram International Limited (i.e., Resultant Company 2), with the sugar undertaking of resultant DCMSR (including power and alcohol businesses) continuing with DCMSR, post such demergers.
- The Scheme provides that the accounting treatment proposed in the Scheme shall be in compliance with the provisions of Section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015 framed thereunder.
- The appointed Date (*as defined in the Scheme*) under the Scheme is April 1, 2023.
- The cumulative shareholding of the ‘promoter and promoter group’ in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be the same in the Resultant Companies.
- Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company, including all its assets and liabilities, shall stand merged into and vest in DCMSR, as a going concern. The Transferor Company shall stand dissolved without being wound-up, without any further act or deed.
- Upon the Scheme becoming effective, the shareholders of the Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date (*as defined in the Scheme*).
- Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking, shall stand transferred to and vest in the Resultant Company 1, as a going concern.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Rayon Undertaking, shall stand transferred to and vest in the Resultant Company 2, as a going concern, without any further act or deed.

- Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees will stand cancelled on or after the Effective Date (*as defined in the Scheme*) by operation of law, without payment of any consideration or any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- Set out below is the shareholding pattern of the equity shareholders of the Company pre-Scheme coming into effect:

| Category                          | Transferor Company<br>(Lily Commercial Pvt. Ltd.) |            |
|-----------------------------------|---|------------|
|                                   | Pre-arrangement                                   |            |
|                                   | No. of shares<br>(Rs. 100 face value each)        | %          |
| A) Promoter                       | 10,95,125   | 100        |
| B) Public                         | 0   | 0          |
| C) <b>Non-Promoter Non-Public</b> | 0   | 0          |
| C1) Shares underlying DR's        | 0   | 0          |
| C2) Shares held by Employee Trust | 0   | 0          |
| <b>Total</b>                      | <b>10,95,125</b>                                  | <b>100</b> |

### 3. Effect of the Scheme:

The effect of the proposed Scheme on the stakeholders of the Company is expected to be as follows:

#### (a) **Shareholders (including promoter and non-promoter)**

- The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be the same in the Resultant Companies.
- Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date.
- Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.

#### (b) **Creditors**

No rights of the creditors are being affected pursuant to the Scheme. The liability of the Company towards the creditors of the Company is neither being reduced nor being extinguished and the Scheme does not provide for any compromise or arrangement with the creditors of the Company. The creditors of the Company would in no way be adversely affected by the Scheme.

#### (c) **Employees, Directors and Key Managerial Personnel**

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of the Company.

### 4. Share Exchange Ratio and Valuation difficulties

- (a) The Boards of the Company and DCMSR have determined the share exchange ratio as 1:1 based on their independent judgement and the share exchange ratio report issued by TRC Corporate Consulting Private Limited and Mr. Mukesh

Chand Jain, registered valuer. Accordingly, the shareholders of the Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR, for every 1 (one) equity share of Rs. 2 each held by such shareholder in the Company in DCMSR, in proportion of their respective shareholding in the Company, as on the Record Date.

The Board notes that no difficulties were faced by the valuer, namely TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, in preparing the share exchange ratio report dated November 14, 2023.

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**For and on behalf of Lily Commercial Private Limited**

Sd/-

**Alok B. Shriram**

**(Director)**

**DIN: 00203808**

**Place: New Delhi**

**Date: November 14, 2023**

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## Annexure-7

### REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DCM SHRIRAM INDUSTRIES LIMITED UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

#### 1. Background

The Board of Directors (“**Board**”) of DCM Shriram Industries Limited (“**DCMSR**” / “**Company**”) at its Board meeting held on 14.11.2023 has approved a composite scheme of arrangement (with an appointed date of April 1, 2023) involving: (a) amalgamation of Lily Commercial Private Limited (“**Transferor Company**”) into and with DCMSR; and (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (“**Chemical Undertaking**”) into DCM Shriram Fine Chemicals Limited (“**Resultant Company 1**”) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (“**Rayon Undertaking**”) into DCM Shriram International Limited (“**Resultant Company 2**”) (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the “**Resultant Companies**”), such that post such demergers, the sugar undertaking of resultant DCMSR (including power and alcohol businesses) will continue in DCMSR (together, the “**Scheme**”).

Pursuant to Section 232(2)(c) of the Companies Act, 2013 (as amended) (“**Act**”), the Board of DCMSR is required to adopt a report explaining the effect of the Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular the share exchange ratio and, specifying any special valuation difficulties, and the same is required to be circulated along with the notice of meeting(s) to the shareholders and the creditors.

This report, in connection with the Scheme, has been accordingly adopted by the Board of DCMSR in order to comply with the requirements of Section 232(2)(c) of the Act after considering the following documents:

- (a) Draft Scheme;
- (b) Certificate dated 14.11.2023 issued by M/s B S R & Co. LLP, Chartered Accountants, the statutory auditors of the Company to the effect that the accounting treatment contained in the Scheme is in compliance with all the accounting standards specified by the Central Government under Section 133 and other applicable provisions of the Act or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable, and other generally accepted accounting principles;
- (c) Share exchange ratio report dated 14.11.2023 issued by TRC Corporate Consulting Private Limited & Shri Mukesh Chand Jain, Registered Valuer recommending the share exchange ratio for issuance of equity shares by DCMSR to the shareholders of the Transferor Company;
- (d) Share entitlement ratio report dated 14.11.2023 issued by TRC Corporate Consulting Private Limited & Shri Mukesh Chand Jain, Registered Valuer recommending the share entitlement ratio for issuance of equity shares by Resultant Company 1 to the shareholders of DCMSR;
- (e) Share entitlement ratio report dated 14.11.2023 issued by TRC Corporate Consulting Private Limited & Shri Mukesh Chand Jain, Registered Valuer recommending the share entitlement ratio for issuance of equity shares by Resultant Company 2 to the shareholders of DCMSR;





- (f) Fairness opinion dated 14.11.2023, on the share exchange and entitlement ratios, as per certificate issued by TRC Corporate Consulting Private Limited & Mukesh Chand Jain by Centrum Capital Limited, Merchant Bankers;
- (g) Audited financial statements of the Company for last 3 financial years;
- (h) Unaudited financial results of the Company for the quarter and half year ended September 30, 2023 together with the limited review report of the statutory auditors;

## 2. Proposed Scheme

The salient features of the draft Scheme are as under:

- The Scheme involves: (a) amalgamation of Lily Commercial Private Limited (i.e., Transferor Company) into and with DCMSR; and (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (i.e., Chemical Undertaking) into DCM Shriram Fine Chemicals Limited (i.e., Resultant Company 1) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (i.e., Rayon Undertaking) into DCM Shriram International Limited (i.e., Resultant Company 2), with the sugar undertaking of resultant DCMSR (including power and alcohol businesses) continuing with DCMSR, post such demergers.
- The Scheme provides that the accounting treatment proposed in the Scheme shall be in compliance with the provisions of Section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015 framed thereunder.
- The Appointed Date (*as defined in the Scheme*) under the Scheme is April 1, 2023.
- The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be the same in the Resultant Companies.
- Upon the Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Transferor Company shall stand transferred to and vest in DCMSR, as a going concern. The Transferor Company shall stand dissolved without being wound-up, without any further act or deed.
- Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs.2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date (*as defined in the Scheme*).
- Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking, shall stand transferred to and vest in the Resultant Company 1, as a going concern.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Rayon Undertaking, shall stand transferred to and vest in the Resultant Company 2, as a going concern, without any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees will stand cancelled on or after the Effective Date (*as defined in the Scheme*) by operation of law, without payment of any consideration or any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- Set out below is the shareholding pattern of the equity shareholders of DCMSR pre-Scheme coming into effect and post-Scheme coming into effect:

**DCMSR Shareholding Pattern**

| Category of Shareholders  | Pre-Scheme  |       | Post Scheme |       |
|---------------------------|-------------|-------|-------------|-------|
|                           | Nos.        | %     | Nos.        | %     |
| Promoter & Promoter Group | 4,35,90,115 | 50.11 | 4,35,90,115 | 50.11 |
| Public                    | 4,34,02,070 | 49.89 | 4,34,02,070 | 49.89 |

|       |             |     |             |     |
|-------|-------------|-----|-------------|-----|
| TOTAL | 8,69,92,185 | 100 | 8,69,92,185 | 100 |
|-------|-------------|-----|-------------|-----|

### 3. Effect of the Scheme:

The effect of the proposed Scheme on the stakeholders of the Company is expected to be as follows:

#### (a) **Shareholders (including promoter and non-promoter)**

- The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be same in the Resultant Companies.
- Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date.
- Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.
- Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.

#### (b) **Creditors**

No rights of the creditors are being affected pursuant to the Scheme. The liability of the Company towards the creditors of the Company is neither being reduced nor being extinguished, and the Scheme does not provide for any compromise or arrangement with the creditors of the Company. The creditors of the Company would in no way be adversely affected by the Scheme.

#### (c) **Employees, Directors and Key Managerial Personnel**

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of the Company.

### 4. Share Exchange Ratio and Valuation difficulties

- (a) The Boards of the Transferor Company and DCMSR have determined the share exchange ratio as 1:1 based on their independent judgement and the share exchange ratio report issued by TRC Corporate Consulting Private Limited and Shri Mukesh Chand Jain, registered valuer. Accordingly, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of face value Rs. 2 each, at par, credited as fully paid up, in DCMSR, for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date.
- (b) The Boards of DCMSR and the Resultant Company 1 have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived as per the share entitlement ratio report dated 14.11.2023, prepared by TRC Corporate Consulting Pvt. Ltd. & Shri Mukesh Chand Jain (registered valuer). Upon this Scheme coming into effect the Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- (c) The Boards of DCMSR and the Resultant Company 2 have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived as per the share entitlement ratio report dated 14.11.2023, prepared by TRC Corporate Consulting Pvt. Ltd. & Shri Mukesh Chand Jain (registered valuer). Upon this Scheme coming into effect the Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name



is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.

The Board notes that no difficulties were faced by the valuer, namely TRC Corporate Consulting Pvt. Ltd. & Shri Mukesh Chand Jain (registered valuer), in preparing the Share exchange ratio report and Share entitlement ratio report dated 14.11.2023.

For and on behalf of **Board of Directors**

Sd/-

Place: New Delhi  
Date: 14.11.2023

**Name: S B Mathur**  
**Designation: Chairman**  
**(DIN 00013239)**

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## Annexure-8

### REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DCM SHRIRAM FINE CHEMICALS LIMITED (UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013)

#### 1. Background

The Board of Directors (“**Board**”) of DCM Shriram Fine Chemicals Limited (“**Resultant Company 1**”/ “**Company**”) at its Board meeting held on 14<sup>th</sup> November, 2023 has approved a composite scheme of arrangement (with an appointed date of April 1, 2023) involving: (a) amalgamation of Lily Commercial Private Limited (“**Transferor Company**”) into and with DCM Shriram Industries Limited (“**DCMSR**”); and (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (“**Chemical Undertaking**”) into Resultant Company 1 and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (“**Rayon Undertaking**”) into DCM Shriram International Limited (“**Resultant Company 2**”) (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the “**Resultant Companies**”), such that post such demergers, the sugar undertaking of resultant DCMSR (including power and alcohol businesses) will continue in DCMSR (together, the “**Scheme**”).

Pursuant to Section 232(2)(c) of the Companies Act, 2013 (as amended) (“**Act**”), the Board of the Company is required to adopt a report explaining the effect of the Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated along with the notice of meeting to the shareholders and creditors as the case may be.

This report, in connection with the Scheme, has been accordingly adopted by the Board of the Company in order to comply with the requirements of Section 232(2)(c) of the Act after considering the following documents:

- (a) Draft Scheme;
- (b) Certificate dated 14.11.2023, provided by M/s S.C. Kwatra & Co., the statutory auditors of the Company to the effect that the accounting treatment under the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
- (c) Share entitlement report dated 14.11.2023 issued by TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, Registered Valuer, recommending the share entitlement ratio for issuance of equity shares by the Company to the shareholders of the DCMSR;
- (d) Fairness opinion dated 14.11.2023, on the share exchange and entitlement ratios, as per certificate issued by TRC Corporate Consulting Private Limited & Mukesh Chand Jain by Centrum Capital Limited, Merchant Bankers;
- (e) Audited financial statements of the Company for last 3 financial years; and
- (f) Audited financial results of the Company for the period ended September 30, 2023.

#### 2. Proposed Scheme

The salient features of the draft Scheme are as under:

- The Scheme involves: (a) amalgamation of Lily Commercial Private Limited (i.e., the Transferor Company) into and with DCM Shriram Industries Limited (i.e., DCMSR); (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (i.e. Chemical Undertaking) into the Company (i.e. Resultant Company 1) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (i.e., Rayon Undertaking) into DCM Shriram International Limited (i.e. Resultant Company 2), and with the sugar undertaking of resultant DCMSR (including power and alcohol businesses) continuing with DCMSR, post such demergers.
- The Scheme provides that the accounting treatment proposed in the Scheme shall be in compliance with the provisions of Section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015 framed thereunder.

- The Appointed Date (as defined in the Scheme) under the Scheme is April 1, 2023.
- The cumulative shareholding of the ‘promoter and promoter group’ in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be the same in the Resultant Companies.
- Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company (including all its assets and liabilities) shall stand merged into and vest in DCMSR, as a going concern. The Transferor Company shall stand dissolved without being wound-up, without any further act or deed.
- Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date (*as defined in the Scheme*).
- Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 1, as a going concern, without any further act or deed.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Rayon Undertaking, shall stand transferred to and vest in the Resultant Company 2 of DCMSR, as a going concern, without any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1, i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date (*as defined in the Scheme*) by operation of law, without payment of any consideration or any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- Set out below is the shareholding pattern of the equity shareholders of the Company Pre-Scheme coming into effect and post-Scheme coming into effect:

| Category                          | Resultant company 1 (DSFCL) |            |                    |            |
|-----------------------------------|-----------------------------|------------|--------------------|------------|
|                                   | Pre-arrangement             |            | Post-arrangement   |            |
|                                   | No. of shares               | %          | No. of shares      | %          |
| A) Promoter & Promoter Group      | 1,00,00,000                 | 100        | 4,35,90,115        | 50.11      |
| B) Public                         | 0                           | 0          | 4,34,02,070        | 49.89      |
| C) <b>Non-Promoter Non-Public</b> | 0                           | 0          | 0                  | 0          |
| C1) Shares underlying DR’s        | 0                           | 0          | 0                  | 0          |
| C2) Shares held by Employee Trust | 0                           | 0          | 0                  | 0          |
| <b>Total</b>                      | <b>1,00,00,000</b>          | <b>100</b> | <b>8,69,92,185</b> | <b>100</b> |

### 3. Effect of the Scheme:

The effect of the proposed Scheme on the stakeholders of the Company is expected to be as follows:

#### (a) **Shareholders (including promoter and non-promoter)**

- The cumulative shareholding of the ‘promoter and promoter group’ in DCMSR will not increase as a consequence of the amalgamation or the demergers and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be same in the Resultant Companies (which are currently wholly owned subsidiaries of DCMSR).
- Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1, i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of



- DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees (including advance against equity) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
  - All equity shares of the Resultant Company 1 issued pursuant to the Scheme shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the stock exchanges, and/or admitted to trading, if any, as may be decided by the Board of the Resultant Company 1. The Resultant Company 1 shall apply to all the stock exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 1 issued pursuant to the Scheme.
- (b) **Creditors**  
No rights of the creditors are being affected pursuant to the Scheme. The liability of the Company towards the creditors of the Company is neither being reduced nor being extinguished and the Scheme does not provide for any compromise or arrangement with the creditors of the Company. The creditors of the Company would in no way be adversely affected by the Scheme.
- (c) **Employees, Directors and Key Managerial Personnel**  
There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of the Company.

#### 4. Share Entitlement Ratio and Valuation difficulties

- (a) The Boards of DCMSR and the Company have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived at per the share entitlement ratio report dated 14.11.2023, prepared by TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain (registered valuer). Upon this Scheme coming into effect, the Company shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- (b) The Board notes that no difficulties were faced by the valuer, namely TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, in preparing the share entitlement ratio report dated 14.11.2023.

For and on behalf of **DCM Shriram Fine Chemicals Limited**

Sd/-  
**Urvashi Tilakdhar**  
Chairperson of the meeting  
DIN: 00294265

Place: New Delhi  
Date: 14.11.2023

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## Annexure-9

### REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DCM SHRIRAM INTERNATIONAL LIMITED (UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013)

#### 1. Background

The Board of Directors (“**Board**”) of DCM Shriram International Limited (“**Resultant Company 2**”/“**Company**”) (at its Board meeting held on 14.11.2023), has approved a composite scheme of arrangement (with an appointed date of April 1, 2023) involving: (a) amalgamation of Lily Commercial Private Limited (“**Transferor Company**”) into and with DCM Shriram Industries Limited (“**DCMSR**”); and (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR (“**Chemical Undertaking**”) into DCM Shriram Fine Chemicals Limited (“**Resultant Company 1**”) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (“**Rayon Undertaking**”) into Resultant Company 2 (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the “**Resultant Companies**”), such that post such demergers, the sugar undertaking of resultant DCMSR (including power and alcohol businesses) will continue in DCMSR (together, the “**Scheme**”).

Pursuant to Section 232(2)(c) of the Companies Act, 2013 (as amended) (“**Act**”), the Board of the Company is required to adopt a report explaining the effect of the Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated along with the notice of meeting to the shareholders and creditors as the case may be.



This report, in connection with the Scheme, has been accordingly adopted by the Board of the Company in order to comply with the requirements of Section 232(2)(c) of the Act after considering the following documents:

- (a) Draft Scheme;
- (b) Certificate dated 14.11.2023, provided by B S R & Co. LLP, the statutory auditors of the Company to the effect that the accounting treatment under the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
- (c) Share entitlement report dated 14.11.2023 issued by TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, Registered Valuer, recommending the share entitlement ratio for issuance of equity shares by the Company to the shareholders of the DCMSR;
- (d) Fairness opinion dated 14.11.2023, on the share exchange and entitlement ratios, as per certificate issued by TRC Corporate Consulting Private Limited & Mukesh Chand Jain, by Centrum Capital Limited, Merchant Bankers;
- (e) Audited financial statements of the Company for last 3 financial years; and
- (f) Audited financial results of the Company for the period ended September 30, 2023.

## 2. Proposed Scheme

The salient features of the draft Scheme are as under:

- The Scheme involves: (a) amalgamation of Lily Commercial Private Limited (i.e., Transferor Company) into and with DCM Shriram Industries Limited (i.e., DCMSR); (b) subsequent to this amalgamation, demerger of chemical undertaking of resultant DCMSR into DCM Shriram Fine Chemicals Limited (i.e., Resultant Company 1) and demerger of rayon undertaking of resultant DCMSR (including defence and engineering projects) (i.e., Chemical Undertaking) into the Company (i.e., Resultant Company 2) and with the sugar undertaking (including power and alcohol businesses) continuing with DCMSR post such demergers.
- The Scheme provides that the accounting treatment proposed in the Scheme shall be in compliance with the provisions of Section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015 framed there under.
- The Appointed Date (*as defined in the Scheme*) under the Scheme is April 1, 2023.
- The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be the same in the Resultant Companies.
- Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company (including all its assets and liabilities) shall stand merged into and vest in DCMSR, as a going concern. The Transferor Company shall stand dissolved without being wound-up, without any further act or deed.
- Upon the Scheme becoming effective, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date (*as defined in the Scheme*).
- Upon the Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 1, as a going concern, without any further act or deed.
- With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and liabilities and the entire business of the Rayon Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 2, as a going concern, without any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1, i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date (*as defined in the Scheme*) by operation of law, without payment of any consideration or any further act or deed.
- Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its

nominees (investment) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.

