

Anshul Gupta & Associates

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Chartered Accountants

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Certificate on the Statement of Computation of pre scheme net worth and post scheme provisional net worth of DCM Shriram Industries Limited on a Standalone and Consolidated basis as at March 31, 2023.

To,
The Board of Directors
DCM Shriram Industries Limited
5th Floor, Kanchenjunga Building
18, Barakhamba Road,
New Delhi - 110001

1. This Certificate is issued in accordance with the terms of our engagement letter dated February 17, 2024 issued by DCM Shriram Industries Limited.
2. At the request of the management, we have examined the accompanying "Statement of Computation of pre scheme net worth and post scheme provisional net worth of DCM Shriram Industries Limited ("DCMSR" or the "Company") on both Standalone and Consolidated basis as at March 31, 2023" (hereinafter referred together as the "Statement") prepared by the management, which we have annexed along with this certificate for identification purposes. The Statement together with our certificate thereon is required by the Company pursuant to the requirements of The National Stock Exchange of India Limited, BSE Limited ("stock exchanges") for filing along with the Composite Scheme of Arrangement proposed to be filed under Section 230 to 232 and other relevant provisions of Companies Act, 2013 (refer point 3 below).
3. We have been informed that the board of directors of the Company, at their meeting held on November 14, 2023 approved the Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited (Lily), DCM Shriram Industries Limited (DCMSR), DCM Shriram Fine Chemicals Limited (DSFCL) and DCM Shriram International Limited (DSIL) and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with appointed date of 1st April, 2023 ("Scheme").



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4. As part of the Scheme, the following steps are proposed to be undertaken:
- a) Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
 - b) Subsequent to this amalgamation, demerger of Chemical undertaking of resultant DCMSR (“Chemical Undertaking”) into DSFCL (“Resultant Company 1”) and demerger of Rayon undertaking of resultant DCMSR (including defence and engineering projects) into DSIL (“Resultant Company 2”).

Management’s Responsibility

5. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The Management is also responsible for ensuring that the company complies with the requirements of applicable Securities and Exchange Board of India (SEBI) circulars and the Companies Act, 2013, in relation to the proposed scheme and for providing all the information to the SEBI and the stock exchanges.

Our Responsibility

7. Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether:
 - i. the amounts in the Statement:
 - a) as much as these relate to pre scheme net worth as at March 31, 2023 have been accurately extracted from the audited standalone financial statements and audited consolidated financial statements of DCMSR as at and for the year ended March 31, 2023.
 - b) as much as these relate to post scheme provisional net worth as at March 31, 2023 computed on provisional basis after taking into effect impact of the Scheme, have been determined by the management using the basis as fully explained in notes to the statement.
 - ii. the computation of pre scheme net worth and post scheme provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.



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8. As regards financial statements used for calculating the pre scheme and post scheme net worth:
- i. The standalone and consolidated financial statements of DCMSR as at and for the year ended March 31, 2023 have been audited by other auditor who have issued unmodified audit opinions vide their reports dated May 25, 2023.
 - ii. NCLT vide its order dated February 15, 2024 has approved the Composite Scheme of Amalgamation involving amalgamation of four companies into and with Lily with appointed date 01 April 2023. The impact of the same has been considered based on the Special Purpose Condensed Interim Financial Statements of Lily as at March 31, 2023, incorporating the impact of said NCLT order, which have been certified by auditors of Lily Commercial Private Limited, who have issued an unmodified audit opinion vide their report dated February 22, 2024.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
- a) Obtained and read the certified copy of the proposed Scheme, as approved by Board of Directors of the Company, at their meeting held on November 14, 2023.
 - b) Obtained and read the certified copy of NCLT's order dated February 15, 2024.
 - c) Traced and agreed the amounts in the Statement in relation to Computation of pre scheme net worth, to the audited financial statements, both standalone and consolidated, of the Company as at and for the year ended March 31, 2023.