- Set out below is the shareholding pattern of the equity shareholders of the Company Pre-Scheme coming into effect and post-Scheme coming into effect:

| Category                          | Resultant company 2 (DSIL) |            |                    |            |
|-----------------------------------|----------------------------|------------|--------------------|------------|
|                                   | Pre-arrangement            |            | Post-arrangement   |            |
|                                   | No. of shares              | %          | No. of shares      | %          |
| A) Promoter and Promoter Group    | 50,000                     | 100        | 4,35,90,115        | 50.11      |
| B) Public                         | 0                          | 0          | 4,34,02,070        | 49.89      |
| C) <b>Non-Promoter Non-Public</b> | 0                          | 0          | 0                  | 0          |
| C1) Shares underlying DR's        | 0                          | 0          | 0                  | 0          |
| C2) Shares held by Employee Trust | 0                          | 0          | 0                  | 0          |
| <b>Total</b>                      | <b>50,000</b>              | <b>100</b> | <b>8,69,92,185</b> | <b>100</b> |

### 3. Effect of the Scheme:

The effect of the proposed Scheme on the stake holders of the Company is expected to be as follows:

#### (a) **Shareholders (including promoter and non-promoter)**

- The cumulative shareholding of the 'promoter and promoter group' in DCMSR will not increase as a consequence of the amalgamation or the demergers, and the members of the public who are shareholders in DCMSR will continue to remain at 49.89% of the total issued and paid-up capital of DCMSR, and consequently be same in the Resultant Companies (which are currently wholly owned subsidiaries of DCMSR).
- Upon the Scheme becoming effective, Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1, i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.
- Upon the Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees (including advance against equity) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed.
- All equity shares of the Resultant Company 2 issued pursuant to the Scheme shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the stock exchanges, and/or admitted to trading, if any, as may be decided by the Board of the Resultant Company 2. The Resultant Company 2 shall apply to all the stock exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 2 issued pursuant to the Scheme.

#### (b) **Creditors**

No rights of the creditors are being affected pursuant to the Scheme. The liability of the Company towards the creditors of the Company is neither being reduced nor being extinguished and the Scheme does not provide for any compromise or arrangement with the creditors of the Company. The creditors of the Company would in no way be adversely affected by the Scheme.

#### (c) **Employees, Directors and Key Managerial Personnel**

There is no adverse effect of the Scheme on the employees, key managerial personnel and/or the directors of the Company.

### 4. Share Entitlement Ratio and Valuation difficulties

- (a) The Boards of DCMSR and the Company have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived at per the share entitlement ratio report dated 14.11.2023, prepared by TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain (registered valuer). Upon this Scheme coming into effect, the Company shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of the DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.

The Board notes that no difficulties were faced by the valuer, namely TRC Corporate Consulting Private Limited and Mr. Mukesh Chand Jain, in preparing the share entitlement ratio report dated 14.11.2023.

For and on behalf of **DCM Shriram International Limited**

**Sd/-**

Alok B. Shriram  
Director  
DIN: 00203808

**Place:** New Delhi  
**Date:** 14.11.2023

## Annexure-10

To,

14<sup>th</sup> November, 2023

|  |  |   |  |
|--|--|---|--|
| <b>Board of Directors,</b><br><br><b>Lily Commercial Private Limited</b><br>404 Akashdeep Building, 26A,<br>Barakhamba Road, New Delhi -<br>110001 | <b>Board of Directors,</b><br><br><b>DCM Shriram Industries Limited</b><br>6 <sup>th</sup> floor, 610 Kanchenjunga<br>Building 18, Barakhamba Road,<br>New Delhi- 110001 | <b>Board of Directors,</b><br><br><b>DCM Shriram Fine Chemicals Limited</b><br>6 <sup>th</sup> floor, Kanchenjunga<br>Building, 18, Barakhamba<br>Road, New Delhi, Delhi 110001 | <b>Board of Directors,</b><br><br><b>DCM Shriram International Limited</b><br>6 <sup>th</sup> floor, Kanchenjunga Building,<br>18, Barakhamba Road, New Delhi,<br>Delhi 110001 |
|--|--|---|--|

**Subject:** Recommendation of Fair Equity Exchange ratio for the proposed Amalgamation of Lily Commercial Private Limited into and with DCM Shriram Industries Limited and subsequent share entitlement ratio for the proposed demerger of Chemical and Rayon Undertakings of DCM Shriram Industries Limited into DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited.

**Dear Sir/Madam,**

This is in accordance with the terms of reference set out in our engagement letter dated 4<sup>th</sup> July 2023, wherein **Mr. Mukesh Chand Jain, Registered Valuer/ IBBI/RV/05/2020/13666** (hereinafter referred to as 'We') and **TRC Corporate Consulting Private Limited** (hereinafter referred to as 'TRC' and collectively referred to as 'Valuer') have been appointed for providing valuation services to DCM Shriram Industries Limited (hereinafter referred to as 'DCMSR') and Lily Commercial Private Limited (hereinafter referred to 'LCPL' and collectively referred to as 'Client' or 'amalgamating companies') in connection with estimating Fair Equity Exchange ratio for the amalgamation of LCPL into and with DCMSR and subsequent share entitlement ratio for the proposed demerger of Chemical Undertaking and Rayon Undertaking of DCMSR, into two separate companies, namely, DCM Shriram Fine Chemicals Limited ('DSFCL' or 'Resultant Company 1') and DCM Shriram International Limited ('DSIL' or 'Resultant Company 2'), respectively with demerged DCMSR being the residual undertaking (DSFCL and DSIL are hereinafter collectively referred to as the "Resultant Companies" and DCMSR, shall be referred to as the transferor) (hereinafter amalgamating Companies and resultant companies shall collectively be referred as 'Companies').

## 1. Purpose of this Report

We understand that the Board of Directors of DCMSR believes that (a) the 3 (three) segregated business verticals of sugar (including alcohol and power), chemicals and rayon (including defence and engineering projects) being diverse in nature with no critical business inter-dependencies, would be best placed in independent companies; (b) the separated undertakings being part of separate companies would have a greater possibility of inviting specialised and strategic investors and joint venture partners, and the demerger would likely increase shareholder value and focus each company on specific business, leading to faster growth and better price discovery; and (c) the family members constituting the ‘promoter and promoter group’ of DCMSR should have direct ownership in each vertical (instead through investment company(ies)) so that they can take independent decisions on their respective shareholdings.

In view of above, the Board of Directors of each of the companies has preferred a composite scheme of arrangement (the ‘Scheme’) which deals with the amalgamation of LCPL and DCMSR as the first step and the subsequent demergers of the Chemical Undertaking and the Rayon Undertaking of DCMSR to DSFCL and DSIL, respectively, as it is more efficient, less costly and in the interest of its shareholders, creditors and employees, so that simultaneously three separate verticals namely sugar, chemical and rayon, emerge at the end of the process after the Scheme is sanctioned as a whole.

The Scheme is expected to provide the following benefits to the Companies and its various stakeholders:

- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;
- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;
- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of the Resultant Companies, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- (xiii) Facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR and the Resultant Companies.

In this regard, we have been requested to recommend Fair Equity Exchange Ratio for the Proposed Amalgamation and share entitlement ratio for the Proposed Demerger.

## 2. Background of Companies

### 2.1. Lily Commercial Private Limited. (LCPL)

Lily Commercial Private Limited (LCPL) is a Private Company, which was incorporated on 27<sup>th</sup> March 1985. The CIN of LCPL is U65923DL1985PTC306331 and its registered office is Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi Central Delhi DL 110001.

A composite scheme of amalgamation for the merger of Versa Trading Private Limited, Bantam Enterprises Private Limited, Hi-Vac Wares Private Limited and HR Travels Private Limited into and with the LCPL with effect from 1 April 2023 (which is the appointed date under the scheme) has been filed with the National Company Law Tribunal, Bench at Delhi (“Pending Merger Scheme”) and is currently pending sanction. In the interim period, LCPL has made a Rights Issue of shares and the shareholding pattern of LCPL including the same and on sanction of the Pending Merger Scheme shall be as under:



| Name of Shareholders                             | Number of shares | % Holding     |
|--|------------------|---------------|
| Mr. Alok B. Shriram (Karta- L.Bansi Dhar & Sons) | 3,02,199         | 27.60         |
| M/s Akshay Foundation                            | 74,779           | 6.83          |
| Mrs. Urvashi Tilak Dhar                          | 1,47,971         | 13.51         |
| Mrs. Divya Shriram                               | 91,638           | 8.36          |
| Mrs. Suman Bansi Dhar                            | 44,147           | 4.03          |
| Mrs. Karuna Shriram                              | 1,03,975         | 9.50          |
| Mr. Madhav B Shriram                             | 1,09,278         | 9.98          |
| Ms. Kanika Shriram                               | 36,589           | 3.34          |
| Mr. Rudra Shriram                                | 24,089           | 2.20          |
| Mr. Akshay Dhar (Karta Tilak Dhar & Sons HUF)    | 12,767           | 1.17          |
| Mr. Akshay Dhar                                  | 31,997           | 2.92          |
| Ms. Aditi Dhar                                   | 31,928           | 2.91          |
| Mr. Alok B. Shriram                              | 60,020           | 5.48          |
| Mr. Uday Shriram                                 | 23,528           | 2.15          |
| Mr. Rohan Shriram                                | 212              | 0.02          |
| Mr. S.K. Jain                                    | 8                | 0.00          |
| <b>Total</b>                                     | <b>10,95,125</b> | <b>100.00</b> |

(Source: As per Information provided by the management)

## 2.2. DCM Shriram Industries Limited (DCMSR)

DCM Shriram Industries Limited is a public limited company incorporated under the Companies Act, 1956 on 21<sup>st</sup> February 1989. It is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in India. It has its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi- 110001, India. Its CIN is L74899DL1989PLC035140. It is a manufacturing company with a portfolio of products comprising sugar, alcohol, fine chemicals, industrial fibers, Defense and engineering products.

## 2.3. DCM Shriram Fine Chemicals Limited (DSFCL)

DCM Shriram Fine Chemicals Limited is a public limited company incorporated on 29<sup>th</sup> September 2021 under the Companies Act 2013 and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, India. It bears the Corporate Identification number U24296DL2021PLC387429. DSFCL which is a wholly owned subsidiary of DCMSR. The main objects of the DSFCL are production and sale of chemicals and their by-products and to undertake contract manufacturing of chemical products.

## 2.4 DCM Shriram International Limited (DSIL)

DCM Shriram International Limited is a public limited company incorporated on 7<sup>th</sup> September 2022 under the Companies Act 2013 and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India. It bears the Corporate Identification Number U17299DL2022PLC404291. DSIL which is a wholly owned subsidiary of DCMSR. The main objects of the DSIL are manufacturing and dealing in industrial fibres, automobiles, agricultural implements and defense related equipment.

## 3. Proposed Transaction

We understand that the Board of Directors of the Companies is contemplating to undertake the Proposed Transaction, which shall occur and become effective and operative only in the sequence and in the order as mentioned below:

Step 1: Amalgamation of LCPL into DCMSR, and consequently DCMSR to issue Equity Shares to shareholders of LCPL; and

Step 2: Following the amalgamation referred to above, demerger of the Chemical undertaking and Rayon undertaking from DCMSR into Resultant Company 1 ('DSFCL'), and Resultant Company 2 ('DSIL'), respectively, and consequently, DSFCL and DSIL to issue Equity Shares to Shareholders of DCMSR.

The Appointed Date for the Scheme means the opening of business hours on April 01, 2023 or such other date as the NCLT may direct/allow. The Scheme will come into effect from the Effective Date (as defined in the Scheme), being the date on which all conditions and matters referred to in Clause 7.1 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme.



#### 4. About Valuer

TRC Corporate Consulting Private Limited was incorporated on 30<sup>th</sup> August 1999. It provides services including, valuation & business advisory services, risk advisory & internal audit services, governance, risk and compliance services, asset management services, IBC Advisory, etc.

Mr. Mukesh Chand Jain is an IBBI Registered Insolvency Professional and IBBI Registered Valuer in 'Asset Class- Securities or Financial Assets' under the Registration number IBBI/RV/05/2020/13666. He has carried out a number of valuations under the provisions of the Companies Act 2013 which include valuation of mergers/acquisitions, ESOPS, Intangible assets, Purchase Price Allocation, etc.

#### 5. Scope of Report

- 5.1. Mr. Mukesh Chand Jain, an IBBI registered valuer has been appointed by the client in accordance with the requirement of Company Law and Security and Exchange Board of India for the purpose of current valuation along with TRC Corporate Consulting Private Limited (TRC). Mr. Mukesh Chand Jain has independently verified the information and carried out the valuation exercise and TRC has provided support in collating/arranging the information & data.
- 5.2. Management of DCMSR ("Management") is contemplating the Proposed Transaction. In consideration thereof, equity shares of DCMSR will be issued to the equity shareholders of LCPL in lieu of their shareholding in LCPL equivalent in aggregate to LCPL shareholding in DCMSR. Thereafter, equity shares of Resultant Company 1 and Resultant Company 2 will be issued to the equity shareholders of DCMSR in lieu of their shareholding in DCMSR. The Fair Equity Share Exchange Ratio and Share Entitlement Ratio of this document refer to the number of equity shares of DCMSR, which would be issued to equity shareholders of LCPL in lieu of their equity shareholding in LCPL, and subsequently, equity shares of Resultant Company 1 and Resultant Company 2 which would be issued to the equity shareholders of DCMSR in lieu of their shareholding in DCMSR, pursuant to the Proposed Transaction.
- 5.3. For the aforesaid purpose, the management of amalgamating companies has appointed Mr. Mukesh Chand Jain (Reg No. IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited to recommend the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio, for the issue of DCMSR's equity shares to the equity shareholders of LCPL, and subsequent issue of equity shares of Resultant Company 1 and Resultant Company 2 to the equity shareholders of DCMSR, to be placed before the Board of Directors of Companies, and, to the extent mandatorily required under applicable laws of India, this document may be produced before statutory or regulatory authorities as may be required, in connection with Proposed Transaction.
- 5.4. The scope of our service is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and report on the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio for the Proposed Transaction in accordance with ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountant of India and rules and regulations issued by Security and Exchange Board of India.
- 5.5. For the purpose of arriving at the valuation of the Companies, we have considered the valuation base as "Fair Value". Our valuation, and this report, is based on the premise of going concern value. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.
- 5.6. We have considered financial information of the Companies up to 31<sup>st</sup> March 2023 ("Valuation Date") in our analysis and the Companies have represented that there is no material change in the financial position till the date of this report which will have a bearing on the valuation analysis. Further, the Managements have informed us that they do not expect any events which are unusual or not in normal course of business upto the effective date of the Proposed Transaction, other than the events specifically mentioned in this report. We have relied on the above while arriving at the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio for the Proposed Transaction.
- 5.7. This report is our deliverable in respect of our recommendation to the Companies of the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio for the Proposed Transaction.
- 5.8. This report and the information contained herein is absolutely confidential. Our report will be used by the Companies only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares/ business of the Companies/ their holding companies/ subsidiaries/ associates/ investee companies/ other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than the Companies) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to us. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 5.9. It is clarified that reference to this valuation report in any document and / or filing with aforementioned tribunal/ judicial/ regulatory

authorities/ government authorities/ stock exchanges / courts / shareholders / professional advisors / merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by us of any responsibility or liability to any person / party other than the Companies. In any case, our aggregate liability shall be restricted to the fee that we have received from this assignment, as set out in our engagement letter.

- 5.10. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## 6. Source of Information

For the purpose of undertaking this exercise, we have relied on the following sources of information provided by the management of LCPL and DCMSR:

- 6.1 Management signed Balance Sheet of LCPL, as on 31<sup>st</sup> March 2023, based on post amalgamation position, the scheme in regard to which is pending in NCLT (refer para 2.1 of this report).
- 6.2 Draft Composite Scheme of Arrangement of the proposed transaction
- 6.3 Necessary information and explanations including the Transaction structure, are required for the purpose of our estimation.
- 6.4 For our analysis, we have relied on published and secondary sources of data, whether or not made available by the client. We have not independently verified the accuracy or timeliness of the same.
- 6.5 The Companies have been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final report.

## 7. Limitation and Disclaimer

- 7.1. Valuation analysis and result are specific to the purpose of valuation and the transaction date mentioned in the valuation report which is 31<sup>st</sup> March 2023. It may not be valid for any other purpose or as at any other date. We assume no responsibility to update valuation report for events and circumstances occurring after the date of this report.
- 7.2. This report is intended only for the use by Companies and its relevant authorities and for the purpose mentioned in the report, and accordingly, will not be copied, referred to or disclosed, in whole or in part, to outside parties for any other purpose without our prior express written consent, unless the Companies are required to do so under applicable laws.
- 7.3. Our report is not nor should it be construed as our opining or certifying the compliance of the Proposed Transaction with the provisions of any law / standards including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Transaction. Our report is not nor should it be construed as our recommending the Proposed Transaction or anything consequential thereto / resulting therefrom. This report does not address the relative merits of the Proposed Transaction as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies / their shareholders / creditors regarding whether or not to proceed with the Proposed Transaction shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Transaction. This report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Transaction. Our report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion. It should be noted that our valuation neither constitute recommendations to you as to whether or not to proceed with the Proposed Transaction nor constitute an offer for or invitation to any third party for investing in, or in the assets and liabilities of the Company. Any third user intending to provide finance / invest in the shares/business of the company and/or the client, its subsidiaries, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.4. This report is based on the information provided by the Companies. We have not independently verified or checked the accuracy or timeliness of the same. Valuation is not a precise art and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment and management assumptions. There is, therefore, no indisputable single exchange ratio.
- 7.5. The Companies may disclose this report to their professional advisors involved in the proposed transaction, provided that when doing so the Companies inform them that, to the fullest extent permitted by law, we accept no responsibility or liability to them in connection with our report and our work for the Companies, and disclosure by them (save for their own internal purposes) is not permitted without our consent.
- 7.6. We have not, pursuant to this Letter of Engagement, performed any management functions for you nor make any decisions. You are responsible for making management decisions, including accepting responsibility for the results. Additionally, management of

Companies is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations, establishing and maintaining internal controls, and monitoring on going activities.

- 7.7. Competent management assumed - It should be specifically noted that the valuation assumes the property/business will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of Companies' management effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend. This report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited / unaudited balance sheets of the Companies/ their holding/ subsidiary/ associates / joint ventures/ investee companies, if any.
- 7.8. The future projections are the responsibility of the respective management of the Companies. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both - the most likely set of future business events and circumstances and the respective management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or is not anticipated and therefore, actual results during the forecast period may differ from the forecast and such differences may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from generally accepted databases and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services, and does not include verification or validation work. In accordance with the terms of our engagement letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical and projected financial information, if any, provided to us regarding the Companies / their holding / subsidiary / associates / joint ventures/ investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report.
- 7.9. We accept no responsibility for any error or omission in the report which is due to an error or omission in data, information or statements supplied to us by other parties including the Companies ('Data'). We have not independently verified such Data and have assumed it to be accurate, complete, reliable and current as of the date of such information and accordingly, express no opinion or make any representation concerning its accuracy and completeness and to that extent, the information may not be reliable. We accept no responsibility for matters not covered by the report or omitted due to limited nature of our analysis.
- 7.10. We are not responsible for determining the difference between price-sensitive and non- price sensitive information. All information supplied to us (in whatever form) that is not in the public domain is confidential information for the purposes of this engagement. We recommend that you obtain legal advice to ensure that information supplied to us is not in contravention of any applicable laws and regulations.
- 7.11. The Valuers are independent of the Client / Company and have no current or expected interest in the Company or its assets. The fee paid for the services in no way influence the results of the valuation analysis.
- 7.12. In case of Dispute – Any dispute or disputes shall be first resolved by attempted negotiation at the highest executive levels between the parties. In the event such executive negotiation is unsuccessful, the dispute or disputes shall either be decided by a sole Arbitrator mutually appointed by the parties or as approved by concerned authority. The arbitration proceeding under this clause will be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment in lieu thereof. The arbitration proceedings shall be in English language, venue of the arbitration shall be New Delhi and cost of arbitration will be borne by the parties in equal share. The award of the Arbitrators shall be final, conclusive and binding on both the parties.

## 8. Procedure Adopted

In connection with this exercise, we have adopted the following procedures to carry out the valuation:



- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Discussion with the management to understand the business and fundamental factors that could affect its earnings-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per ICAI Valuation Standards;
- Determined the fair equity share exchange swap ratio based on the selected methodology.

## 9. Valuation Approach

- 9.1. In accordance with ICAI Valuation Standards 2018, (“Ind VS”) issued by the Institute of Chartered Accountants of India, valuation in case of Proposed Transaction would require determining Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio considering relative values of each company involved. These values are to be determined independently but on a relative basis, and without considering the effect of the Amalgamation.
- 9.2. The three valuation approaches are the market approach, income approach and cost approach. There are various methods under these approaches which are commonly used for valuation purpose such as:

### Under Market Approach, following methods are commonly used

- Market Price Method
- Comparable Companies Multiple (CCM) Method
- Comparable Transaction Multiple Method

### Under Income Approach, following methods are commonly used

- Discounted Cash Flow (DCF) Method
- Relief from Royalty Method
- Multi-period Excess Earning Method
- Option Pricing Model

### Under Cost Approach, following methods are commonly used

- Replacement Cost Method
- Reproduction Cost Method

- 9.3. **Market Approach:** It is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business. The market approach is the most commonly used method to assess the value of a company using the financial metrics of similar companies in the same industry.

Further, as per Regulation 164 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR'), if the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty-six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be computed as per the abovementioned regulations.

- 9.4. **Income Approach:** This approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows. DCF method is considered the most theoretically sound, scientific and acceptable method for determination of the value of a business undertaking. Under this technique, the projected free cash flows from business operations are discounted at “Weighted Average Cost of Capital” to the providers of capital to the business. The sum of the discounted value of such free cash flows is the value of the business.
- 9.5. **Cost Approach:** It is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset.
- 9.5.1. Replacement Cost Method, also known as ‘Depreciated Replacement Cost Method’ involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.
- 9.5.2. Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

This valuation approach is mainly used in case where the assets base dominates earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

LCPL is an investment company holding **4,35,88,680 equity shares** in DCMSR and nominal residual positive net assets amounting INR 1,23,46,243 (comprising of cash balance and other receivables) as on 31.03.2023, after eliminating the value derived from investment held in DCMSR. LCPL has subsequently made a Rights Issue of Equity Shares resulting in an inflow of INR 4,50,00,000. LCPL does not have any other major business operations except receiving dividend income from DCMSR. The number of shares held by LCPL pre and post amalgamation shall not lead to change in shareholding as per the scheme and accordingly, the use of valuation methodologies in current valuation is not applicable and therefore, we have not carried out valuation of these companies under generally accepted valuation approaches namely cost approach, income approach and market approach, being not applicable.

## **10. Basis of Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio**

- 10.1.** The basis of the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio for the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate. Though different values could have been arrived at under each of the above approaches/ methods, for the purposes of recommending the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio it is necessary to arrive at a single value for the shares of the companies involved in a Proposed Transaction. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.
- 10.2.** In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments considering all the relevant factors. There will always be several factors, e.g., quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio of the equity shares of LCPL and DCMSR. The final responsibility for the determination of the exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors of Companies who should consider other factors such as their own assessment of the Proposed Transaction and input of other advisors.

### **10.3. Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio**

#### **Step1: Amalgamation of LCPL into DCMSR**

LCPL is investment company which post approval of Composite Scheme of Arrangement (refer Para 2.1 of this report) shall hold **4,35,88,680 equity shares** in DCMSR. The value of LCPL post amalgamation is majorly derived from such investment in DCMSR. LCPL has a residual positive net asset value of INR 1,23,46,243 (comprising of cash balance and other net receivables) as on 31.03.2023, after eliminating the value derived from investment held in DCMSR and has also done a Rights Issue of Equity Shares subsequently resulting in inflow of INR 4,50,00,000. As per the scheme of arrangement, the cost scheme of arrangement of amalgamation of LCPL with DCMSR shall be borne by LCPL/ shareholders of LCPL and accordingly the residual assets of LCPL and the proceeds of rights issue shall be utilized to bear the cost of amalgamation etc., and accordingly equivalent number of shares shall be issued to shareholder of LCPL as held by LCPL in DCMSR post sanction of composite scheme of arrangement (refer para 2.1 of this report)

Accordingly, we have considered the following to arrive at the share exchange ratio:

- On amalgamation, the equity shares held by LCPL in DCMSR shall be cancelled and DCMSR shall issue Equity Shares directly to the shareholders of LCPL.
- The determination of share exchange ratio would not influence the ultimate value for the LCPL and DCMSR and as such the valuation as per methods discussed under Para 9 of this report is not applicable and thus not adopted.

In light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, in respect of the proposed Amalgamation of LCPL into and with DCMSR, the following is the computation of Fair Equity Share Exchange Ratio:

“1 (One) Equity Share of DCMSR of face value of INR 2/- each fully paid up shall be issued for every 1 (One) Equity Share held by LCPL in DCMSR to the shareholders of LCPL in proportion to their shareholding in LCPL”

#### **Step2: Demerger of DCMSR into DSFCL and DSIL**

From discussions with the management and from the Scheme, we understand that:



- The management of DCMSR is contemplating to demerge Chemical undertaking and Rayon Undertaking from DCMSR into DSFCL and DSIL respectively.
- DSFCL and DSIL are wholly owned subsidiaries of DCMSR.
- Upon the Scheme becoming effective, the equity shares held by DCMSR and its nominees in DSFCL and DSIL will be cancelled and shareholders of DCMSR will be entitled to the shares of the Resultant Companies
- Simultaneously and concurrent with the above cancellation upon the scheme becoming effective, shareholders of DCMSR will be entitled to shares in DSFCL and DSIL in the same proportion in which they own shares in DCMSR.
- Upon the scheme becoming effective, the beneficial economic interest of the shareholders of DCMSR in the paid up equity share capital of DSFCL and DSIL would be the same as it is in the paid up equity share capital of DCMSR.
- Upon the Scheme becoming effective, all equity shares of Resultant Company 1 and Resultant Company 2 shall, subject to the execution of the listing agreement, be listed on the Stock exchanges, and/or admitted to trading if any.

The determination of share entitlement ratio would not impact the ultimate value for the shareholders of DCMSR and the proposed demerger of the Chemical undertaking and Rayon undertaking of DCMSR into DSFCL and DSIL respectively, will be value neutral to DCMSR's shareholders. Therefore, the determination of share entitlement ratio in the instant case and a detailed valuation of the companies to determine the share entitlement ratio would not be applicable in the present case. Accordingly, we have not carried out valuation of these companies under generally accepted valuation approaches namely cost approach, income approach and market approach, being not applicable.

Based on the aforesaid discussion, considering that all shareholders of DCMSR are and will, upon demerger, become shareholders of DSFCL and DSIL, holding beneficial interest in the same proportion as they hold in DCMSR, the following proposed share entitlement ratio is fair to the shareholders of DCMSR in relation to the proposed demerger.

**“1 (One) Equity Share of DSFCL of face value of INR 2/- each fully paid up for every 1 (One) equity share of DCMSR of face value of INR 2/- each fully paid up”; and**

**“1 (One) Equity Share of DSIL of face value of INR 2/- each fully paid up for every 1 (One) equity share of DCMSR of face value of INR 2/- each fully paid up”**

## **11. Conclusion**

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following share exchange/ entitlement ratios for consideration:

### **Pursuant to amalgamation of LCPL into DCMSR**

**“1 (One) Equity Share of DCMSR of face value of INR 2/- each fully paid up shall be issued for every 1 (One) Equity Share held by LCPL in DCMSR to the shareholders of LCPL in proportion to their shareholding in LCPL”;**

In view of above share exchange ratio, the number of DCMSR shares held by LCPL shall stand cancelled.

### **Pursuant to demerger of the Chemical Undertaking and Rayon Undertaking of DCMSR into the DSFCL and DSIL respectively.**

**“1 (One) Equity Share of DSFCL of face value of INR 2/- each fully paid up for every 1 (One) equity share of DCMSR of face value of INR 2/- each fully paid up”; and**

**“1 (One) Equity Share of DSIL of face value of INR 2/- each fully paid up for every 1 (One) equity share of DCMSR of face value of INR 2/- each fully paid up”**

Our Equity Share Exchange ratio/Equity share entitlement ratio is based on the equity share capital structure of LCPL and DCMSR and any variation in the equity exchange capital of LCPL and DCMSR may have a material impact on the Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio.

### **Authorised Signatories:**

#### **For TRC Corporate Consulting Private Limited**

Sd/-

Mr. Kshitij Goel

Director

Date: 14.11.2023

Place: Gurugram, India

#### **Registered Valuer**

Sd/-

Mr. Mukesh Chand Jain

Reg No: IBBI/RV/05/2020/13666

UDIN: F010483E001864467

Date: 14.11.2023

Place: Delhi, India

November 14, 2023

The Board of Directors/ Audit Committee / The Committee of Independent Directors  
**DCM Shriram Industries Limited**  
Kanchenjunga Building 18, Barakhamba Road  
New Delhi 110001

Dear Members of the Board, Audit Committee and Committee of Independent Directors,

**Sub: Fairness opinion on**

- (i) **the Share Exchange Ratio for the proposed amalgamation of Lily Commercial Private Limited (“LCPL”) into and with DCM Shriram Industries Limited and;**
- (ii) **the Share Entitlement Ratio for the proposed demerger of Chemicals and Rayon undertakings of DCM Shriram Industries Limited (“DCMSR”) into DCM Shriram Fine Chemicals Limited (“DSFCL”) and DCM Shriram International Limited (“DSIL”).**

We refer to the Engagement Letter dated 5<sup>th</sup> July, 2023 with Centrum Capital Limited (hereinafter referred to as “**Centrum**” or “**us**” or “**we**”) wherein DCM Shriram Industries Limited (hereinafter referred to as “**you**” or “**DCM**” or “**DSCMSR**” or “**the Company**” or “**Demerged Company**”) has requested us to provide a fairness opinion on the fair exchange ratio as on November 14, 2023 (“**Valuation Date**”) recommended by Mr. Mukesh Chand Jain, Registered Valuer/ IBBI/RV/05/2020/13666 and TRC Corporate Consulting Pvt. Ltd. (“**TRC**”, collectively referred to as “**Valuer**”) for the proposed amalgamation of Lily Commercial Private Limited (“**LCPL**”) into and with DCMSR and on the fair entitlement ratio for subsequent demerger of Chemical Undertaking and Rayon Undertaking of DCMSR, into two separate companies namely, **DCM Shriram Fine Chemicals Limited (“DSFCL” or “Resultant Company 1”) and DCM Shriram International Limited (“DSIL” or “Resultant Company 2”, collectively referred to as “Resultant Companies”)**(as defined in the Composite Scheme of Arrangement hereinafter referred to as “**Scheme**”) of the Company on a going concern basis.

**Scope and Purpose of the Report**

- 1.1.1 We understand that the Company is evaluating: (a) Amalgamation of LCPL into and with DCMSR and (b) subsequent to this amalgamation, the resultant DCMSR shall demerge its Chemical Undertaking and Rayon Undertaking, into two separate companies, namely, DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited respectively, (DSFCL and DSIL are hereinafter collectively referred to as the “**Resultant Companies**”).
- 1.1.2 The consideration with respect to proposed amalgamation will be the issue and allotment of the equity shares of DCMSR to the shareholders of LCP Lin accordance with the Share Exchange Ratio as recommended by the Valuer. Further, with respect to the proposed demerger will be issue and allotment of equity shares of the Resultant Companies to all the shareholders of the DCMSR in accordance with the Share Entitlement Ratio as recommended by the Valuer. The proposed re-arrangement and amalgamation is to be carried out pursuant to the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013, as amended and other applicable provisions of the Companies Act, 2013.

The draft Composite Scheme of Arrangement (“**Scheme**”) provides for the following:

- (i) The amalgamation of LCPL into and with DCMSR and (b) subsequent to the amalgamation, the resultant DCMSR shall demerges its Chemical Undertaking and Rayon Undertaking into two separate companies, namely, Resultant Company 1 and Resultant Company 2, respectively.
- (ii) Issue and allotment of equity shares of DCMSR to the equity shareholders of LCPL as per the Share Exchange Ratio recommended by the Valuer and subsequent cancellation of the shares of DCMSR held by LCPL.
- (iii) Issue and allotment of equity shares of the Resultant Companies to all the shareholders of the DCMSR in proportion to their shareholding in DCMSR, as consideration for the transfer of the Chemical Undertaking and Rayon Undertaking, in such manner that the shareholding of the DCMSR and Resultant Companies mirror one another;
- (iv) Simultaneously with the issue and allotment of equity shares of the Resultant Companies to the shareholders of the Demerged Company,

the existing equity shares of the Resultant Companies which are held by DCMSR shall stand cancelled;

- (v) The Appointed Date means the opening of business hours on April 1, 2023 or such other date as the NCLT may direct/allow; and
- (vi) The Scheme will come into effect from the Effective Date (as defined in the Scheme), being the date on which all conditions and matters referred to in Clause 7.1 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme.

In connection with the aforesaid, the Management of DCMSR (“**Management**”) has engaged Centrum to submit a fairness opinion report on the Share Exchange Ratio and Share Entitlement Ratio, with respect to the Proposed Transaction.

Our scope of work includes commenting only on the fairness of the Share Exchange Ratio and Share Entitlement Ratio with respect to the Proposed Transaction for the consideration of the Board of Directors and committees of the Board of the Company.

This report is our deliverable in respect of the above engagement. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

This report has been issued for facilitating the Proposed Transaction and should not be used for any other purpose. The aforesaid re-arrangement and amalgamation shall be pursuant to the Draft Composite Scheme of Arrangement and shall be subject to the receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory/ regulatory approvals as may be required. The Scheme is also subject to approval by the shareholders of the DCMSR in accordance with the requirements set out under paragraphs 10(a) and 10(b) of Part-I of the SEBI Master Circular bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”). The detailed terms and conditions of the Proposed Transaction is fully set forth in the Composite Scheme of Arrangement. Centrum has issued this Fairness Opinion with the understanding that Composite Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Composite Scheme of Arrangement alters the Proposed Transaction.

## BACKGROUND

### Lily Commercial Private Limited

LCPL is a private limited company incorporated under the Companies Act, 1956 and having its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, New Delhi, India. The Corporate Incorporation Number of LCPL is U65923DL1985PTC306331.

A composite scheme of amalgamation for the merger of Versa Trading Private Limited, Bantam Enterprises Private Limited, Hi-Vac Wares Private Limited and HR Travels Private Limited into and with the LCPL with effect from 1 April 2023 (which is the appointed date under the scheme) has been filed with the National Company Law Tribunal, Bench at Delhi (“Pending Merger Scheme”) and is currently pending sanction. The entire paid up share capital of Versa Trading Private Limited, Bantam Enterprises Private Limited, Hi-Vac Wares Private Limited, HR Travels Private Limited and LCPL are held by the Promoter/ Promoter Group of DCM Shriram Industries Limited.

On sanction, LCPL shall hold 4,35,88,680 equity shares in DCMSR. The total issued and subscribed share capital of LCPL comprised of 4,77,963 number of Equity Shares of face value Rs. 100 each as on March 31, 2023. In the interim period, LCPL has made a Rights Issue of 4,50,000 shares and the shareholding pattern of LCPL including the same and on sanction of the Pending Merger Scheme shall be as under:

The shareholding pattern as at October 31, 2023 is as follows:

| Sr. No. | Shareholders Name                                 | Lily Shareholding (Pre-merger) |       | Lily Shareholding (Post approval of pending Merger) |       |
|---------|---|--------------------------------|-------|---|-------|
|         |   | No. of Equity Shares           | %     | No. of Equity Shares                                | %     |
| 1       | Alok Shriram- Karta Lala Banshi Dhar & Sons (HUF) | 2,68,491                       | 28.94 | 3,02,199  | 27.60 |
| 2       | Mrs. Suman Banshi Dhar                            | 17,470                         | 1.88  | 44,147  | 4.03  |
| 3       | Mr. Akshay Dhar-Karta Tilak Dhar & Sons HUF       | 1,264                          | 0.14  | 12,767  | 1.17  |
| 4       | Mrs. Urvashi Tilak Dhar                           | 1,16,089                       | 12.51 | 1,47,971  | 13.51 |
| 5       | Mr. Akshay Dhar                                   | 23,528                         | 2.53  | 31,997  | 2.92  |
| 6       | Ms. Aditi Dhar                                    | 23,459                         | 2.53  | 31,928  | 2.91  |
| 7       | Mr. Alok B Shriram                                | 60,020                         | 6.47  | 60,020  | 5.48  |
| 8       | Mrs. Karuna Shriram                               | 78,571                         | 8.46  | 1,03,975  | 9.50  |

|    |                              |                 |               |                  |               |
|----|------------------------------|-----------------|---------------|------------------|---------------|
| 9  | Ms. Kanika Shriram           | 12,884          | 1.39          | 36,589           | 3.34          |
| 10 | Mr. Rudra Shriram            | 12,875          | 1.39          | 24,089           | 2.20          |
| 11 | Mr. Madhav B Shriram         | 86,944          | 9.37          | 1,09,278         | 9.98          |
| 12 | Mrs. Divya Shriram           | 53,878          | 5.81          | 91,638           | 8.36          |
| 13 | Mr. Uday Shriram             | 23,528          | 2.53          | 23,528           | 2.15          |
| 14 | Mr. Rohan Shriram            | 0               | 0             | 212              | 0.02          |
| 15 | Akshay Foundation            | 74,779          | 8.06          | 74,779           | 6.83          |
| 16 | Mr. S.K. Jain                | 7               | 0             | 8                | 0.00          |
| 17 | Versa Trading Pvt. Ltd       | 11,183          | 1.20          | 0                | 0.00          |
| 18 | Bantam Enterprises Pvt. Ltd. | 31,733          | 3.42          | 0                | 0.00          |
| 19 | Hi-vac Wares Pvt. Ltd        | 709             | 0.08          | 0                | 0.00          |
| 20 | H.R. Travels Pvt. Ltd        | 30,551          | 3.29          | 0                | 0.00          |
|    | <b>Total</b>                 | <b>9,27,963</b> | <b>100.00</b> | <b>10,95,125</b> | <b>100.00</b> |

### DCM Shriram Industries Limited

DCMSR is a public Company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. L74899DL1989PLC035140 and having its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi – 110001, New Delhi, India. It has three main business segments;

- Sugar comprising sugar, power and alcohol;
- Industrial Fibres comprising rayon, synthetic yarn, cord, fabric, etc.;and
- Chemicals comprising organics and fine chemicals.

The equity shares of the Demerged Company are listed on BSE Limited and the National Stock Exchange of India Limited.

As a consequence of the demerger, the Residual Undertaking as defined in the scheme shall be vested in DCMSR, viz. sugar (including alcohol and power).

The shareholding pattern as at September 30, 2023 is as follows:

| Sr No. | Name of Equity Shareholder                    | No. of Equity Shares | %             |
|--------|---|----------------------|---------------|
|        | Promoter & Promoter Group                     |                      |               |
| 1.     | Divya Shriram                                 | 435                  | 0.00          |
| 2.     | Akshay Dhar                                   | 500                  | 0.00          |
| 3.     | Aditi Dhar                                    | 500                  | 0.00          |
| 4.     | Bantam Enterprises Pvt Ltd.                   | 67,84,840            | 7.80          |
| 5.     | Versa Trading Private Limited                 | 1,33,03,540          | 15.29         |
| 6.     | H. R. Travels Pvt. Ltd.                       | 32,12,900            | 3.69          |
| 7.     | Lily Commercial Pvt. Ltd.                     | 1,63,21,115          | 18.76         |
| 8.     | Hi-Vac Wares Private Limited                  | 39,66,285            | 4.56          |
|        | <b>Total Promoter &amp; Promoter Group(A)</b> | <b>4,35,90,115</b>   | <b>50.11</b>  |
| 9.     | Public (B)                                    | 4,34,02,070          | 49.89         |
|        | <b>Total Number of Equity Shares (A)+(B)</b>  | <b>8,69,92,185</b>   | <b>100.00</b> |

### DCM Shriram Fine Chemicals Limited

DSFCL is a public limited company incorporated under the Act and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India. The company, a wholly owned subsidiary of DCMSR, was incorporated on 29 September 2021 with the Registrar of Companies, Delhi. The Corporate Incorporation Number of DSFCL is U24296DL2021PLC387429. As a consequence of the demerger, the Chemical Undertaking (as per the scheme) of DCMSR shall be demerged to and be vested in DSFCL. The equity shares of DSFCL are not listed at present.