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- d) Traced the changes in pre scheme net worth of DCMSR to arrive at post scheme provisional net worth of DCMSR as at March 31, 2023 consequent to the scheme based on adjustments relating to
- amalgamation of Transferor Company from the special purpose condensed interim financial statements of Lily as at March 31, 2023; and
 - in relation to the demerger of Chemical Undertaking and Rayon Undertaking into DSFCL and DSIL respectively, on the basis mentioned in the statement.
- e) Tested the arithmetical accuracy of the Statement and verified that the computation is in accordance with the basis of computation set out in the Statement, including notes accompanying the statement.
- f) Performed necessary inquiries with the management and obtained necessary representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in the Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

12. The post scheme net worth both standalone and consolidated are considered provisional as these will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2023 to the effective date), other business transactions entered into by all companies party to the Scheme / consolidated with the company in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.

Conclusion

13. Based on the procedures performed by us as referred to in paragraph 11 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that:

i. the amounts in the Statement;

- a) as much as these relate to pre scheme net worth as at March 31, 2023 have not been accurately extracted from the audited financial statements, both standalone and consolidated, of the Company; and
- b) as much as these relate to post scheme net worth, both standalone and consolidated, as at March 31, 2023 computed on provisional basis, as per the Scheme pending submission with NCLT, have not been determined by the management using the basis as fully explained in notes of the statement;



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- ii. the computation of pre scheme net worth and post scheme provisional net worth, both standalone and consolidated, is arithmetically inaccurate and is not in accordance with the basis of computation set out in the Statement.

Restriction on Use

14. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above for onward submission to stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For Anshul Gupta & Associates
Chartered Accountants
FRN: 039576N


Anshul Gupta
Proprietor
Membership No.: 538431



Place: New Delhi
Date: February 23, 2024

UDIN: 24538431BKERMS8977



DCM SHRIRAM INDUSTRIES LTD.



'KANCHENJUNGA', 18, BARAKHAMBA ROAD, NEW DELHI-110001, INDIA.

Statement of computation of pre scheme net worth and post scheme provisional net worth of DCM Shriram Industries Limited ("DCMSR" or the "Company") based on audited consolidated financial statements and audited standalone financial statements as at March 31, 2023

A. (i) Computation of pre scheme net worth of DCMSR, on a Consolidated basis as at March 31, 2023

S. No.	Particulars	Amount (INR Crores)
I	Equity Share capital (Paid up capital)	17.40
II	Other Equity	
(a)	Reserves & Surplus	699.27
(b)	Amalgamation reserve not considered for net worth	14.11
III	Reserves & Surplus considered part of net worth (II(a) - II(b))	685.16
IV	Pre scheme net worth (I+III)	702.56

(ii) Computation of pre scheme net worth of DCMSR, on a Standalone basis as at March 31, 2023

S. No.	Particulars	Amount (INR Crores)
I	Equity Share capital (Paid up capital)	17.40
II	Other Equity	
(a)	Reserves & Surplus	681.81
(b)	Amalgamation reserve not considered for net worth	14.11
III	Reserves & Surplus considered part of net worth (II(a) - II(b))	667.70
IV	Pre scheme net worth (I+III)	685.10



B. (i) Computation of post scheme provisional net worth of DCMSR on a Consolidated basis as at March 31, 2023

S. No.	Particulars	Amount
		(INR Crores)
I	Pre scheme net worth of DCMSR (as computed in table A (i) above)	702.56
	Scheme Adjustments	
II	Provisional net worth of Lily Commercial Private Limited (refer note 3 and 4(a)) (net of capital reserve not considered as part of net worth)	(3.67)
III	Sub-total (I+II)	698.89
IV	Exclusions from provisional net worth due to demerger	
	(a) Provisional net assets of Chemical Undertaking to be demerged (refer note 4(b))	175.42
	(b) Provisional net assets of Rayon Undertaking to be demerged (refer note 4(b))	223.87
	Total IV ((a) + (b))	399.29
V	Post scheme provisional net worth (III-IV)	299.60

(ii) Computation of post scheme provisional net worth of DCMSR on a Standalone basis as at March 31, 2023

S. No.	Particulars	Amount
		(INR Crores)
I	Pre scheme net worth of DCMSR (as computed in table A (ii) above)	685.10
	Scheme Adjustments	
II	Provisional net worth of Lily Commercial Private Limited (refer note 3 and 4(a)) (net of capital reserve not considered as part of net worth)	(3.67)
III	Sub-total (I+II)	681.43
IV	Exclusions from provisional net worth due to demerger	
	(a) Provisional net assets of Chemical Undertaking to be demerged (refer note 4(b))	175.42
	(b) Provisional net assets of Rayon Undertaking to be demerged (refer note 4(b))	223.87
	Total IV ((a) + (b))	399.29
V	Post scheme provisional net worth (III-IV)	282.14