The shareholding pattern as at September 30, 2023 is as follows:

| Sr No. | Name of Equity Shareholder  | No. of Equity Shares | %      |
|--------|---|----------------------|--------|
| 1.     | DCM Shriram Industries Limited (Promoter)                                 | 9,99,99,994          | 100.00 |
| 2.     | Alok B. Shriram jointly with<br>DCM Shriram Industries Limited (Promoter) | 1                    | 0.00   |
| 3.     | Madhav B. Shriram jointly with  | 1                    | 0.00   |

|                                      |  |                     |               |
|--------------------------------------|--|---------------------|---------------|
|                                      | DCM Shriram Industries Limited (Promoter)                                  |                     |               |
| 4.                                   | Vineet Manaktala jointly with<br>DCM Shriram Industries Limited (Promoter) | 1                   | 0.00          |
| 5.                                   | Yagya Datt Gupta jointly with<br>DCM Shriram Industries Limited (Promoter) | 1                   | 0.00          |
| 6.                                   | Rohan Shriram jointly with<br>DCM Shriram Industries Limited (Promoter)    | 1                   | 0.00          |
| 7.                                   | Ashish Jha jointly with<br>DCM Shriram Industries Limited (Promoter)       | 1                   | 0.00          |
| <b>Total Number of Equity Shares</b> |  | <b>10,00,00,000</b> | <b>100.00</b> |

### DCM Shriram International Limited

DSIL is a public limited company incorporated under the Act and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India. The company, a wholly owned subsidiary of DCMSR, was incorporated on 7 September 2022 with the Registrar of Companies, Delhi. The Corporate Incorporation Number of DSIL is U17299DL2022PLC404291. As a consequence of the demerger the Rayon Undertaking (as per the scheme) of DCMSR shall be demerged to and be vested in DSIL. The equity shares of DSIL are not listed at present.

The shareholding pattern as at September 30, 2023 is as follows:

| Sr No.                               | Name of Equity Shareholder  | No. of Equity Shares | %             |
|--------------------------------------|---|----------------------|---------------|
| 1.                                   | DCM Shriram Industries Limited (Promoter)                                       | 49,994               | 100.00        |
| 2.                                   | Alok B. Shriram jointly with<br>DCM Shriram Industries Limited (Promoter)       | 1                    | 0.00          |
| 3.                                   | Kanika Shriram jointly with<br>DCM Shriram Industries Limited (Promoter)        | 1                    | 0.00          |
| 4.                                   | Rudra Shriram jointly with<br>DCM Shriram Industries Limited (Promoter)         | 1                    | 0.00          |
| 5.                                   | Karuna Shriram jointly with<br>DCM Shriram Industries Limited (Promoter)        | 1                    | 0.00          |
| 6.                                   | Sunil Kumar Chowdhary jointly with<br>DCM Shriram Industries Limited (Promoter) | 1                    | 0.00          |
| 7.                                   | Sushil Kumar Jain jointly with<br>DCM Shriram Industries Limited (Promoter)     | 1                    | 0.00          |
| <b>Total Number of Equity Shares</b> |   | <b>50,000</b>        | <b>100.00</b> |

### RATIONALE OF THE PROPOSED TRANSACTION

“The proposed Scheme is in the best interest of the stakeholders of each of the companies involved in this Scheme for the reason explained in Clause 1.2 of the Scheme. The amalgamation and demergers contained in the Scheme shall result in:

- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;
- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;
- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of the Resultant Companies, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long



- term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and*
- (xiii) *facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR and the Resultant Companies.*

## SOURCES OF INFORMATION

We have relied on the following information received from the Management in connection with the exercise:

- Draft and Final report by Valuer dated November 14, 2023;
- Draft Composite Scheme of Arrangement;
- Audited financials of DCMSR for FY20-21, FY21-22 and FY22-23;
- Audited financials of DSIL for FY22-23;
- Audited financials of DSFCL for FY21-22 and FY22-23;
- Audited financials of LCPL for FY20-21, FY21-22 and FY22-23;
- Pre and post scheme shareholding patterns of LCPL, DCMSR, DSFCL and DSIL;
- Background information provided through e-mails and/or during discussions.

We have also obtained further explanations and information from the Management considered reasonably necessary for our exercise.

## PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedure to issue a fairness opinion.

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (physical/over call) with the Management to:
- Understand the rationale of the Proposed Transaction
- Seek clarifications wherever required

## BASIS OF OPINION

### APPROACH

The Share Exchange Ratio and Share Entitlement Ratio is based on the Valuation report dated November 14, 2023 submitted by the Valuer.

### Step1: Amalgamation of LCPL into DCMSR

**“1 (One) Equity Share of DCMSR of face value of INR 2/- each fully paid up shall be issued for every 1 (One) Equity Share held by LCPL in DCMSR to the shareholders of LCPL in proportion to their shareholding in LCPL”**

- On amalgamation, the equity shares held by LCPL in DCMSR shall be cancelled and DCMSR shall issue Equity Shares directly to the shareholders of LCPL.
- The determination of share exchange ratio would not influence the ultimate value for the LCPL and DCMSR.

### Step2: Demerger of DCMSR into DSFCL and DSIL

**“1 (One) Equity Share of DSFCL of face value of INR 2/- each fully paid up for every 1 (One) equity shares of DCMSR of face value of INR 2/- each fully paid up”; and**

**“1 (One) Equity Share of DSIL of face value of INR 2/- each fully paid up for every 1 (One) equity shares of DCMSR of face value of INR 2/- each fully paid up”**

- The management of DCMSR is contemplating to demerge Chemical undertaking and Rayon Undertaking from DCMSR into DSFCL and DSIL respectively.
- DSFCL and DSIL are wholly owned subsidiaries of DCMSR
- Upon the Scheme becoming effective, the equity shares held by DCMSR and its nominees in DSFCL and DSIL will be cancelled and shareholders of DCMSR will be entitled to the shares of the Resultant Companies
- Simultaneously and concurrent with the above cancellation upon the scheme becoming effective, shareholders of DCMSR will be entitled to shares in DSFCL and DSIL in the same proportion in which they own shares in DCMSR.
- The beneficial economic interest of the shareholders of DCMSR in the paid up equity share capital of DSFCL and DSIL would be the same as it is in the paid up equity share capital of DCMSR.
- All equity shares of Resultant Company 1 and Resultant Company 2 shall, subject to the execution of the listing agreement, be listed on the Stock exchanges, and/or admitted to trading if any.
- The determination of share entitlement ratio would not impact the ultimate value for the shareholders of DCMSR and the proposed demerger of the Chemical undertaking and Rayon undertaking of DCMSR into DSFCL and DSIL respectively, will be value neutral to DCMSR's shareholders.

Centrum has taken the foregoing facts (together with the other facts and assumptions set forth in the section Limitation of Scope and Review) into account when determining the meaning of “fairness” for the purpose of this opinion.

#### **LIMITATION OF SCOPE AND REVIEW**

The Fairness Opinion only aims to represent that the Share Exchange Ratio and Share Entitlement Ratio as contained in the Opinion is fair and further that the Fairness Opinion shall be valid only for a limited period of time post Centrum’s assessment of the relevant information. The Fairness Opinion may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. Fairness Opinion assessment and the Opinion are specific to the date of this report. As such, the Opinion is, to a significant extent, subject to continuance of current trends beyond the date of the report. The services do not represent accounting, assurance, accounting/tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

Centrum’s opinion and analysis is limited to the extent of review of documents as provided to Centrum by DCMSR including the Valuation Report dated November 14, 2023, submitted by the Valuer and the draft Composite Scheme of Arrangement.

Centrum has relied upon the accuracy and completeness of all information and documents without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. Centrum has not conducted any independent valuation or appraisal of any of the assets or liabilities of DCMSR. In particular Centrum does not express any opinion as to the value of any asset of DCMSR whether at current prices or in the future.

No due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims. We have assumed that the information provided to us presents a fair image of DCMSR at the Valuation Date. Accordingly, we assume no responsibility for any errors in the above information furnished by the Management and their impact on the present exercise. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable.

Centrum’s opinion is not and should not be construed as Centrum’s opining or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Transaction. In addition, we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Centrum does not express any opinion as to the price at which equity shares of DCMSR may trade at any time, including subsequent to the date of this opinion. In rendering the opinion, Centrum has assumed that the Scheme will be implemented on the terms describe therein, without any waiver or modification of any material terms or conditions and that in course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have adverse effect on DCMSR and/or its subsidiaries and their respective shareholders.

Centrum has also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the Share Exchange Ratio and Share Entitlement Ratio. We acknowledge that this Fairness Opinion will be shared to the extent as may be required, with relevant Tribunal, stock exchanges, advisors of the Companies as well as with statutory authorities in relation to the proposed Scheme. This Fairness Opinion can also be shared with the shareholders of the DCMSR, LCPL, DFSC and DSIL, as may be required, in relation to the proposed Scheme.

Centrum assume no responsibility for updating or revising its opinion based on circumstances or events occurring after the date hereof. Centrum’s opinion is specific to the Proposed Transaction as contemplated in the Scheme as provided to Centrum and is not valid for any other purpose. It is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

Save and except for DCMSR, Centrum owes no responsibility to any person in connection with this Fairness Opinion. It may be noted that Centrum’s liability in connection with this Fairness Opinion shall be limited only to the extent of fees received for the purpose of this engagement. Centrum does not accept any liability to any third party in relation to the issue of this Fairness Opinion. Neither this Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without Centrum’s prior written consent. Centrum retains the right to deny permission for the same.

In the ordinary course of business, Centrum and its affiliates are engaged in securities trading, securities brokerage and investment activities as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Centrum and its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed scheme.

The laws of India govern all matters arising out of or relating to this opinion (including, without limitation, its interpretation, construction, performance, and enforcement). This report is subject to the laws of India.

## OPINION

Having regard to all relevant factors, on the basis of information provided and explanations given to Centrum by the DCMSR and the Valuer, Centrum is of the opinion, on the date hereof to the best of its knowledge and belief, that the above Share Exchange Ratio and Share Entitlement Ratio as recommended by the Valuer is fair to the equity shareholders of DCMSR, LCPL, DFSCCL, DSIL, as applicable.

It should be noted that we have examined only the fairness of the Share Exchange Ratio and Share Entitlement Ratio for the Proposed Transaction and have not examined any other matter including economic rationale for the amalgamation of LCPL with DCMSR and subsequent transfer of the Chemical Undertaking and Rayon Undertaking per se or accounting and tax matters involved in the Proposed Transaction.

Yours truly,

For and on behalf of Centrum Capital Limited

Sd/-

Authorised Signatory

Name: Pranjali Srivastava

Designation: Partner – Investment Banking

Sd/-

Authorised Signatory

Name: Sooraj Bhatia

Designation: AVP – Investment Banking

## Annexure-12



September 17, 2024

DCS/AMAL/TL/R37/3330/2024-25

The Company Secretary,  
DCM SHIRAM INDUSTRIES LTD  
6th Floor, 18,  
Barakhamba Road, Kanchenjunga Bldg,  
New Delhi, Delhi, 110001

Dear Sir,

**Sub: Observation letter regarding the Composite scheme of arrangement amongst Lily Commercial Private Limited (Transferor Company), DCM Shriram Industries Limited (Transferee Company), DCM Shriram Fine Chemicals Limited (Resultant Company 1) and DCM Shriram International Limited (Resultant Company 2) and their respective shareholders and creditors**

We are in receipt of the Composite scheme of arrangement amongst Lily Commercial Private Limited (Transferor Company), DCM Shriram Industries Limited (Transferee Company), DCM Shriram Fine Chemicals Limited (Resultant Company 1) and DCM Shriram International Limited (Resultant Company 2) and their respective shareholders and creditors as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 & 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS DivI/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated September 17, 2024 has inter alia given the following comment(s) on the draft scheme of arrangement:

1. "The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
2. "The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."

3. "The Company shall ensure compliance with SEBI circulars issued from time to time. The Companies involved in the Scheme shall duly comply with various provisions of the SEBI master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
4. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable."
5. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable."
6. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice sent to shareholders."
7. "Company is advised that new equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only."
8. "Company shall ensure that the "Scheme" shall be acted upon subject to the complying with the relevant clauses mentioned in the scheme document."
9. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/tribunals shall be made without specific written consent of SEBI."
10. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
11. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
12. "The Companies are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to make an informed decision:
  - Details of assets, liabilities, net worth and revenue of the Companies involved, pre and post scheme, arrangement.
  - A write up on the history of demerged undertakings.
  - Latest net worth certificate along with statement of Assets and Liabilities of all the companies involved in the scheme of arrangement for both Pre and Post the scheme of arrangement.
  - Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed/demerged company for the last three financial years.
  - The need, rationale, and synergies of the scheme along with its impact on shareholders.
  - Company shall ensure that applicable additional information, if any, to be submitted to SEBI along with draft scheme of arrangement and the list of documents as per the Exchange query no 20 dated December 06, 2023 shall form part of disclosures to the shareholders."
13. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.





However, the listing of equity shares of DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Companies shall fulfil the Exchange's criteria for listing the securities of such Companies and also comply with other applicable statutory requirements. However, the listing of shares of DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") is at the discretion of the Exchange. In addition to the above, the listing of DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE
3. To disclose all the material information about DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - "There shall be no change in the shareholding pattern DCM Shriram Fine Chemicals Limited ("Resulting Company 1") and DCM Shriram International Limited ("Resulting Company 2") between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **the validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect/misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may **be is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.



Yours faithfully.

Sd/-  
Sabah Vaze  
Senior Manager

Sd/-  
Tanmayi Lele  
Assistant Manager

## Annexure-13



National Stock Exchange Of India Limited

25

Ref: NSE/LIST/38655

September 18, 2024

The Company Secretary  
DCM Shriram Industries Limited  
'Kanchenjunga Building 18,  
Barakhamba Road,  
New Delhi-110001

**Kind Attn.: Shri Yagya Datt Gupta**

Dear Sir,

**Sub: Observation Letter for draft composite scheme of arrangement under Chapter XV of the Companies Act, 2013 amongst Lily Commercial Private Limited (“Transferor Company”) and DCM Shriram Industries Limited (“Transferee Company”) and DCM Shriram Fine Chemicals Limited (“Resultant Company 1”) and DCM Shriram International Limited (“Resultant Company 2”) and their respective shareholders and creditors.**

We are in receipt of captioned draft composite scheme of arrangement filed by Dcm Shriram Industries Limited.

Based on our letter reference no. NSE/LIST/38655 dated July 12, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, SEBI vide its letter dated September 17, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*
- c) *The Company shall ensure compliance with the SEBI Circulars issued from time to time.*
- d) *The entities involved in the Scheme shall duly comply with various provisions of the Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*
- e) *The Company shall ensure that information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable*
- f) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable.*

- g) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*
- h) *The Company shall ensure that the proposed equity shares, if any, to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- i) *The Company shall ensure that the “Scheme” shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.*
- j) *The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI*
- k) *The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- l) *The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- m) *The Company shall ensure to disclose the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision:*
  - i. *details of assets, liabilities, net worth, revenue of the companies involved in the scheme, for both pre and post scheme of arrangement*
  - ii. *a write up on the history of the demerged undertakings*
  - iii. *latest net worth certificate along with statement of assets and liabilities of all the companies involved in the scheme of arrangement for both pre and post the scheme of arrangement*
  - iv. *comparison of revenue and net worth of demerged undertakings with the total revenue and net worth of the listed/demerged company for last three financial years*
  - v. *the need, rationale and synergies of the scheme along with its impact on the shareholders and;*
  - vi. *The Company shall ensure that all the applicable additional information shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist*
- n) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited is at the discretion of the Exchange.

The listing of DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited (“NSE”) for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

*“The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the*

*unlisted Company; does not in any manner take any responsibility for the financial or other soundness of DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited, its promoters, its management etc.”*

2. To publish an advertisement in the newspapers containing all the information about DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited in line with the details required as per SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited to NSE on continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) *“The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”*
  - (b) *“There shall be no change in the shareholding pattern or control in DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited between the record date and the listing which may affect the status of this approval.”*

With reference to Part II (A) (5) of SEBI Master Circular dated June 20, 2023, DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited shall ensure that steps for listing of specified securities are completed and trading in securities commences **within sixty days** of receipt of the order of the Hon’ble High Court/NCLT, simultaneously on all the stock exchanges where the equity shares of the listed entity (or transfer entity) are/were listed. Accordingly, the company must initiate necessary steps to ensure strict adherence to said timeline.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from September 18, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Sd/-  
Khyati Vidwans  
Senior Manager

**LITIGATION SUMMARY – DCM SHRIRAM INDUSTRIES LIMITED**

**DAURALA SUGAR WORKS**

| Sr. No. | Title   | Court/Forum/ Adjudicating Authority | Description of Proceeding   |
|---------|---|-------------------------------------|---|
| 1.      | Adj. Case No. 185/05<br>Centre of Indian Trade Union Versus DCM Shriram Industries Limited                        | Industrial Tribunal (V), Meerut.    | CITU has raised the present dispute in regards to 41 Kamdars, engaged on temporary basis in Cane Deptt., alleging that the concerned workmen are working on a permanent nature of job for the several years and claimed they be declared as permanent workers as per their nature of job. The matter is pending.  |
| 2.      | Adj. Case No. 8/15<br>Mukesh Kumar Versus DCM Shriram Industries Ltd.   | Labour Court, Meerut.               | The workman was engaged by the Management as temporary hand in different Departments due to exigencies of work for fixed period. After expiry of their contractual period, he was not engaged by the Management. The workmen raised industrial dispute that his services were terminated illegally by the Management and sought reinstatement in the service of the Company with back wages and continuity of service. Pending. |
| 3.      | Adj. Case No. 02/10<br>Arun Kumar Versus DCM Shriram Industries Ltd.  | Labour Court, Meerut.               | Identical case as above.  |
| 4.      | Adj. Case No. 23/2001<br>INTUC Versus DCM Shriram Industries Ltd.   | Labour Court, Meerut.               | Identical case as above.  |
| 5.      | Adj. Case No. 19/98<br>Mahavir Prasad Gupta Vs DCM Shriram Industries Ltd.  | Labour Court, Meerut                | Challenged dismissal done after conducting enquiry for theft of the factory's properties.   |
| 6.      | Adj. Case No. 477/1994<br>Sharmik Sangh, Daurala Versus DCM Shriram Industries Ltd. Versus Sharmik Sangh, Daurala | Labour Court, Meerut                | The workman was charge sheeted for gross neglect of work. After conducting enquiry, one increment for three years was withheld.   |
| 7.      | Misc. Case No. 65/13<br>Bijendera Singh Versus DCM Shriram Industries Ltd.  | Labour Court, Meerut.               | Challenged disciplinary action taken by adjusting security deposit with written consent.  |
| 8.      | Adj. Case No. 4/16  | Labour Court, Meerut.               | Temporary workmen challenged discharge on expiry of   |

| Sr. No. | Title  | Court/Forum/ Adjudicating Authority | Description of Proceeding   |
|---------|--|-------------------------------------|---|
|         | Bijendera Singh Versus DCM Shriram Industries Ltd.                           |                                     | contract and claimed permanent employment.  |
| 9.      | Misc. Case No. 08/2012<br>Amit Sharma Versus DCM Shriram Industries Ltd.     | Industrial Tribunal (V), Meerut.    | An Industrial Dispute, espoused by the CITU (Federation of Labour Unions) for absorption of the workman as “seasonal workmen” in pending before Industrial Tribunal (V) at Meerut as Adj Case No. 185/2005. |
| 10.     | Misc. Case No. 12/2012<br>Brahmpal Singh Versus DCM Shriram Industries Ltd.  | Industrial Tribunal (V), Meerut.    | --Do--  |
| 11.     | Misc. Case No. 15/2012<br>Poonam Singh Versus DCM Shriram Industries Ltd.    | Industrial Tribunal (V), Meerut.    | --Do--  |
| 12.     | Misc. Case No. 20/2012<br>Gopal Singh Versus DCM Shriram Industries Ltd.     | Industrial Tribunal (V), Meerut.    | --Do--  |
| 13.     | Misc. Case No. 08/2015<br>Virendera Dhama Versus DCM Shriram Industries Ltd. | Industrial Tribunal (V), Meerut.    | --Do--  |
| 14.     | Adj. Case No. 20/2004<br>Budhbhushan Versus DCM Shriram Industries Ltd.      | Labour Court, Meerut.               | Temporary workmen challenged discharge on expiry of contract and claimed permanent employment.  |
| 15.     | Misc. Case No. 166/03<br>Krishan Pal Versus DCM Shriram Industries Ltd.      | Labour Court, Meerut.               | Challenged alleged denial of seasonal workman benefits.   |
| 16.     | Adj. Case No. 03/2016<br>Krishan Pal Versus DCM Shriram Industries Ltd.      | Labour Court, Meerut.               | Temporary workmen challenged discharge on expiry of contract and claimed permanent employment.  |
| 17.     | Adj. Case No. 30/2018  | Labour Court, Meerut                | Challenged disciplinary action taken by adjusting security  |



| Sr. No. | Title  | Court/Forum/Adjudicating Authority | Description of Proceeding   |
|---------|--|------------------------------------|---|
|         | Avnish Kumar Versus DCM Shriram Industries Ltd.                              |                                    | deposit with written consent.   |
| 18.     | Misc. Case No. 31/2019<br>Bijendera Singh Versus DCM Shriram Industries Ltd. | Labour Court, Meerut.              | He was a temporary mazdoor. Challenged his discharge from employment on failure in technical knowledge test. Claimed reinstatement with back wages.   |
| 19.     | PWA Case No. 23/2019<br>Bijendera Singh Versus DCM Shriram Industries Ltd.   | Asst. Labour Commissioner, Meerut. | -- Do--   |
| 20.     | Adj. Case No. 05/2020<br>Bijendera Singh Versus DCM Shriram Industries Ltd.  | Labour Court, Meerut.              | -- Do--   |
| 21.     | Adj. Case No. 24/18<br>Brijesh Tripathi Versus DCM Shriram Industries Ltd.   | Labour Court, Meerut.              | After found guilty of the charges (remaining absent without prior permission/sanction of leave for more than 10 days) in a domestic enquiry, the workman was dismissed from the services of the Company on 30.10.2017. The workman has raised the present industrial dispute that his services were terminated illegally, and he claimed reinstatement with continuity of service with incidental benefits. |
| 22.     | PGA Case No. 76/21<br>Virendera Dhama Versus DCM Shriram Industries Ltd.     | Asst. Labour Commissioner, Meerut. | Claim for gratuity by a Temporary Kamdar.   |
| 23.     | Adj. Case No. 09/2021<br>Sanjeev Kumar Versus DCM Shriram Industries Ltd.    | Labour Court, Meerut.              | Company filed criminal case for dishonesty and forgery of documents. The case was dismissed for lack of evidence. He filed case for reinstatement.  |
| 24.     | Adj. Case No. 07/2022<br>Gadar Singh Versus DCM Shriram Industries Ltd.      | Labour Court, Meerut.              | Shri Gadar Singh S/o Shri Brahm Singh, a temporary weighment clerk, approached Labour Court as a pre-emptive action to stall disciplinary action by the Company for a gross misappropriation.   |
| 25.     | Misl. Case No. 14/2023 & 31/ 2023  | Labour Court, Meerut.              | Challenged disciplinary action and dismissal for  |

| Sr. No. | Title   | Court/Forum/ Adjudicating Authority | Description of Proceeding   |
|---------|---|-------------------------------------|---|
|         | Dinesh Kumar Versus DCM Shriram Industries Ltd.   |                                     | misconduct for reinstatement with back-wages.   |
| 26.     | Misc. 37/2023<br>Gadar Singh Versus DCM Shriram Industries Ltd.   | Labour Court, Meerut.               | Challenged discharge as a temporary worker for misappropriation.  |
| 27.     | Adj. Case No. 22/2023<br>Dinesh Kumar Versus DCM Shriram Industries Ltd.  | Labour Court, Meerut.               | Challenged discharge as a temporary weighment clerk.  |
| 28.     | Adj. Case No. 14/2024<br>Jitendera Singh Versus DCM Shriram Industries Ltd.   | Labour Court, Meerut.               | Challenged discharge as a temporary weighment clerk.  |
| 29.     | E.C.A. Case No. 01/2024<br>Nitin Tomar & Other Versus DCM Shriram Industries Ltd.   | Deputy Labour Commissioner, Meerut. | Claimed compensation under Workmen Compensation Act for an accidental death taken outside the Factory and after duty hours, that too after settlement with the Truck owner. |
| 30.     | WRIC No. 38338 of 2007<br>Mahaveer Prasad Gupta Versus DCM Shriram Industries Ltd.  | Allahabad High Court, Allahabad.    | Challenged dismissal with approval of Court.  |
| 31.     | WRIC/70646/2009<br>Madan Mohan Sharma<br><b>Vs</b><br>1. Industrial Tribunal Vth U.P. Meerut<br>2. DCM Shriram Industries Limited<br>3. Chini Mill Mazdoor Union, Daurala Sugar Works | Allahabad High Court, Allahabad     | The concerned workman filed the Writ with the allegation that he should be reinstated / Awarded full wages up to his superannuation.  |
| 32.     | WRIC/58738/2011<br>Ranvir Singh   | Allahabad High Court, Allahabad     | Challenged an award of Industrial Tribunal in Writ Petition.  |

| Sr. No. | Title   | Court/Forum/ Adjudicating Authority | Description of Proceeding  |
|---------|---|-------------------------------------|--|
|         | <b>Vs</b><br>1. Presiding Officer Industrial Tribunal<br>2. Daurala Sugar Works (A Unit of DCM Shriram Ind. Ltd.)   |                                     |  |
| 33.     | WRIC/15122/2016<br><br>Daurala Sugar Works (A Unit of DCM Shriram Ind. Ltd.)<br><br><b>Vs</b><br>1 State of U.P. through Secretary, Labour Deptt.<br>2 Industrial Tribunal (V), UP, Meerut<br>3 Yashbir Singh | Allahabad High Court, Allahabad     | Challenged the award of Industrial Tribunal in writ for reinstatement with 20% back wages challenged in Writ.  |
| 34.     | WRIC/43645/2017<br><br>Mahaveer Prasad<br><br><b>Vs</b><br>1 Presiding Officer Labour Court U.P. Meerut<br>2. Daurala Sugar Works (A Unit of DCM Shriram Ind. Ltd.)   | Allahabad High Court, Allahabad     | Challenged the award of Industrial Tribunal in writ for reinstatement with 20% back wages challenged in Writ.  |
| 35.     | WRIC/22260/2017<br><br>Subhash<br><br><b>Vs</b><br>1 The Presiding Officer Labour Court<br>2 DCM Shriram Ind. Ltd.  | Allahabad High Court, Allahabad     | Challenged dismissal of Petition by Labour Court in a Writ.  |
| 36.     | WRIC/39056/2003<br><br>Rakesh Kumar Vs DCMSriram Industries Ltd. Thru Exe. Director and Another.  | Allahabad High Court, Allahabad     | Challenged the court decision upholding dismissal in Writ.   |
| 37.     | Civil Appeal No. 108/18<br>Sushilveer and Others. Vs. DCM Shriram Industries Ltd.   | Addl. District and Sessions Judge,  | A suit was filed by Sh. Chandra Pal and others claiming as owner of Khasara No 292 Area 2-16-14 and Khasara No 294 Area Khasara No 16-18-05 of Village Daurala which was acquired in the year 1938, in which Buggie Yard, School & Hospital are in existence. The suit was |

| Sr. No. | Title   | Court/Forum/ Adjudicating Authority                | Description of Proceeding  |
|---------|---|--|--|
|         |   | Meerut.  | Dismissed. Respondents No.6, 7 and 8 of the suit have filed the present Appeal against the Judgment and Decree passed by Civil Judge (SD) Court No.6, Meerut.  |
| 38.     | WRIC/2202/2004<br><br>State Of U.P. Thru D.M.<br>Meerut Vs Daurala Sugar Mills Meerut<br>(A Unit of DCM Shriram Ind. Ltd.)  | Allahabad High Court,<br>Allahabad                 | The ownership of certain land at Daurala of the Company has challenged by the State Govt./ local authorities, which was upheld by Dy. SDM, Sardana. The company challenged the decision which was decided in Company's favour by Addl. District Judge. This decision has been challenged by the Government in a Writ |
| 39.     | Criminal Appeal No. 202/2022<br><br>Daurala Sugar Works (Distillery Division) (A Unit of DCM Shriram Ind. Ltd.) & Others Vs. State of UP & Others.  | Additional District and Session Judge,<br>Lucknow. | The Case filed by UP Pollution Board against Daurala Distillery and directors of erstwhile DCM Limited is pending before the District Judge, Lucknow, on an appeal filed by the Company.   |
| 40.     | WRIC No. 1187/1983<br><br>1. The Delhi Clothes & General Mills Co. Limited (Unit Daurala Sugar Works, Daurala) (A Unit of DCM Shriram Ind. Ltd.)<br>2. Sh. J.P. Kapoor, Senior General Manager<br>3. Sh. B.D. Pathak, Exective Director<br>4. Sh. K. Tewari, Joint Deputy Manager,<br>5. Sh. P. Bakre, Assitant Secretary Vs.<br>1. The Union of India.<br>2. The State of Uttar Pradesh<br>3. The Chief Inspector of Factories, U.P.<br>4. The U.P. Water Pollution, Prevention and Control Board<br>5. The Chief Judicial Magistrate, Meerut.<br>6. Sh. P.K. Aggarwal, Judicial Magistrate. | Allahabad High Court,<br>Allahabad.                | The case was filed under the Factories Act against the then occupier and manager of Daurala Sugar Works in September 1981 under the Factories Act alleging lack of facility for effluent treatment at the Factory. The Company has filed the Writ Petition against the findings of the UP Government.                |

**DO AND DCI (CHEMICAL BUSINESS), DAURALA**

| Sr. No. | Title  | Court/Forum/ Adjudicating Authority | Description of Proceeding  |
|---------|--|-------------------------------------|--|
| 1       | Adj.No.67/2003 Raju Vs. Daurala Organics Limited (now merged into DCM Shriram Industries Ltd.)   | Labour Court, Meerut                | Mr.Raju (workman) continuously absented unauthorisedly. His long absence was treated as resignation from the services. After that workman filed the case for illegal termination.    |
| 2       | Adj. No.81/2004-Shyam SinghVs.Daurala Organics Limited (now merged into DCM Shriram Industries Ltd.)   | Industrial Tribunal (V), Meerut     | Challenged dismissal on grounds of theft after proper enquiry.<br>(1st issue-Award declared in Company's Favour)   |
| 3       | Complaint CaseNo.: New No.8802/19 (Old No.1847/8 of 2007 then 2222/11) M/s. Daurala Organics Limited (now merged into DCM Shriram Industries Ltd.) Vs.Bromos (Case transferred IIIrd AJM to IXACJM,IXACJM toACJ-7,Now ACJ-III Meerut Court.) (U/s138 of Cr.PC) | ACJ-III, Meerut.                    | Alleged deficiency in supply of Liquid Bromine and Company filed case u/s 138 of IPC for cheque bounce.  |
| 4       | Misc.CaseNo.10/2009&Adj.CaseNo .02/2010,DCM Shriram Industries Ltd.& Daurala Organics Ltd., Daurala (now merged into DCM Shriram Industries Ltd.)Vs. Mr.Arun Kumar   | LabourCourt,Meerut                  | Case filed by worker engaged through Contractor on termination of contract alleging termination as illegal and claimed overtime allowance.   |
| 5       | Adj.CaseNo.07/2016–Mr.Manoj Kr.Tripathi Vs. Daurala Organics (now merged into DCM Shriram Industries Ltd.)   | Labour Court ,Meerut                | Mr.Manoj KumarTripathi was dismissed on disciplinary grounds. The employee challenged the dismissal.   |
| 6       | ECACaseNo.-36/2021,Smt. Seema Swami W/OLate Jagendra and 3 others V/s<br>1-DSW(ChemicalPlant) (A Unit of DCM Shriram Ind. Ltd.)<br>2-Virendra Kumar(Contractor),<br>3-The New India Assurance Co.Ltd.  | Dy.Labour Commissioner, Meerut      | Compensation claim filed by spouse of contract worker on his demise in hospital due to cardiac arrest. The Company, Contractor, and Insurance Company have been named as defendants. |
| 7       | Misc CaseNo.-02/2024, Mr.Satyavir SinghVs M/s DCM Shriram Industries Ltd., Unit-Daurala Organics, Daurala (now merged into DCM Shriram Industries Ltd.)  | LabourCourt, Meerut                 | Case filed claiming arrears of wages after retirement.   |



| Sr. No. | Title  | Court/Forum/ Adjudicating Authority | Description of Proceeding  |
|---------|--|-------------------------------------|--|
| 8       | 116/2015 dt.04.04.2015<br>Department Appeal under VAT Law<br>The commissioner commercial tax ,<br>UP Versus DCM Shriram Industries Ltd                     | High court Allahabad                | ITC claim (VAT Credit on capital goods) F.Y 2008-09.<br><br>Department appealed against favourable order from Commercial Tax Tribunal Meerut. (ITC on capital goods allowed by commercial tax tribunal Meerut against Company's appeal). |
| 9       | 117/2015 dt. 04.04.2015<br>Department Appeal under VAT Law<br><br>The commissioner commercial tax ,<br>UP Versus DCM Shriram Industries Ltd                | High court Allahabad                | ITC claim (VAT Credit on capital goods) F.Y 2009-10<br><br>Department appealed against favourable order from Commercial Tax Tribunal Meerut. (ITC on capital goods allowed by commercial tax tribunal Meerut against appeal).            |
| 10      | 118/2015 dt.04.04.2015<br>Department Appeal under VAT Law<br>The commissioner commercial tax ,<br>UP Versus DCM Shriram Industries Ltd                     | High court Allahabad                | ITC claim (VAT Credit on capital goods) F.Y 2010-11<br><br>Department appealed against favourable order from Commercial Tax Tribunal Meerut. (ITC on capital goods allowed by commercial tax tribunal Meerut against appeal).            |
| 11      | 114/2018 dt.31.03.2018<br>Department Appeal under VAT Law<br>The commissioner commercial Tax ,<br>U.P. Lucknow : Versus : DCM<br>Shriram Industries Ltd    | High court Allahabad                | ITC Claim (VAT Credit on capital goods) F.Y 2013-14.<br><br>Department appealed against favourable order from Commercial Tax Tribunal Meerut. (ITC on capital goods allowed by commercial tax tribunal Meerut against our appeal).       |
| 12      | Writ Petition : 207/2020<br><br>DCM Shriram Industries Ltd Daurala -<br>Versus - State of U.P Through<br>Secretary, and Others<br><br>Appeal under GST Law | High court Allahabad                | Seizer of goods by mobile squad Ghaziabad due to incomplete of E-Way bill F.Y 2018-19.<br><br>The Company filed an appeal against unfavourable order from Additional Commissioner G-2GST Ghaziabad.                                      |

**SHRIRAM RAYONS, KOTA**

| Sr. No. | Title   | Court/Forum/ Adjudicating Authority | Description of Proceeding  |
|---------|---|-------------------------------------|--|
| 1       | Case no. 69/ST/KOTA-H/2020  | CESTAT Delhi                        | Challenged disallowance of ITC on service tax and penalty before CESTAT, Delhi.  |
| 2       | Case no. CW/11865/2017<br>Smt. Shakuntala Sharma Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.) | High Court, Jaipur                  | Spouse of an employee, Shri Mahesh Sharma, challenged his dismissal. Labour Court, Kota upheld the dismissal. The Labour Court decision has been challenged in High Court by a Writ.   |
| 3       | Case no. CW/11434/207<br>M.N.Chaturvedi Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)          | High Court, Jaipur                  | Mr.M.N.Chaturvedi was terminated from services. He has filed a civil writ before the Hon'ble High Court Jaipur against the verdict of the Labour Court Kota.   |
| 4       | Case no. CW/11536/2022<br>Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.) Vs. Durga Shankar Yogendra | High Court, Jaipur                  | Mr. Durga Shankar Yogendra was terminated from service. He approached Labour court. The Labour Court Kotapassedanorder against the company and directed to pay 50% service and complete retirement benefits. The Company challenged the Order in High Court.   |
| 5       | Case no. SAW/1039/2017<br>Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.) Vs. APFC Kota              | High Court, Jaipur                  | Matter relates to company's liability of PF & ESI benefits to drivers engaged by managers in their personal capacity. The matter was decided in Company's favour by EPFAT, New Delhi. This was challenged by PF authorities in High Court with reversal of EPFAT decision. The Company has appealed against the Single Bench decision before Division Bench. |
| 6       | Case no.SB/27358/2018<br>Sarafat AliVs.Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)               | High Court, Jaipur                  | Dismissed in1987on the charges man handling. Case disposed as per Order dated 09.09.2017 and no compensation was paid to Mr. Sarafat Ali. Against this order Mr.Sarafat Ali filed Appeal in High Court Jaipur against the Company.   |
| 7       | Case no.002/2019<br>Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)Vs.PFCommissionerKota             | CGIT Jaipur                         | As per the EPFAct, trainees are not covered under EPF. However, EPFC Kota has calculated the liabilities in respect of trainees for the period from 1997 to 2011 and directed us to deposit Rs1,56,28,037/-. We immediately moved the "Central Government Industrials Tribunal, Jaipur" against the order. We got the stay till the time matter is decided.  |
| 8       | Case no.16/2024<br>Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)Vs. RPFC– IIKota                   | CGIT Jaipur                         | Same issue for subsequent period till 2019.  |
| 9       | Case no.37/2019<br>Sitaram Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)                       | Labour Court, Kota                  | Dismissed on the charges of a king donation inside the factory. Challenged dismissal before Labour Court, Kota.  |
| 10      | Case no.2021/2014<br>Chetan Meena Vs. Shriram   | Labour Court, Kota                  | Challenged dismissal from training roll for  |

| Sr. No. | Title   | Court/Forum/ Adjudicating Authority | Description of Proceeding   |
|---------|---|-------------------------------------|---|
|         | Rayons(A Unit of DCM Shriram Ind. Ltd.)   |                                     | absenteeism.  |
| 11      | Case no.38/2015<br>Sanjay Kr. Yadav Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)      | Labour Court, Kota                  | Challenged dismissal from service for absenteeism.  |
| 12      | Case no.85/2019<br>Rajendra Kumar Sharma Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.) | Labour Court, Kota                  | Challenged dismissal from service.  |
| 13      | Case no.24/2014<br>Abrar Ahmad Vs. Shriram Rayons<br>(A Unit of DCM Shriram Ind. Ltd.)        | Labour Court, Kota                  | Challenged dismissal from service for absenteeism.  |
| 14      | Case no.PG/16/2018<br>Hariom Chandal Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)     | Joint Commissioner, Kota            | Suspended for 2 days. Filed case to get payment of suspension duration.   |
| 15      | Case no.27/2021<br>Shamsher Thakur Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)       | Labour Court, Kota                  | Dismissed from service. The present case sent to the record room as the case shall remain in ABEYANCE till the order is passed by the Supreme Court in related cases. |
| 16      | Case no.SB/9746/2023<br>Dinesh Kr. Sharma Vs. Shriram Rayons(A Unit of DCM Shriram Ind. Ltd.) | High Court Jaipur                   | Mr.DineshKr.Sharma, whose service was terminated, filed a civil writ before the Hon'ble High Court Jaipur against the verdict of the Labour Court, Kota.              |
| 17      | Case no.002/2015<br>Hemraj Vs. Shriram Rayons (A Unit of DCM Shriram Ind. Ltd.)               | Labour Court, Kota                  | Challenged dismissal from training roll for absenteeism. Matter is at the stage of Applicant evidence.  |

**CORPORATE OFFICE, NEW DELHI**

| Sr. No. | Title  | Court/Forum/ Adjudicating Authority | Description of Proceeding   |
|---------|--|-------------------------------------|---|
| 1       | Civil Appeal No.5891/ 2012<br>HB Portfolio Ltd. Vs. SEBI, DCM Shriram Industries Limited & Others. | Supreme Court                       | Appeal against the Order of Securities Appellate Tribunal (SAT) against an order of SEBI rejecting complaints filed by the appellant against DCM Shriram Industries Limited against a preferential issue of share warrants in the year 2007. DCM Shriram Industries Ltd. is a Respondent. |

**LILY COMMERCIAL PRIVATE LIMITED (LILY)**

THIS IS AN ABRIDGED PROSPECTUS CONTAINING INFORMATION PERTAINING TO THE UNLISTED COMPANY, LILY COMMERCIAL PRIVATE LIMITED (“LILY”) INVOLVED IN THE COMPOSITE SCHEME OF ARRANGEMENT (“SCHEME”) UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AMONGST LILY, DCM SHRIRAM INDUSTRIES LIMITED (“DCMSR”), DCM SHRIRAM FINE CHEMICALS LIMITED (“DSFCL”) AND DCM SHRIRAM INTERNATIONAL LIMITED (“DSIL”), AND FILED BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, DELHI.

THIS ABRIDGED PROSPECTUS CONTAINS APPLICABLE INFORMATION OF THE UNLISTED COMPANY, LILY COMMERCIAL PRIVATE LIMITED, IN COMPLIANCE WITH:(I) THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023;(II) SEBI CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 04, 2022; AND (III) SEBI CIRCULAR NO. SEBI/HO/CFD/POD-1/P/CIR/2024/0154 DATED NOVEMBER 11, 2024.

NOTHING IN THIS ABRIDGED PROSPECTUS CONSTITUTES AN OFFER OR AN INVITATION BY OR ON BEHALF OF LILY, DCMSR, DSFCL AND/OR DSIL TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES OF THE AFORESAID COMPANIES.