Note: For the purpose of preparation of this Statement, definition of net worth as given under Section 2(57) of the Companies Act, 2013 has been used which states as under:

“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Basis of computation:

1. Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited (Lily), DCM Shriram Industries Limited (DCMSR), DCM Shriram Fine Chemicals Limited (DSFCL) and DCM Shriram International Limited (DSIL) with appointed date of 1st April, 2023 ("Scheme") includes:
 - a) Amalgamation of Lily Commercial Private Limited ("Transferor Company") into and with DCMSR;
 - b) Subsequent to this amalgamation, demerger of Chemical undertaking of resultant DCMSR ("Chemical Undertaking") into DSFCL ("Resultant Company 1") and demerger of Rayon undertaking of resultant DCMSR (including defence and engineering projects) into DSIL ("Resultant Company 2").
2. For the purpose of preparation of the aforesaid Statement
 - a) Pre scheme net worth of DCMSR (as computed in A above) is based on the audited standalone financial statements and audited consolidated financial statements of DCMSR as at and for the year ended March 31, 2023.
 - b) Post scheme provisional net worth (as computed in B above) is based on 2(a) above and adjusted for
 - Amalgamation of Lily Commercial Private Limited based on Special Purpose Condensed Interim Financial Statements of Lily Commercial Private Limited as at March 31, 2023 certified by their auditors.
 - Break up financial information maintained by the management of DCMSR for Chemical Undertaking and Rayon Undertaking and forming part of / extracted from the audited financial statements of DCMSR as at and for the year ended March 31, 2023.



3. The post scheme provisional net worth of DCMSR taking into effect the Scheme has been computed, both on standalone and consolidated basis, based on following scheme adjustments:

a) Provisional net worth of Transferor Company has been adjusted in the pre scheme net worth of DCMSR consequent to amalgamation of the Transferor Company into DCMSR based on Special Purpose Condensed Interim Financial Statements of Lily Commercial Private Limited as at March 31, 2023 certified by their auditors. These adjustments have been computed as below:

S.No.	Particulars	Amount (INR Crores)
I	Equity Share capital (paid up capital)	6.45
II	Other Equity	56.26
III	Capital reserve not considered part of net worth, hence excluded	4.90
IV	Net worth of Lily Commercial Pvt. Ltd. (I + II-III)	57.81
V	Scheme Adjustment Reduction in net worth due to shares of DCMSR held by Lily to be cancelled on amalgamation	61.48
VI	Provisional net worth of Lily Commercial Private Limited (IV-V)	(3.67)

b) The provisional net assets of Chemical Undertaking and Rayon Undertaking representing difference between the assets and liabilities of these undertakings being demerged has been calculated as under:

S. No.	Particulars	Chemical Undertaking Amount (INR Crores)	Rayon Undertaking Amount (INR Crores)
I	Assets Demerged	281.04	492.48
II	Liabilities Demerged	105.62	268.61
III	Net Assets to be transferred (Provisional) (I - II)	175.42	223.87



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5. The post scheme net worth both standalone and consolidated are considered provisional as these will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2023 to the effective date), other business transaction entered into by all companies party to the Scheme (refer note 1 above) / consolidated with the company in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.

For and on behalf of the DCM Shriram Industries Limited


Director

Place: New Delhi

Date: February 23, 2024







Certificate on the Statement of pre scheme net worth and post scheme provisional net worth of DCM Shriram Fine Chemicals Limited as at March 31, 2023.

To,
The Board of Directors
DCM Shriram Fine Chemicals Limited
5th Floor, Kanchenjunga Building
18, Barakhamba Road,
New Delhi - 110001