THIS ABRIDGED PROSPECTUS DATED 11<sup>th</sup> DECEMBER, 2024 SHOULD BE READ TOGETHER WITH THE SCHEME AND THE NOTICE TO THE SHAREHOLDERS/CREDITORS (AS APPLICABLE).

YOU MAY ALSO DOWNLOAD THE SCHEME FROM THE WEBSITES OF DCMSR AND THE STOCK EXCHANGES WHERE THE EQUITY SHARES OF DCMSR ARE LISTED I.E., THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BSE LIMITED VIZ. WWW.DCMSR.COM, WWW.NSEINDIA.COM AND WWW.BSEINDIA.COM, RESPECTIVELY.

**THIS ABRIDGED PROSPECT US CONSISTS ‘10’ PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

**LILY COMMERCIAL PRIVATE LIMITED (“LILY”)****CIN:** U65923DL1985PTC306331, **Date of Incorporation:** March 27, 1985

|                            |   |
|----------------------------|---|
| <b>Registered Office</b>   | Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi-110001 |
| <b>Corporate Office</b>    | Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi-110001 |
| <b>Contact Person</b>      | Richa Dhuria – Company Secretary  |
| <b>Email and Telephone</b> | <a href="mailto:admin@hivac.in">admin@hivac.in</a> , 011-41540587         |
| <b>Website</b>             | Not Applicable  |

**NAMES OF PROMOTER(S) OF THE COMPANY**

**As on date of Abridged Prospectus:** Mr. Alok B. Shriram Karta L. Banshi Dhar & Sons HUF, Mrs. Suman Banshi Dhar, Mr. Akshay Dhar Karta Tilak Dhar & Sons (HUF), Mrs. Urvashi Tilakdhar, Mr. Akshay Dhar, Mrs. Aditi Dhar, Mr. Alok B. Shriram, Mrs. Karuna Shriram, Miss. Kanika Shriram, Mr. Rudra Shriram, Mr. Madhav B. Shriram, Mrs. Divya Shriram, Mr. Uday Shriram, Mr. Rohan Shriram, Akshay Foundation, and Mr. S. K. Jain.

**Details of Offer to Public:**

| Type of Issue<br>(Fresh/ OFS/<br>Fresh & OFS) | Fresh Issue<br>Size (by no. of<br>shares or by<br>amount in Rs.) | OFS Size<br>(by no. of<br>shares or by<br>amount in<br>Rs.) | Total Issue<br>Size<br>(by no. of<br>shares or by<br>amount in<br>Rs.) | Issue Under<br>6(1)/6(2) | Share Reservation |     |     |
|---|--|---|--|--------------------------|-------------------|-----|-----|
|   |  |   |  |                          | QIB               | NII | RII |
| Not applicable.                               |  |   |  |                          |                   |     |     |

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders:**

| Name            | Type | No of Shares<br>offered/<br>Amount in<br>Rs. | WACA in Rs<br>per Equity | Name | Type | No of Shares<br>offered/<br>Amount in<br>Rs | WACA in Rs<br>per Equity |
|-----------------|------|--|--------------------------|------|------|---|--------------------------|
| Not applicable. |      |  |                          |      |      |   |                          |

**Price Band, Minimum Bid Lot & Indicative Timelines**

| Price Band, Minimum Bid Lot & Indicative Timelines     |                 |
|--|-----------------|
| Price Band*  | Not applicable. |
| Minimum Bid Lot Size                                   |                 |
| Bid/Offer Open On                                      |                 |
| Bid/Closes Open On                                     |                 |
| Finalisation of Basis of Allotment                     |                 |
| Initiation of Refunds                                  |                 |
| Credit of Equity Shares to Demat accounts of Allottees |                 |
| Commencement of trading of Equity Shares               |                 |

**Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP:**

| Period          | Weighted Average Cost of<br>Acquisition (in Rs.) | Upper End of the Price Band<br>is 'X' times the WACA | Range of acquisition price<br>Lowest Price- Highest Price<br>(in Rs.) |
|-----------------|--|--|---|
| Not applicable. |  |  |   |

**RISKS IN RELATION TO THE FIRST OFFER**

|                 |
|-----------------|
| Not applicable. |
|-----------------|

**GENERAL RISKS**

|  |
|--|
| For taking any investment decision, investor must rely on their own examination of Lily and the Scheme, including the risks involved. The allotment of equity shares by Lily is limited to the shareholders of DCMSR, pursuant to the Scheme. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy and adequacy of the contents of the document. Specific attention is invited to the section titled "Risk factor" at page 185 of this Abridged Prospectus. |
|--|



**PROCEDURE**

Not applicable.

**PRICE INFORMATION OF BRLM: Not Applicable.**

**In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included:** Not applicable.

**Name of the Statutory Auditor:** SVTG & Company, Chartered Accountants.

**PROMOTERS AND PROMOTER GROUP OF THE COMPANY**

| Sr. No. | Name  | Individual/Corporate/HUF/Foundation | Experience & Educational Qualification   |
|---------|---|-------------------------------------|--|
| 1       | Mr. Alok B. Shriram                                   | Individual                          | Mr. Alok B. Shriram has over 40 years of experience in various senior management positions. He is the Senior Managing Director and CEO of DCMSR and the Vice Chairman of Shriram Institute for Industrial Research, Delhi and is associated with various reputed organizations, industry and trade associations, such as PHD Chamber of Commerce and Industry, Committee of Federation of Indian Chambers of Commerce and Industry etc.<br><br>Educational Qualification: B.Com (Hons.). |
| 2       | Mr. Madhav B. Shriram                                 | Individual                          | Mr. Madhav B. Shriram has over 36 years of experience in various management positions. He is presently the Managing Director of DCMSR and is looking after the sugar and alcohol division. He is also a member of the Governing Board of Indian Sugar Mills Association and Shriram Scientific and Industrial Research Foundation (SRIFIR).<br><br>Educational Qualification: Graduation, MBA from University of Massachusetts, Amherst, USA.  |
| 3       | Mrs. Urvashi Tilakdhar                                | Individual                          | Mrs. Urvashi Tilakdhar is Wholetime Director of DCMSR and is familiar with the affairs of DCMSR. She has vast experience in various management, corporate cultural, social activities and market research.<br><br>Educational Qualification: Post Graduation in Sociology from JNU, New Delhi.   |
| 4       | Mr. Alok B. Shriram<br>Karta L. Bansi Dhar & Sons HUF | HUF                                 | The Hindu Undivided Family of late Dr. Bansi Dhar is being looked after and managed by Mr. Alok B. Shriram as Karta.<br><br>Educational Qualification: Not applicable.   |
| 5       | Mrs. Suman Bansi Dhar                                 | Individual                          | Mrs. Suman Bansi Dhar is an MD (Doctor of Medicine) from AIIMS and has experience in medical science. She is a philanthropist.<br><br>Educational Qualification: MD in medicine.   |
| 6       | Mr. Akshay Dhar Karta<br>Tilak Dhar & Sons<br>HUF     | HUF                                 | The Hindu Undivided Family of late Mr. Tilak Dhar is being looked after and managed by Mr. Akshay Dhar as Karta.<br><br>Educational Qualification: Not applicable.   |
| 7       | Mr. Akshay Dhar                                       | Individual                          | Mr. Akshay Dhar, has 16 years of experience in business of chemicals, sugar and alcohol. He is the President of Chemical Undertaking of DCMSR. He is also a Director in Kirloskar Ebara Pumps Limited.   |

|    |                     |            |  |
|----|---------------------|------------|--|
|    |                     |            | Educational Qualification: Graduate in Business Administration from Bradford University (UK).  |
| 8  | Mrs. Aditi Dhar     | Individual | <p>Mrs. Aditi Dhar is an expert student counselor at Birkbeck University of London. She is a very talented and well educated lady with good knowledge and experience in psychology and psychotherapy.</p> <p>Educational Qualification: M.Sc. (Psychoanalytic Development Psychology) U.K, M.A. (Psychodynamic Psychotherapy) U.K.</p>   |
| 9  | Mrs. Karuna Shriram | Individual | <p>Mrs. Karuna Shriram in an educationist and a social worker. She is a special educator, certified coach and member of Rehabilitation Council of India, Japan Committee of Asian University for Women, PHD Family Welfare Foundation etc. She works intensively with various NGOs for differently abled children.</p> <p>Educational Qualification: Bachelor's Degree in Special Education (Mental Retardation).</p>      |
| 10 | Ms.Kanika Shriram   | Individual | <p>Ms. Kanika Shriram has 17 years of versatile experience in communication, engineering, marketing and industrial fiber business. She is President of Rayon Undertaking of DCMSR. She is also a member of PHD Chamber of Commerce and Industry.</p> <p>Educational Qualification: M.A. in Corporate Communications and Marketing from Kingston University, London and B.A. (Hons.) from Lady Shri Ram College, Delhi.</p> |
| 11 | Mr. Rudra Shriram   | Individual | <p>Mr. Rudra Shriram is currently managing a sheet metal fabrication and engineering design facility. Skilled in data analysis, de-bottlenecking and engineering management. He is the President of Engineering Project Section of DCMSR.</p> <p>Educational Qualification: B.S. Economics from Purdue University Krannert School of Management.</p>   |
| 12 | Mrs. Divya Shriram  | Individual | <p>Mrs. Divya Shriram has a varied experience of more than 20 years as social entrepreneur and educationist. She is running Dipam Foundation and various NGOs, which look after education of underprivileged children living in slum areas.</p> <p>Educational Qualification: BA (Economics Hons.) from Mumbai, Post Graduate Diploma in mass communication from Sophia Polytechnic, Mumbai.</p>                           |
| 13 | Mr. Uday Shriram    | Individual | <p>Mr. Uday Shriram has over 8 years of professional experience in data analytics, management consultancy for bio pharmaceutical, laboratory research including two published papers and a Masters thesis defense, clinical data specialist at Rhode Island Hospital etc.</p> <p>Educational Qualification: Bachelor of Arts (B.A.), Master of Science (M.S.) in Biotechnology from Brown University, USA.</p>             |
| 14 | Mr. Rohan Shriram   | Individual | <p>Mr. Rohan Shriram has over 5 years of experience as a financial consultant in New York and then in London.</p> <p>Educational Qualification: Bachelor of Arts in Economics and Government from Wesleyan University, USA.</p>  |
| 15 | Akshay Foundation   | Foundation | <p>Akshay Foundation was originally incorporated in the name of Bansi Dhar Foundation on January 23, 1964 under the provisions of Societies Registration Act, 1860. The name was changed from Bansi Dhar Foundation to Akchya Foundation and then to Akshay Foundation as per the fresh Certificate of Registration issued by Registrar of Societies.</p>  |

|    |                |            |   |
|----|----------------|------------|---|
|    |                |            | <p>The foundation is engaged in charitable activities for poor and needy people.</p> <p>Educational Qualification: Not applicable.</p>  |
| 16 | Mr. S. K. Jain | Individual | <p>Mr. S.K. Jain has over 58 years of experience in the fields of financial and accounting practices including investments, properties etc. Being professionally qualified, he also has vast and rich experience in legal aspects of law. He is also a director in Lily.</p> <p>Educational Qualification: B.com, LL.B.</p> |

#### BUSINESS OVERVIEW AND STRATEGY

**Company Overview:** Lily is an unlisted company which was incorporated on March 27, 1985, under the provisions of Companies Act, 1956 and has its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, Indiabearing Corporate Identification Number (CIN) U65923DL1985PTC306331.

Lily is a holding company of DCMSR. The main object of Lily comprises of financial activities like investments, carrying on the business of merchants, traders, commission agents, etc. Pursuant to the Scheme, Lily will merge with and into DCMSR.

**Product/Service Offering:** Financial services.

**Revenue segmentation by product/service offering:** Rs. 21,34,815

**Geographies Served:** Pan-India.

**Revenue segmentation by geographies:**Rs. 21,34,815

**Key Performance Indicators:** Dividend

**Client Profile or Industries Served:** Not applicable, as Lily has no clients.

**Revenue segmentation in terms of top 5/10 clients or Industries:** Not applicable, since Lily does not have industrial operations and/or clients.

**Intellectual Property, if any:** Nil.

**Market Share:** Not applicable, since Lily does not have any peer operators.

**Manufacturing plant, if any:** Nil.

**Employee Strength:**Two, as on the date of this Abridged Prospectus. However, upon the Scheme becoming effective, all the employees employed by Lily shall be deemed to have become employees of DCMSR.

#### BOARD OF DIRECTORS

| Sr. No. | Name                         | Designation (Independent / Whole time / Executive / Nominee) | Experience & Educational Qualification  | Other Directorships   |
|---------|------------------------------|--|---|---|
| 1       | Mr. Alok Bansidhar Shriram   | Director   | <p>Mr. Alok Bansidhar Shriram has over 40 years of experience in various senior management positions. He is the Senior Managing Director and CEO of DCMSR and the Vice Chairman of Shriram Institute for Industrial Research, Delhi.</p> <p>Educational Qualification: B.Com (Hons.)</p>          | <ol style="list-style-type: none"> <li>Shriram Midivisana Engineering Private Limited</li> <li>Lily</li> <li>DCMSR</li> <li>Synergy Environics Limited</li> </ol> |
| 2       | Mr. Madhav Bansidhar Shriram | Director   | <p>Mr. Madhav Bansidhar Shriram has over 36 years of experience in various management positions. He is presently the Managing Director of DCMSR and is looking after the sugar and alcohol division.</p> <p>Educational Qualification: Graduation, MBA from University of Massachusetts, USA.</p> | <ol style="list-style-type: none"> <li>Lily</li> <li>DCMSR</li> </ol>   |
| 3       | Mrs. Urvashi                 | Director   | <p>Mrs. Urvashi Tilakdhar is Whole time Director of DCMSR and is familiar with the affairs of DCMSR.</p>  | <ol style="list-style-type: none"> <li>Lily</li> <li>Breinworks Services</li> </ol>   |

|   |                           |          |  |  |
|---|---------------------------|----------|--|--|
|   | Tilakdhar                 |          | She has vast experience in various management, corporate cultural, social activities and market research.<br><br>Educational Qualification: Post Graduation in Sociology from JNU, New Delhi.  | Private Limited<br>3. DCMSR<br>4. DSFCL                    |
| 4 | Mr. Sushil Kumar Jain     | Director | Mr. S.K. Jain has over 58 years of experience in the fields of financial and accounting practices including investments, properties etc. Being professionally qualified, he also has vast experience in legal aspects of law.<br><br>Educational Qualification: B.Com, LL.B. | 1. Lily<br>2. DCM Containers & Engineering Private Limited |
| 5 | Mr. Sunil Kumar Chowdhary | Director | Mr. Sunil Kumar Chowdhary has over 40 years of vast experience in field of cash management, banking etc. He possesses excellent client facing and configuration skills.<br><br>Educational Qualification: B.com (Hon), JAIB, CAIB from Institute of Banking and Finance.     | 1. Lily<br>2. DCM Hyundai Limited                          |

#### OBJECTS OF THE ISSUE

Not applicable.

**Details of means of finance:** Not applicable.

#### DETAILS OF THE SCHEME

##### **DETAILS OF THE SCHEME**

The composite scheme of arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the provisions of other applicable laws, amongst Lily Commercial Private Limited (“**Lily**”), DCM Shriram Industries Limited (“**DCMSR**”), DCM Shriram Fine Chemicals Limited (“**DSFCL**”), a wholly owned subsidiary of DCMSR, and DCM Shriram International Limited (“**DSIL**”), a wholly owned subsidiary of DCMSR and their respective shareholders and creditors (“**Scheme**”) provide, inter alia for, (a) re-arrangement and amalgamation of Lily into and with DCMSR; and (b) subsequent to this amalgamation, the resultant DCMSR shall demerge (i) its chemical business (“**Chemical Undertaking**”) into DSFCL; and (ii) its rayon business including defense and engineering projects (“**Rayon Undertaking**”) into DSIL; and (c) the residual businesses comprising of sugar, alcohol and power (“**Residual Undertaking**”) would be retained in DCMSR. The appointed date for the Scheme is April 01, 2023 or such other date as directed by the National Company Law Tribunal (“**NCLT**”), New Delhi.

Upon the Scheme becoming effective and with effect from Appointed Date, Lily, including all its assets and liabilities, shall stand merged into and vest in DCMSR, as a going concern, and Lily shall stand dissolved without being wound-up, without any further act or deed.

The shareholders of Lily shall, without any application, act or deed, be entitled to receive 1 equity share of the face value of Rs.2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by Lily in DCMSR, in the proportion of their respective shareholding in Lily, as on Record Date (as defined in the Scheme).

The investment of Lily in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.

##### **Consideration/share exchange ratio for merger of Lily into DCMSR**

Upon the Scheme becoming effective, the shareholders of Lily shall, without any application, act or deed, be entitled to receive 1

equity share of the face value of Rs.2 each, at par, credited as fully paid up, in DCMSR for every 1 (one) equity share of face value of Rs. 2 each held by Lily in DCMSR, in the proportion of their respective shareholding in Lily, as on Record Date (as defined in the Scheme).

#### RATIONALE OF THE SCHEME

The Scheme is in the best interest of the stakeholders of each of the companies involved in this Scheme, *inter alia* for the reasons explained below and shall result in amalgamation and demergers leading to several benefits to the shareholders, primarily:

- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;
- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;
- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of DSIL and DSFCL, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- (xiii) Facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR, DSIL and DSFCL.

#### Shareholding Pattern of Lily as on date of the Abridged Prospectus:

| Sr. No. | Particulars                 | Number of Shares                               | % Holding      |
|---------|-----------------------------|--|----------------|
| 1.      | Promoter and Promoter Group | 10,95,125 equity shares of Rs. 100 each        | 100.00%        |
| 2.      | Public                      | Nil  | 0.00%          |
|         | <b>Total</b>                | <b>10,95,125 equity shares of Rs. 100 each</b> | <b>100.00%</b> |

Number/amount of equity shares proposed to be sold by selling shareholders, if any: Nil.



**RESTATED AUDITED FINANCIALS: Standalone**

|   | Latest Stub Period<br>P.E. 30.09.2024<br>(Unaudited) | FY 3<br>(2023-2024) | FY 2<br>(2022-2023) | FY 1<br>(2021-2022) |
|---|--|---------------------|---------------------|---------------------|
| Total income from operations (Net) (in Rs. Lakhs) *                 | 885.96   | 21.35               | 858.22              | 237.66              |
| Net Profit/(Loss) before tax and extraordinary items(in Rs. Lakhs)  | 877.78   | (502.28)            | 848.24              | 236.20              |
| Net Profit / (Loss) after tax and extraordinary items(in Rs. Lakhs) | 871.94   | (527.54)            | 653.05              | 144.31              |
| Equity Share Capital(in Rs. Lakhs)                                  | 1095.13  | 1095.13             | 477.96              | 477.96              |
| Reserves and Surplus(in Rs. Lakhs)                                  | 5099.63  | 5098.32             | 2402.04             | 1748.99             |
| Net worth(in Rs. Lakhs)   | 6194.76  | 6193.44             | 2880.00             | 2226.95             |
| Basic earnings per share (Rs.)                                      | 79.62  | (60.80)             | 136.63              | 30.19               |
| Diluted earnings per share (Rs.)                                    | 79.62  | (60.80)             | 136.63              | 30.19               |
| Return on net worth (%)   | 14.08%   | (8.52%)             | 22.68               | 6.48                |
| Net asset value per share (Rs.)                                     | 565.66   | 565.54              | 602.56              | 465.93              |

\*Includes other income.