1. This Certificate is issued in accordance with the terms of our engagement letter dated November 10, 2023 issued by DCM Shriram Fine Chemicals Limited.
2. At the request of the management, we have examined the accompanying "Statement of pre scheme net worth and post scheme provisional net worth of DCM Shriram Fine Chemicals Limited ("the Company" or "DSFCL") as at March 31, 2023" (hereinafter referred together as the "Statement"), which we have annexed along with this certificate for identification purposes. The Statement together with our certificate thereon is required by the Company for submission to DCM Shriram Industries Limited ("DCMSR"), the Holding Company for their onward submission to The National Stock Exchange of India Limited and BSE Limited ("stock exchanges"). Pursuant to the requirements of stock exchanges, DCMSR is required to file the statement and this certificate along with the Composite Scheme of Arrangement under Section 230 to 232 and other relevant provisions of Companies Act, 2013 (Refer pt 3 and 4 below).
3. We have been informed that the board of directors of the Company, at their meeting held on November 14, 2023 approved the Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited (Lily), DCM Shriram Industries Limited (DCMSR), DCM Shriram Fine Chemicals Limited (DSFCL) and DCM Shriram International Limited (DSIL) and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with appointed date of 1st April, 2023 ("Scheme").
4. A Composite Scheme of Amalgamation for amalgamation of Versa Trading Private Limited, Bantam Enterprises Private Limited, H.R. Travels Private Limited, Hi-VAC Wares Private Limited into and with M/s. Lily Commercial Private Limited with appointed date of 1st April 2023 has been filed with NCLT bench of Delhi and is currently pending sanction ("Pending Scheme"). The Scheme is subject to approval of the Pending Scheme.



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5. As part of the Scheme, the following steps are proposed to be undertaken:
- a) Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
 - b) Subsequent to this amalgamation, demerger of Chemical undertaking of resultant DCMSR (“Chemical Undertaking”) into DSFCL (“Resultant Company 1”) and demerger of Rayon undertaking of resultant DCMSR (including defence and engineering projects) into DSIL (“Resultant Company 2”).

Management's Responsibility

6. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
7. The Management is also responsible for ensuring that the company complies with the requirements of the Companies Act, 2013, in relation to the proposed scheme.

Our Responsibility

8. Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether:
 - (i) the amounts in the statement:
 - a) as much as these relate to pre scheme net worth of DSFCL as at March 31, 2023 have been accurately extracted from the audited financial statements of DSFCL as at and for the year ended March 31, 2023.
 - b) as much as these relate to post scheme provisional net worth of DSFCL as at March 31, 2023 computed on provisional basis after taking into effect impact of the Scheme, have been determined by the management using the basis as fully explained in notes to the statement.
 - (ii) the computation of pre scheme net worth and post scheme provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.



9. The Financial Statement of DSFCL and DCMSR as at and for the year ended March 31, 2023, as referred to in paragraph 8 above have been audited by other auditors who have issued an unmodified audit opinion on the same vide their reports dated May 23, 2023 and May 25, 2023 respectively.
10. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 8 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
- a) Obtained and read the certified copy of the Scheme and Pending Scheme.
 - b) Traced and agreed the amount in the attached Statement in relation to:
 - the pre scheme net worth of DSFCL to the audited financials of DSFCL as at March 31, 2023; and
 - adjustments to arrive at post scheme provisional net worth of DSFCL, to the financial information maintained by the management of DCMSR for the Chemical Undertaking and extracted from the audited financial statements of DCMSR as at and for the year ended March 31, 2023.
 - c) Tested the arithmetical accuracy of the Statement and verified that the computation is in accordance with the basis of computation set out in the Statement, including notes accompanying the statement.
 - d) Performed necessary inquires with the management and obtained necessary representations from the management.



The above-mentioned procedures include examining evidence supporting the particulars in this Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or financial statements of the Company taken as a whole.

13. The post scheme net worth is considered provisional as this will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2023 to the effective date), other business transactions entered into by all companies party to the Scheme in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.

Conclusion

14. Based on the procedures performed by us as referred to in paragraph 12 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that:

i. the amounts in the Statement;

- a) as much as these relate to pre scheme net worth as at March 31, 2023 have not been accurately extracted from the audited standalone financial statements of the Company; and
- b) as much as these relate to post scheme net worth as at March 31, 2023 computed on provisional basis, as per the Scheme pending submission with NCLT, have not been determined by the management using the basis as fully explained in notes of the statement;

- ii. the computation of pre scheme net worth and post scheme provisional net worth is arithmetically inaccurate and is not in accordance with the basis of computation set out in the Statement.



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Restriction on Use

15. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above for onward submission to DCMSR for submission to stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For Anshul Gupta & Associates
Chartered Accountants
FRN: 039576N


Anshul Gupta
Proprietor
Membership No.: 538431

Place: New Delhi
Date: November 14, 2023

UDIN: 23538431BGYTZ65476

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Statement of pre scheme net worth & post scheme provisional net worth of DCM Shriram Fine Chemicals Limited (“the Company” or “DSFCL”) as at March 31, 2023

S. No.	Particulars	Amount (INR Crores)
I	Pre Scheme Net Worth	
(a)	Equity Capital (including advance for share capital)	23.31
(b)	Other Equity	(0.60)
	Pre Scheme Net Worth (a + b)	22.71
II	Adjustments to Pre Scheme Net Worth	
(a)	Chemical Undertaking assets to be transferred from DCM Shriram Industries Limited (DCMSR)	281.04
(b)	Chemical Undertaking liabilities to be transferred from DCMSR	105.62
(c)	Net Assets transferred (a-b)	175.42
(d)	DCMSR Equity Holding in DSFCL (including advance for share capital) cancelled	23.31
	Adjustments to Pre Scheme Net Worth (c-d)	152.11
III	Post Scheme Provisional Net Worth (I+II)	174.82

Basis of computation:

- For the purpose of preparation of the aforesaid Statement, the definition of net worth as given under Section 2(57) of the Companies Act, 2013 has been used. The definition is reproduced below:

“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, , after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

- Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited (Lily), DCM Shriram Industries Limited (DCMSR), DCM Shriram Fine Chemicals Limited (DSFCL) and DCM Shriram International Limited (DSIL) with appointed date of 1st April, 2023 ("Scheme") includes:





- a) Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
- b) Subsequent to this amalgamation, demerger of Chemical undertaking of resultant DCMSR (“Chemical Undertaking”) into DSFCL (“Resultant Company 1”) and demerger of Rayon undertaking of resultant DCMSR (including defence and engineering projects) into DSIL (“Resultant Company 2”).

3. For the purpose of preparation of the aforesaid Statement

- a) Pre scheme net worth of DCM Shriram Fine Chemicals Limited (DSFCL) (as computed above) is based on the audited financial statements of DSFCL as at and for the year ended March 31, 2023.
- b) Post scheme provisional net worth (as computed above) is based on
 - Assets and Liabilities of Chemical Undertaking transferred based on the break up financial information maintained by the management of DCMSR for Chemical Undertaking and extracted from the audited financial statements of DCMSR as at March 31, 2023;
 - Cancellation of investment of DCMSR in equity shares including advance for equity share capital of DSFCL and forming part of the assets of Chemical Undertaking transferred from DCMSR to DSFCL.

4. The post scheme net worth is considered provisional as this will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2023 to the effective date), other business transactions entered into by all companies party to the Scheme in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.

For and on behalf of the DCM Shriram Fine Chemicals Limited


Company Secretary

Place: New Delhi
Date: November 14, 2023



Certificate on the Statement of pre scheme net worth and post scheme provisional net worth of DCM Shriram International Limited as at March 31, 2023

To,
The Board of Directors
DCM Shriram International Limited
5th Floor, Kanchenjunga Building
18, Barakhamba Road,
New Delhi – 110001

1. This Certificate is issued in accordance with the terms of our engagement letter dated November 10, 2023 issued by DCM Shriram International Limited.
2. At the request of the management, we have examined the accompanying "Statement of pre scheme net worth and post scheme provisional net worth of DCM Shriram International Limited ("the Company" or "DSIL") as at March 31, 2023" (hereinafter referred together as the "Statement"), which we have annexed along with this certificate for identification purposes. The Statement together with our certificate thereon is required by the Company for submission to DCM Shriram Industries Limited ("DCMSR"), the Holding Company for their onward submission to The National Stock Exchange of India Limited and BSE Limited ("stock exchanges"). Pursuant to the requirements of stock exchanges, DCMSR is required to file the statement and this certificate along with the Composite Scheme of Arrangement under Section 230 to 232 and other relevant provisions of Companies Act, 2013 (Refer pt 3 and 4 below).
3. We have been informed that the board of directors of the Company, at their meeting held on November 14, 2023 approved the Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited (Lily), DCM Shriram Industries Limited (DCMSR), DCM Shriram Fine Chemicals Limited (DSFCL) and DCM Shriram International Limited (DSIL) and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with appointed date of 1st April, 2023 ("Scheme").
4. A Composite Scheme of Amalgamation for amalgamation of Versa Trading Private Limited, Bantam Enterprises Private Limited, H.R. Travels Private Limited, Hi-VAC Wares Private Limited into and with M/s. Lily Commercial Private Limited with appointed date of 1st April 2023 has been filed with NCLT bench of Delhi and is currently pending sanction ("Pending Scheme"). The Scheme is subject to approval of the Pending Scheme.