**INTERNAL RISK FACTORS**

**Regulatory Risk:**Set out below are certain general regulatory risk factors applicable to Lily:

- (i) The Scheme is subject to conditions precedent as envisaged under Clause 7.1 of the Scheme and any non-receipt to such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
- (ii) Any penalty or action taken by any regulatory authorities in future with respect to future non-compliance in relation to applicable laws, may impact financial position and business operations of Lily to that extent.
- (iii) Lily will be dissolved without winding up pursuant to the Scheme, which may or may not adversely affect the shareholders.
- (iv) Inability to attract and retain high quality talent, inadequate training & development, and high attrition may adversely affect business operations and growth prospects.
- (v) Black Swan events, economic downturns, cyclical volatility, natural calamities, terrorist attacks etc., which are beyond the control, may adversely affect business operations and financial performance.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

NIL

A. **Total number of outstanding litigations against the company and amount involved:** None. As on the date of this Abridged Prospectus, there are no litigations that have been instituted by or against Lily.

| Name of Entity      | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved (Rs. in crores) |
|---------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|---|
| <b>Company</b>      |                      |                 |                                     |   |                            |   |
| By the Company      | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against the Company | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Directors</b>    |                      |                 |                                     |   |                            |   |

|                       |     |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|-----|
| By our Directors      | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| <b>Promoters</b>      |     |     |     |     |     |     |
| By Promoters          | Nil | Nil | Nil | Nil | Nil | Nil |
| Against Promoters     | Nil | Nil | Nil | Nil | Nil | Nil |
| <b>Subsidiaries</b>   |     |     |     |     |     |     |
| By Subsidiaries       | Nil | Nil | Nil | Nil | Nil | Nil |
| Against Subsidiaries  | Nil | Nil | Nil | Nil | Nil | Nil |

B. Brief details of top 5 material outstanding litigations against the company and amount involved: None.

| Sr. No. | Particulars | Litigation Filed By | Current Status | Amount Involved |
|---------|-------------|---------------------|----------------|-----------------|
| 1.      | Nil         | Not Applicable      | Not Applicable | Not Applicable  |

C. Regulatory Action, if any - disciplinary action taken by MCA, SEBI or any other statutory authority against the Promoters in last 5 financial years including outstanding action, if any: None.

D. Brief details of outstanding criminal proceedings against Promoters: None.

| ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY |
|--|
| Nil.   |

**DECLARATION BY THE COMPANY**

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 the Abridged Prospectus 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 regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For Lily Commercial Private Limited

Sd/-  
**Sushil Kumar Jain**  
 Director  
 DIN:00278611

Place: New Delhi  
 Date: 11<sup>th</sup> December 2024

## Annexure-16

### DCM SHRIRAM FINE CHEMICALS LIMITED (DSFCL)

THIS IS AN ABRIDGED PROSPECTUS CONTAINING INFORMATION PERTAINING TO THE UNLISTED COMPANY, DCM SHRIRAM FINE CHEMICALS LIMITED (“**DSFCL**”) INVOLVED IN THE COMPOSITE SCHEME OF ARRANGEMENT (“**SCHEME**”) UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AMONGST LILY COMMERCIAL PRIVATE LIMITED (“**LILY**”), DCM SHRIRAM INDUSTRIES LIMITED (“**DCMSR**”), DSFCL AND DCM SHRIRAM INTERNATIONAL LIMITED (“**DSIL**”), AND FILED BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, DELHI.

THIS ABRIDGED PROSPECTUS CONTAINS APPLICABLE INFORMATION OF THE UNLISTED COMPANY, DCM SHRIRAM FINE CHEMICALS LIMITED, IN COMPLIANCE WITH: (I) THE

SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023; (II) SEBI CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 04, 2022; AND (III) SEBI CIRCULAR NO. SEBI/HO/CFD/POD-1/P/CIR/2024/0154 DATED NOVEMBER 11, 2024.

NOTHING IN THIS ABRIDGED PROSPECTUS CONSTITUTES AN OFFER OR AN INVITATION BY OR ON BEHALF OF DSFCL, DCMSR, LILY AND/OR DSIL TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES OF THE AFORESAID COMPANIES.

THIS ABRIDGED PROSPECTUS DATED 11<sup>th</sup> DECEMBER, 2024 SHOULD BE READ TOGETHER WITH THE SCHEME AND THE NOTICE TO THE SHAREHOLDERS/CREDITORS (AS APPLICABLE).

YOU MAY ALSO DOWNLOAD THE SCHEME FROM THE WEBSITES OF DCMSR AND THE STOCK EXCHANGES WHERE THE EQUITY SHARES OF DCMSR ARE LISTED I.E., THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BSE LIMITED VIZ. WWW.NSEINDIA.COM AND WWW.BSEINDIA.COM, RESPECTIVELY.

**THIS ABRIDGED PROSPECT US CONSISTS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

### DCM SHRIRAM FINE CHEMICALS LIMITED (“DSFCL”)

CIN: U24296DL2021PLC387429, **Date of Incorporation:** September 29, 2021

|                            |   |
|----------------------------|---|
| <b>Registered Office</b>   | 6th Floor, Kanchenjunga Building, 18 Barakhamba Road, Delhi - 110001                |
| <b>Corporate Office</b>    | 6th Floor, Kanchenjunga Building, 18 Barakhamba Road, Delhi - 110001                |
| <b>Contact Person</b>      | Pawan Kumar Lakhotia – Company Secretary  |
| <b>Email and Telephone</b> | <a href="mailto:pawanlakhotia@dcmsr.com">pawanlakhotia@dcmsr.com</a> , 011-43745000 |
| <b>Website</b>             | Not Applicable  |

### NAMES OF PROMOTER(S) OF THE COMPANY

**As on date of Abridged Prospectus:** DCM Shriram Industries Limited, Mrs. Urvashi Tilakdhar, and Mr. Akshay Dhar.

#### Details of Offer to Public:

| Type of Issue (Fresh/ OFS/ Fresh & OFS) | Fresh Issue Size (by no. of shares or by amount in Rs.) | OFS Size (by no. of shares or by amount in Rs.) | Total Issue Size (by no. of shares or by amount in Rs.) | Issue Under 6(1)/6(2) | Share Reservation |     |     |
|---|---|---|---|-----------------------|-------------------|-----|-----|
|   |   |   |   |                       | QIB               | NII | RII |
| Not applicable.                         |   |   |   |                       |                   |     |     |

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders:**

| Name            | Type | No of Shares offered/ Amount in Rs. | WACA in Rs per Equity | Name | Type | No of Shares offered/ Amount in Rs | WACA in Rs per Equity |
|-----------------|------|-------------------------------------|-----------------------|------|------|------------------------------------|-----------------------|
| Not applicable. |      |                                     |                       |      |      |                                    |                       |

| <b>Price Band, Minimum Bid Lot &amp; Indicative Timelines</b> |                 |
|---|-----------------|
| Price Band*   | Not applicable. |
| Minimum Bid Lot Size  |                 |
| Bid/Offer Open On   |                 |
| Bid/Closes Open On  |                 |
| Finalisation of Basis of Allotment                            |                 |
| Initiation of Refunds   |                 |
| Credit of Equity Shares to Demat accounts of Allottees        |                 |
| Commencement of trading of Equity Shares                      |                 |

**Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP:**

| Period          | Weighted Average Cost of Acquisition (in Rs.) | Upper End of the Price Band is 'X' times the WACA | Range of acquisition price Lowest Price-Highest Price (in Rs.) |
|-----------------|---|---|--|
| Not applicable. |   |   |  |

| <b>RISKS IN RELATION TO THE FIRST OFFER</b> |
|---|
| Not applicable.                             |

| <b>GENERAL RISKS</b>   |
|--|
| For taking any investment decision, investor must rely on their own examination of DSFCL and the Scheme, including the risks involved. The allotment of equity shares by DSFCL is limited to the shareholders of DCMSR, pursuant to the Scheme. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy and adequacy of the contents of the document. Specific attention is invited to the section titled "Risk factor" at page 194 of this Abridged Prospectus. |

**PROCEDURE**

Not applicable.\*

\*The procedure with respect to public issue/offer would not be applicable to DSFCL. DSFCL is an unlisted company and is not offering fresh issue of shares through Initial Public Offer. The allotment of equity shares by DSFCL is limited to the shareholders of DCMSR, pursuant to the Scheme.

**PRICE INFORMATION OF BRLM: Not Applicable.**

**In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included:** Not applicable.

**Name of the Statutory Auditor:** S C Kwatra & Co., Chartered Accountants.

**PROMOTERS AND PROMOTER GROUP OF THE COMPANY**

| Sr. No. | Name                           | Individual/<br>Corporate | Experience & Educational Qualification  |
|---------|--------------------------------|--------------------------|---|
| 1       | DCM Shriram Industries Limited | Corporate                | <p>DCMSR is a public limited listed company incorporated on June 21, 1989 in India under the Companies Act, 1956 and has its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi –110001, India bearing Corporate Identification Number (CIN) L74899DL1989PLC035140. The equity shares of DCMSR are listed and traded on BSE Limited and the National Stock Exchange of India Limited.</p> <p>DCMSR is inter alia engaged in the business of manufacturing and marketing of sugar, alcohol, power, chemicals, industrial fibers and engineering products.</p> |
| 2       | Mrs. Urvashi Tilakdhar         | Individual               | <p>Mrs. Urvashi Tilakdhar is one of the Executive Directors of the holding company, DCMSR from the year 2019 and is familiar with the affairs of DCMSR. She has vast experience in various management, corporate cultural, social activities and market research.</p> <p>Educational Qualification: She is a post graduate in sociology</p>   |
| 3       | Mr. Akshay Dhar                | Individual               | <p>Mr. Akshay Dhar, has 16 years of experience in business of chemicals, sugar and alcohol. He is the President of Chemical Undertaking of DCMSR. He is also a Director in Kirloskar Ebara Pumps Limited. Mr. Akshay Dhar is the CEO of DSFCL.</p> <p>Educational Qualification: He is a graduate in business</p>   |



|  |  |  |                |
|--|--|--|----------------|
|  |  |  | administration |
|--|--|--|----------------|

### BUSINESS OVERVIEW AND STRATEGY

**Company Overview:** DSFCL is an unlisted company which was incorporated on September 29, 2021, under the provisions of the Companies Act, 2013 and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, India bearing Corporate Identification Number (CIN) U24296DL2021PLC387429.

DSFCL is a wholly owned subsidiary of DCMSR. The main objects of DSFCL include, inter alia, carrying on the business in chemicals and their by-products in particular organic/inorganic fine chemicals etc. Pursuant to the Scheme, the Chemical Undertaking of DCMSR (as defined below) will vest in DSFCL as a going concern.

**Product/Service Offering:** Yet to commence the business activities and as such not applicable.

**Revenue segmentation by product/service offering:** Nil.

**Geographies Served:** Not applicable, since DSFCL does not have business operations as on date of this Abridged Prospectus.

**Revenue segmentation by geographies:** Nil.

**Key Performance Indicators:** Not applicable, since DSFCL does not have business operations as on date of this Abridged Prospectus.

**Client Profile or Industries Served:** Not applicable, since DSFCL does not have business operations as on date of this Abridged Prospectus.

**Revenue segmentation in terms of top 5/10 clients or Industries:** Not applicable, since DSFCL does not have business operations as on date of this Abridged Prospectus.

**Intellectual Property, if any:** Nil.

**Market Share:** Not applicable, since DSFCL does not have business operations as on date of this Abridged Prospectus.

**Manufacturing plant, if any:** Nil.

**Employee Strength:** Nil, as on the date of this Abridged Prospectus. However, upon the Scheme becoming effective, all the employees employed in or in relation to the Chemical Undertaking of DCMSR shall be deemed to have become employees of DSFCL.

### BOARD OF DIRECTORS

| Sr. No. | Name                   | Designation (Independent / Whole time / Executive / Nominee) | Experience & Educational Qualification   | Other Directorships  |
|---------|------------------------|--|--|--|
| 1       | Mrs. Urvashi Tilakdhar | Executive Director   | Mrs. Urvashi Tilakdhar is one of the Executive Directors of holding company, DCMSR from the year 2019 and has familiar with the affairs of the company.<br><br>Educational Qualification: Post Graduation in Sociology from Jawahar Lal Nehru University, Delhi. | 5. DCMSR<br>6. Lily<br>7. Breinworks Services Private Limited                                  |
| 2       | Mr. Akshay Dhar        | Executive Director   | Mr. Akshay Dhar, has 16 years of experience in business of chemicals, sugar and alcohol. He is the President of Chemical Undertaking of DCMSR.   | 1. Breinworks Services Private Limited<br>2. Kirloskar Ebara Pumps Limited<br>3. Daurala Foods |

|   |                      |                    |  |                               |
|---|----------------------|--------------------|--|-------------------------------|
|   |                      |                    | Educational Qualification: Graduate in Business Administration from Bradford University (UK).  | And Beverages Private Limited |
| 3 | Mr. Vineet Manaktala | Executive Director | Shri Vineet Manaktala, a Chartered Accountant with over 36 years of experience in handling matters relating to company accounts and finance, audit, etc. He is Director Finance and CFO of the holding company, DCMSR. | 1. DCMSR                      |

#### OBJECTS OF THE ISSUE

Not applicable.

**Details of means of finance:** Not applicable.

#### DETAILS OF THE SCHEME

##### DETAILS OF THE SCHEME

The composite scheme of arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the provisions of other applicable laws, amongst Lily Commercial Private Limited (“Lily”), DCM Shriram Industries Limited (“DCMSR”), DCM Shriram Fine Chemicals Limited (“DSFCL”), a wholly owned subsidiary of DCMSR, and DCM Shriram International Limited (“DSIL”), a wholly owned subsidiary of DCMSR and their respective shareholders and creditors (“Scheme”) provide, inter alia for, (a) re-arrangement and amalgamation of Lily into and with DCMSR; and (b) subsequent to this amalgamation, the resultant DCMSR shall demerge (i) its chemical business (“Chemical Undertaking”) into DSFCL; and (ii) its rayon business including defence and engineering projects (“Rayon Undertaking”) into DSIL; and (c) the residual businesses comprising of sugar, alcohol and power (“Residual Undertaking”) would be retained in DCMSR. The appointed date for the Scheme is April 01, 2023 or such other date as directed by the National Company Law Tribunal (“NCLT”), New Delhi.

The Scheme involves the demerger of 2 (two) business undertakings (i.e., Chemical Undertaking and Rayon Undertaking (including defence and engineering projects)) of DCMSR into 2 (two) existing companies, on a going concern basis, while the Residual Undertaking comprising of sugar, alcohol and power would be retained in DCMSR, after the amalgamation of Lily with DCMSR, since (a) the 3 (three) segregated business verticals of sugar (including alcohol and power), chemicals and rayon (including defence and engineering projects) being diverse in nature with no critical business inter-dependencies, would be best placed in independent companies; (b) the separated undertakings being part of separate companies would have a greater possibility of inviting specialised and strategic investors and joint venture partners, and the demerger would likely increase shareholder value and focus each company on specific business, leading to faster growth and better price discovery; and (c) the family members constituting the ‘promoter and promoter group’ of

DCMSR would have direct ownership in each vertical (instead through investment company(ies)) so that they can take independent decisions on their respective shareholdings.

The Scheme is in the best interest of the stakeholders of each of the companies involved in this Scheme, *inter alia* for the reasons explained below:

- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;
- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;
- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of DSIL and DSFCL, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- (xiii) Facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR, DSIL and DSFCL.

Consideration/ share exchange ratio for demerger of the Rayon Undertaking of the DCMSR into the DSFCL

Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Chemical Undertaking of DCMSR into DSFCL in terms of this Scheme, DSFCL shall, without any further application or deed, issue and allot equity shares to the shareholders of DCMSR whose names appear in the register of members of DCMSR as on the Record Date in the following manner:

*For every 1 (One) equity share of face and paid-up value of Rs. 2 each held in DCMSR, 1 (One) equity share*

of face and paid-up value of Rs. 2 in DSFCL.

Listing of Equity Shares of the DSFCL:

DSFCL shall apply to BSE Limited and the National Stock Exchange of India Limited, and SEBI for listing and admission of its equity shares for trading in accordance with applicable laws.

**Shareholding Pattern of DSFCL as on date of the Abridged Prospectus:**

| Sr. No. | Particulars                 | Number of Shares                                | % Holding      |
|---------|-----------------------------|---|----------------|
| 1.      | Promoter and Promoter Group | 10,00,00,000 equity shares of Rs. 2 each        | 100.00%        |
| 2.      | Public                      | Nil   | 0.00%          |
|         | <b>Total</b>                | <b>10,00,00,000 equity shares of Rs. 2 each</b> | <b>100.00%</b> |

**Number/amount of equity shares proposed to be sold by selling shareholders, if any:** Not applicable.

**RESTATED AUDITED FINANCIALS:** Standalone

|   | Latest Stub Period P.E. 30.09.2024 (Unaudited) | FY 3 (2023-2024) | FY 2 (2022-2023) | FY 1 (2021-2022) |
|---|--|------------------|------------------|------------------|
| Total income from operations (Net)(in Rs. Lakhs)                    | -  | -                | -                | -                |
| Net Profit/(Loss) before tax and extraordinary items(in Rs. Lakhs)  | (13.15)  | (34.76)          | (34.85)          | (25.62)          |
| Net Profit / (Loss) after tax and extraordinary items(in Rs. Lakhs) | (13.15)  | (34.76)          | (34.85)          | (25.62)          |
| Equity Share Capital(in Rs. Lakhs)                                  | 2,000.00                                       | 2,000.00         | 2,000.00         | 1.00             |
| Reserves and Surplus(in Rs. Lakhs)                                  | 648.67   | 647.32           | 270.80           | 1,645.02         |
| Net worth(in Rs. Lakhs)   | 2,648.67                                       | 2,647.32         | 2,270.80         | 1,646.02         |
| Basic earnings per share (Rs.)                                      | (0.01)   | (0.03)           | (0.05)           | (51.23)          |
| Diluted earnings per share (Rs.)                                    | (0.01)   | (0.03)           | (0.05)           | (51.23)          |
| Return on net worth (%)   | (0.50)%  | (1.31)%          | (1.53)%          | (1.56)%          |
| Net asset value per share (Rs.)                                     | 2.65   | 2.65             | 2.27             | 3292.04          |

**RESTATED AUDITED FINANCIALS:** Consolidated

|  | Latest Stub Period P.E. 30.09.2024 | FY 3 (2023-2024) | FY 2 (2022-2023) | FY 1 (2021-2022) |
|--|------------------------------------|------------------|------------------|------------------|
|--|------------------------------------|------------------|------------------|------------------|

|   | (Unaudited) |  |  |  |
|---|-------------|--|--|--|
| Total income from operations (Net)(in Rs. Lakhs)                    |             |  |  |  |
| Net Profit/(Loss) before tax and extraordinary items(in Rs. Lakhs)  |             |  |  |  |
| Net Profit / (Loss) after tax and extraordinary items(in Rs. Lakhs) |             |  |  |  |
| Equity Share Capital(in Rs. Lakhs)                                  |             |  |  |  |
| Reserves and Surplus(in Rs. Lakhs)                                  |             |  |  |  |
| Net worth(in Rs. Lakhs)   |             |  |  |  |
| Basic earnings per share (Rs.)                                      |             |  |  |  |
| Diluted earnings per share (Rs.)                                    |             |  |  |  |
| Return on net worth (%)   |             |  |  |  |
| Net asset value per share (Rs.)                                     |             |  |  |  |

Not applicable.

#### INTERNAL RISK FACTORS

**Regulatory Risk:**Set out below are certain general regulatory risk factors applicable to DSFCL:

- (vi) The Scheme is subject to conditions precedent as envisaged under Clause 7.1 of the Scheme and any non-receipt to such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
- (vii) Any penalty or action taken by any regulatory authorities in future with respect to future non-compliance in relation to applicable laws, may impact financial position and business operations of DSFCL to that extent.
- (viii) Inability to attract and retain high quality talent, inadequate training & development, and high attrition may adversely affect business operations and growth prospects.
- (ix) Black Swan events, economic downturns, cyclical volatility, natural calamities, terrorist attacks etc., which are beyond the control, may adversely affect business operations and financial performance.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

NIL

A. **Total number of outstanding litigations against the company and amount involved:** None. As on the date of this Abridged Prospectus, there are no litigations that have been instituted by or against DSFCL.



| Name of Entity        | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved (Rs. in crores) |
|-----------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|---|
| <b>Company</b>        |                      |                 |                                     |   |                            |   |
| By the Company        | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against the Company   | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Directors</b>      |                      |                 |                                     |   |                            |   |
| By our Directors      | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against the Directors | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Promoters</b>      |                      |                 |                                     |   |                            |   |
| By Promoters          | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against Promoters     | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Subsidiaries</b>   |                      |                 |                                     |   |                            |   |
| By Subsidiaries       | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against Subsidiaries  | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |

B. **Brief details of top 5 material outstanding litigations against the company and amount involved:** None.

| Sr. No. | Particulars | Litigation Filed By | Current Status | Amount Involved |
|---------|-------------|---------------------|----------------|-----------------|
| 1.      | Nil         | Not Applicable      | Not Applicable | Not Applicable  |

E. **Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any:** None.

F. **Brief details of outstanding criminal proceedings against Promoters:** None.

| ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY |
|--|
| Nil.   |

#### DECLARATION BY THE COMPANY

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 the Abridged Prospectus 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 regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For **DCM Shriram Fine Chemicals Limited**

Sd/-  
**Akshay Dhar**  
**Director**  
DIN: 01078392

Place: New Delhi  
Date: 11<sup>th</sup>December, 2024

Annexure-17

**DCM SHRIRAM INTERNATIONAL LIMITED (DSIL)**

THIS IS AN ABRIDGED PROSPECTUS CONTAINING INFORMATION PERTAINING TO THE UNLISTED COMPANY, DCM SHRIRAM INTERNATIONAL LIMITED (“**DSIL**”) INVOLVED IN THE COMPOSITE SCHEME OF ARRANGEMENT (“**SCHEME**”) UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AMONGST LILY COMMERCIAL PRIVATE LIMITED (“**LILY**”), DCM SHRIRAM INDUSTRIES LIMITED (“**DCMSR**”), DCM SHRIRAM FINE CHEMICALS LIMITED (“**DSFCL**”) AND DCM SHRIRAM INTERNATIONAL LIMITED (“**DSIL**”), AND FILED BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, DELHI.

THIS ABRIDGED PROSPECTUS CONTAINS APPLICABLE INFORMATION OF THE UNLISTED COMPANY, DCM SHRIRAM INTERNATIONAL LIMITED, IN COMPLIANCE WITH: (I) THE SECURITIES AND EXCHANGE BOARD OF INDIA (“**SEBI**”) MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023; (II) SEBI CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 04, 2022; AND (III) SEBI CIRCULAR NO. SEBI/HO/CFD/POD-1/P/CIR/2024/0154 DATED NOVEMBER 11, 2024.

NOTHING IN THIS ABRIDGED PROSPECTUS CONSTITUTES AN OFFER OR AN INVITATION BY OR ON BEHALF OF DSIL, DCMSR, DSFCL AND/OR LILY TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES OF THE AFORESAID COMPANIES.

THIS ABRIDGED PROSPECTUS DATED 11<sup>th</sup> DECEMBER, 2024 SHOULD BE READ TOGETHER WITH THE SCHEME AND THE NOTICE TO THE SHAREHOLDERS/CREDITORS (AS APPLICABLE).

YOU MAY ALSO DOWNLOAD THE SCHEME FROM THE WEBSITES OF DCMSR AND THE STOCK EXCHANGES WHERE THE EQUITY SHARES OF DCMSR ARE LISTED I.E., THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BSE LIMITED VIZ. WWW.NSEINDIA.COM AND WWW.BSEINDIA.COM, RESPECTIVELY.

**THIS ABRIDGED PROSPECT US CONSISTS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

**DCM SHRIRAM INTERNATIONAL LIMITED (“DSIL”)**

**CIN:** U17299DL2022PLC404291, **Date of Incorporation:** September 07, 2022

|                          |   |
|--------------------------|---|
| <b>Registered Office</b> | 6th Floor, Kanchenjunga Building,18 Barakhamba Road, Delhi - 110001 |
| <b>Corporate Office</b>  | 6th Floor, Kanchenjunga Building,18 Barakhamba Road, Delhi - 110001 |

|                            |   |
|----------------------------|---|
| <b>Contact Person</b>      | Ashish Jha – Company Secretary  |
| <b>Email and Telephone</b> | <a href="mailto:ashishjha@dcmsr.com">ashishjha@dcmsr.com</a> , 011-43745000 |
| <b>Website</b>             | Not Applicable  |

**NAMES OF PROMOTER(S) OF THE COMPANY**

**As on date of Abridged Prospectus:** DCM Shriram Industries Limited, Mr. Alok Bansidhar Shriram, Ms. Kanika Shriram and Mr. Rudra Shriram.

**Details of Offer to Public:**

| Type of Issue<br>(Fresh/ OFS/<br>Fresh & OFS) | Fresh Issue Size<br>(by no. of<br>shares or by<br>amount in Rs.) | OFS Size (by<br>no. of shares<br>or by<br>amount in<br>Rs.) | Total Issue<br>Size<br>(by no. of<br>shares or by<br>amount in<br>Rs.) | Issue Under<br>6(1)/ 6(2) | Share Reservation |     |     |
|---|--|---|--|---------------------------|-------------------|-----|-----|
|   |  |   |  |                           | QIB               | NII | RII |
| Not applicable.                               |  |   |  |                           |                   |     |     |

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders:**

| Name            | Type | No of Shares<br>offered/<br>Amount in<br>Rs. | WACA in Rs<br>per Equity | Name | Type | No of Shares<br>offered/<br>Amount in<br>Rs | WACA in<br>Rs per<br>Equity |
|-----------------|------|--|--------------------------|------|------|---|-----------------------------|
| Not applicable. |      |  |                          |      |      |   |                             |

**Price Band, Minimum Bid Lot & Indicative Timelines**

| Price Band, Minimum Bid Lot & Indicative Timelines     |                 |
|--|-----------------|
| Price Band*  | Not applicable. |
| Minimum Bid Lot Size                                   |                 |
| Bid/Offer Open On                                      |                 |
| Bid/Closes Open On                                     |                 |
| Finalisation of Basis of Allotment                     |                 |
| Initiation of Refunds                                  |                 |
| Credit of Equity Shares to Demat accounts of Allottees |                 |
| Commencement of trading of Equity Shares               |                 |

**Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP:**

| Period          | Weighted Average Cost of<br>Acquisition (in Rs.) | Upper End of the Price Band<br>is 'X' times the WACA | Range of acquisition price<br>Lowest Price- Highest Price<br>(in Rs.) |
|-----------------|--|--|---|
| Not applicable. |  |  |   |

**RISKS IN RELATION TO THE FIRST OFFER**

Not applicable.

**GENERAL RISKS**

For taking any investment decision, investor must rely on their own examination of DSIL and the Scheme, including the risks involved. The allotment of equity shares by DSIL is limited to the shareholders of DCMSR, pursuant to the Scheme. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy and adequacy of the contents of the document. Specific attention is invited to the section titled “Risk factor” at page [202] of this Abridged Prospectus.

**PROCEDURE**

Not applicable\*.

\*The procedure with respect to public issue/offer would not be applicable to DSIL. DSIL is an unlisted company and is not offering fresh issue of shares through Initial Public Offer. The allotment of equity shares by DSIL is limited to the shareholders of DCMSR, pursuant to the Scheme.

**PRICE INFORMATION OF BRLM: Not Applicable.**

**In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included:** Not applicable.

**Name of the Statutory Auditor:** BSR & Co. LLP, Chartered Accountants.

**PROMOTERS AND PROMOTER GROUP OF THE COMPANY**

| Sr. No. | Name                           | Individual/Corporate | Experience & Educational Qualification   |
|---------|--------------------------------|----------------------|--|
| 1       | DCM Shriram Industries Limited | Corporate            | DCMSR is a public limited listed company incorporated on June 21, 1989 in India under the Companies Act, 1956 and has its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi –110001, India bearing Corporate Identification Number (CIN) L74899DL1989PLC035140. The equity shares of DCMSR are listed and traded on BSE Limited and the National Stock Exchange of India Limited.<br><br>DCMSR is, inter alia, engaged in the business of manufacturing and marketing of sugar, alcohol, power, chemicals, industrial fibres and engineering products. |
| 2       | Mr. Alok Bansidhar Shriram     | Individual           | Mr. Alok Bansidhar Shriram has over 40 years of experience in various senior management positions. He is the Senior Managing Director and CEO of DCMSR and the Vice Chairman of Shriram Institute for Industrial Research, Delhi and associated with various reputed organizations, industry and trade associations, such as PHD Chamber of Commerce and Industry (“PHDCCI”), Committee of Federation of Indian Chambers of Commerce and Industry (“FICCI”) etc.<br><br>Educational Qualification: B.Com (Hons.).  |

|   |                    |            |   |
|---|--------------------|------------|---|
| 3 | Ms. Kanika Shriram | Individual | <p>Ms. Kanika Shriram has 17 years of versatile experience in Communication, Engineering, Marketing and Industrial Fiber business. She is the President of Business Group Rayon of DCMSR. She is also a member of PHDCCI</p> <p>Educational Qualification: M.A. in corporate communications and marketing and B.A. (Hons.).</p> |
| 4 | Mr. Rudra Shriram  | Individual | <p>Mr. Rudra Shriram is currently managing a sheet metal fabrication and engineering design facility. Skilled in data analysis, de-bottlenecking and engineering management. He is the President of the Engineering Project Section DCMSR.</p> <p>Educational Qualification: B.S. Economics.</p>                                |

#### BUSINESS OVERVIEW AND STRATEGY

|  |
|--|
| <p><b>Company Overview:</b> DSIL is an unlisted company which was incorporated on September 7, 2022, under the provisions of the Companies Act, 2013 and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, Indiabearing Corporate Identification Number (CIN) U17299DL2022PLC404291.</p> <p>DSIL is a wholly owned subsidiary of DCMSR. The main object of DSIL includes, inter alia, carrying on the business of Rayon, Nylon, Nylon Tyre cord, fabrics and industrial yarns etc. Pursuant to the Scheme, the Rayon Undertaking of DCMSR (as defined below) will vest in DSIL as a going concern.</p> |
| <p><b>Product/Service Offering:</b> Yet to commence the business activities and as such not applicable.</p> <p><b>Revenue segmentation by product/service offering:</b> Nil.</p>   |
| <p><b>Geographies Served:</b> Not applicable, since DSIL does not have business operations as on date of this Abridged Prospectus.</p> <p><b>Revenue segmentation by geographies:</b> Nil.</p>   |
| <p><b>Key Performance Indicators:</b> Not applicable, since DSIL does not have business operations as on date of this Abridged Prospectus.</p>   |
| <p><b>Client Profile or Industries Served:</b> Not applicable, since DSIL does not have business operations as on date of this Abridged Prospectus.</p> <p><b>Revenue segmentation in terms of top 5/10 clients or Industries:</b> Not applicable, since DSIL does not have business operations as on date of this Abridged Prospectus.</p>  |
| <p><b>Intellectual Property, if any:</b> Nil.</p>  |
| <p><b>Market Share:</b> Not applicable, since DSIL does not have business operations as on date of this Abridged Prospectus.</p>   |
| <p><b>Manufacturing plant, if any:</b> Nil.</p>  |
| <p><b>Employee Strength:</b> Nil, as on the date of this Abridged Prospectus. However, upon the Scheme becoming effective, all the employees employed in or in relation to the Rayon Undertaking of DCMSR shall be deemed to have become employees of DSIL.</p>  |

#### BOARD OF DIRECTORS

| Sr. No. | Name                       | Designation (Independent / Whole time / Executive / Nominee) | Experience & Educational Qualification  | Other Directorships  |
|---------|----------------------------|--|---|--|
| 1       | Mr. Alok Bansidhar Shriram | Director   | <p>Mr. Alok Bansidhar Shriram has over 40 years of experience in various senior management positions. He is the Senior Managing Director and CEO of DCMSR.</p> <p>Educational Qualification: B.Com (Hons.).</p> | <ol style="list-style-type: none"> <li>1. Shriram Midivisana Engineering Private Limited</li> <li>2. Lily</li> <li>3. DCMSR</li> <li>4. Syenergy Environics Limited</li> </ol> |



|   |                    |          |   |   |
|---|--------------------|----------|---|---|
| 2 | Ms. Kanika Shriram | Director | <p>Ms. Kanika Shriram has 17 years of versatile experience in communication, engineering, marketing and industrial fiber business. She is President of Rayon Undertaking of DCMSR.</p> <p>Educational Qualification: M.A. in Corporate Communications and Marketing and B.A. (Hons.).</p> | 1. PHD Chamber of Commerce and Industry.  |
| 3 | Mr. Rudra Shriram  | Director | <p>Mr. Rudra Shriram is currently managing a sheet metal fabrication and engineering design facility. He is the President of Engineering Project Section of DCMSR.</p> <p>Educational Qualification: B.S. Economics.</p>  | <p>1. Indian Shipping Container Manufacturers Association</p> <p>2. Shriram Midivisana Engineering Private Limited</p> <p>3. DCM Defco Private Limited</p> <p>4. DCM Containers &amp; Engineering Private Limited</p> |

**OBJECTS OF THE ISSUE**

Not applicable.

**Details of means of finance:** Not applicable.

**DETAILS OF THE SCHEME**

**DETAILS OF THE SCHEME**

The composite scheme of arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the provisions of other applicable laws, amongst Lily Commercial Private Limited (“Lily”), DCM Shriram Industries Limited (“DCMSR”), DCM Shriram Fine Chemicals Limited (“DSFCL”), a wholly owned subsidiary of DCMSR, and DCM Shriram International Limited (“DSIL”), a wholly owned subsidiary of DCMSR and their respective shareholders and creditors (“Scheme”) provide, inter alia for, (a) re-arrangement and amalgamation of Lily into and with DCMSR; and (b) subsequent to this amalgamation, the resultant DCMSR shall demerge (i) its chemical business (“Chemical Undertaking”) into DSFCL; and (ii) its rayon business including defence and engineering projects (“Rayon Undertaking”) into DSIL; and (c) the residual businesses comprising of sugar, alcohol and power (“Residual Undertaking”) would be retained in DCMSR. The appointed date for the Scheme is April 01, 2023 or such other date as directed by the National Company Law Tribunal (“NCLT”), New Delhi.

The Scheme involves the demerger of 2 (two) business undertakings (i.e., Chemical Undertaking and Rayon Undertaking (including defence and engineering projects)) of DCMSR into 2 (two) existing companies, on a going concern basis, while the Residual Undertaking comprising of sugar, alcohol and power would be retained in DCMSR, after the amalgamation of Lily with DCMSR, since (a) the 3 (three) segregated business verticals of sugar (including alcohol and power), chemicals and rayon (including defence and engineering projects) being diverse in nature with no critical business inter-dependencies, would be best placed in independent companies; (b) the separated undertakings being part of separate companies would have a greater possibility of inviting specialised and strategic investors and joint venture partners, and the demerger would likely increase shareholder value and focus each company on specific business, leading to faster growth and better price discovery; and (c) the family members constituting the ‘promoter and promoter group’ of DCMSR would have direct ownership in each vertical (instead through investment company(ies)) so that they can take independent decisions on their respective shareholdings.

The Scheme is in the best interest of the stakeholders of each of the companies involved in this Scheme, *inter alia* for the reasons explained below:

- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;
- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;

- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of DSIL and DSFCL, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- (xiii) facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR, DSIL and DSFCL.

Consideration/ share exchange ratio for demerger of the Rayon Undertaking of the DCMSR into the DSIL

Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Rayon Undertaking of DCMSR into DSIL in terms of this Scheme, DSIL shall, without any further application or deed, issue and allot equity shares to the shareholders of DCMSR whose names appear in the register of members of DCMSR as on the Record Date in the following manner:

*For every 1 (One) equity share of face and paid-up value of Rs. 2 each held in DCMSR, 1 (One) equity share of face and paid-up value of Rs. 2 in DSIL.*

Listing of Equity Shares of the DSIL:

DSIL shall apply to BSE Limited and the National Stock Exchange of India Limited, and SEBI for listing and admission of its equity shares for trading in accordance with applicable laws.

**Shareholding Pattern of DSIL as on date of the Abridged Prospectus:**

| Sr. No. | Particulars                 | Number of Shares                          | % Holding      |
|---------|-----------------------------|---|----------------|
| 1.      | Promoter and Promoter Group | 50,000 equity shares of Rs. 2 each        | 100.00%        |
| 2.      | Public                      | Nil                                       | 0.00%          |
|         | <b>Total</b>                | <b>50,000 equity shares of Rs. 2 each</b> | <b>100.00%</b> |

**Number/amount of equity shares proposed to be sold by selling shareholders, if any:** Not applicable.

**RESTATED AUDITED FINANCIALS:** Standalone

|  | Latest Stub Period<br>P.E.<br>30.09.2024 | FY 3<br>(2023-2024) | FY 2<br>(2022-2023) | FY 1<br>(2021-2022) |
|--|--|---------------------|---------------------|---------------------|
|  |  |                     |                     |                     |

|  |         |        |        |    |
|--|---------|--------|--------|----|
| Total income from operations (Net) (in Rs. Lakhs)                    | -       | -      | -      | NA |
| Net Profit/(Loss) before tax and extraordinary items (in Rs. Lakhs)  | (0.31)  | (1.24) | (0.61) | NA |
| Net Profit / (Loss) after tax and extraordinary items (in Rs. Lakhs) | (0.31)  | (1.24) | (0.61) | NA |
| Equity Share Capital (in Rs. Lakhs)                                  | 1.00    | 1.00   | 1.00   | NA |
| Reserves and Surplus (in Rs. Lakhs)                                  | 532.24  | (1.50) | (0.26) | NA |
| Net worth (in Rs. Lakhs)   | 533.24  | (0.50) | 0.74   | NA |
| Basic earnings per share (Rs.)                                       | (0.62)  | (2.48) | (1.21) | NA |
| Diluted earnings per share (Rs.)                                     | (0.62)  | (2.48) | (1.21) | NA |
| Return on net worth (%)  | (0.06%) | (248%) | (82%)  | NA |
| Net asset value per share (Rs.)                                      | 1006.48 | (1.00) | 1.47   | NA |

**RESTATED AUDITED FINANCIALS:** Consolidated

|   | Latest Stub Period P.E. 30.09.2024 (Unaudited) | FY 3 (2023-2024) | FY 2 (2022-2023) | FY 1 (2021-2022) |
|---|--|------------------|------------------|------------------|
| Total income from operations (Net)(in Rs. Lakhs)                    |  |                  |                  |                  |
| Net Profit/(Loss) before tax and extraordinary items(in Rs. Lakhs)  |  |                  |                  |                  |
| Net Profit / (Loss) after tax and extraordinary items(in Rs. Lakhs) |  |                  |                  |                  |
| Equity Share Capital(in Rs. Lakhs)                                  |  |                  |                  |                  |
| Reserves and Surplus(in Rs. Lakhs)                                  |  |                  |                  |                  |
| Net worth(in Rs. Lakhs)   |  |                  |                  |                  |
| Basic earnings per share (Rs.)                                      |  |                  |                  |                  |
| Diluted earnings per share (Rs.)                                    |  |                  |                  |                  |
| Return on net worth (%)   |  |                  |                  |                  |
| Net asset value per share (Rs.)                                     |  |                  |                  |                  |

**INTERNAL RISK FACTORS**

**Regulatory Risk:**Set out below are certain general regulatory risk factors applicable to DSIL:

- (x) The Scheme is subject to conditions precedent as envisaged under Clause 7.1 of the Scheme and any non-receipt to such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
- (xi) Any penalty or action taken by any regulatory authorities in future with respect to future non-compliance in relation to applicable laws, may impact financial position and business operations of DSIL to that extent.
- (xii) Inability to attract and retain high quality talent, inadequate training & development, and high attrition may adversely affect

business operations and growth prospects.  
 (xiii) Black Swan events, economic downturns, cyclical volatility, natural calamities, terrorist attacks etc., which are beyond the control, may adversely affect business operations and financial performance.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

NIL

A. **Total number of outstanding litigations against the company and amount involved:** None. As on the date of this Abridged Prospectus, there are no litigations that have been instituted by or against DSIL.

| Name of Entity        | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved (Rs. in crores) |
|-----------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|---|
| <b>Company</b>        |                      |                 |                                     |   |                            |   |
| By the Company        | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against the Company   | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Directors</b>      |                      |                 |                                     |   |                            |   |
| By our Directors      | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against the Directors | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Promoters</b>      |                      |                 |                                     |   |                            |   |
| By Promoters          | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against Promoters     | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| <b>Subsidiaries</b>   |                      |                 |                                     |   |                            |   |
| By Subsidiaries       | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |
| Against Subsidiaries  | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                                       |

B. **Brief details of top 5 material outstanding litigations against the company and amount involved:** None.

| Sr. No. | Particulars | Litigation Filed By | Current Status | Amount Involved |
|---------|-------------|---------------------|----------------|-----------------|
| 1.      | Nil         | Not Applicable      | Not Applicable | Not Applicable  |

C. **Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any:** None.



D. **Brief details of outstanding criminal proceedings against Promoters:** None.

| ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY |
|--|
| Nil.   |

**DECLARATION BY THE COMPANY**

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 the Abridged Prospectus 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 regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For **DCM Shriram International Limited**

Sd/-  
**Alok Bansidhar Shriram**  
**Director**  
**DIN: 000203808**

Place: New Delhi  
Date: 11<sup>th</sup> December, 2024