5. As part of the Scheme, the following steps are proposed to be undertaken:
- a) Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
 - b) Subsequent to this amalgamation, demerger of Chemical undertaking of resultant DCMSR (“Chemical Undertaking”) into DSFCL (“Resultant Company 1”) and demerger of Rayon undertaking of resultant DCMSR (including defence and engineering projects) into DSIL (“Resultant Company 2”).

Management’s Responsibility

6. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
7. The Management is also responsible for ensuring that the company complies with the requirements of the Companies Act, 2013, in relation to the proposed scheme.

Our Responsibility

8. Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether:
 - (i) the amounts in the statement:
 - a) as much as these relate to pre scheme net worth of DSIL as at March 31, 2023 have been accurately extracted from the audited financial statements of DSIL as at and for the year ended March 31, 2023.
 - b) as much as these relate to post scheme provisional net worth of DSIL as at March 31, 2023 computed on provisional basis after taking into effect impact of the Scheme, have been determined by the management using the basis as fully explained in notes to the statement.
 - (ii) the computation of pre scheme net worth and post scheme provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.



9. The Financial Statement of DSIL and DCMSR as at and for the year ended March 31, 2023, as referred to in paragraph 8 above have been audited by other auditors who have issued an unmodified audit opinion on the same vide their reports dated May 23, 2023 and May 25, 2023 respectively.
10. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 8 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
- a) Obtained and read the certified copy of the Scheme and Pending Scheme.
 - b) Traced and agreed the amount in the attached Statement in relation to:
 - the pre scheme net worth of DSIL to the audited financials of DSIL; and;
 - adjustments to arrive at post scheme provisional net worth, to the financial information maintained by the management of DCMSR for the Rayon Undertaking and extracted from the audited financial statements of DCMSR as at and for the year ended March 31, 2023.
 - c) Tested the arithmetical accuracy of the Statement and verified that the computation is in accordance with the basis of computation set out in the Statement, including notes accompanying the statement.
 - d) Performed necessary inquires with the management and obtained necessary representations from the management.



The above-mentioned procedures include examining evidence supporting the particulars in this Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or financial statements of the Company taken as a whole.

13. The post scheme net worth is considered provisional as this will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2023 to the effective date), other business transactions entered into by all companies party to the Scheme in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.

Conclusion

14. Based on the procedures performed by us as referred to in paragraph 12 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that:

- i. the amounts in the Statement;

- a) as much as these relate to pre scheme net worth as at March 31, 2023 have not been accurately extracted from the audited standalone financial statements of the Company; and
- b) as much as these relate to post scheme net worth as at March 31, 2023 computed on provisional basis, as per the Scheme pending submission with NCLT, have not been determined by the management using the basis as fully explained in notes of the statement;

- ii. the computation of pre scheme net worth and post scheme provisional net worth is arithmetically inaccurate and is not in accordance with the basis of computation set out in the Statement.




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Restriction on Use

15. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above for onward submission to DCMSR for submission to stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For Anshul Gupta & Associates
Chartered Accountants
FRN: 039576N


Anshul Gupta
Proprietor
Membership No.: 538431





Place: New Delhi
Date: November 14, 2023



UDIN: 23538431BGYZH6742

DCM SHRIRAM INTERNATIONAL LIMITED

(a wholly owned subsidiary of DCM Shriram Industries Limited)



6th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001, INDIA

Statement of pre scheme net worth & post scheme provisional net worth of DCM Shriram International Limited ("the Company" or "DSIL") as at March 31, 2023

S. No.	Particulars	Amount (INR Crores)
I	Pre Scheme Net Worth	
(a)	Equity Capital (including advance for share capital)	0.01
(b)	Other Equity (-Rs.26,433)	(0.00)
	Pre Scheme Net Worth (a + b)	0.01
II	Adjustment to Pre Scheme Net Worth	
(a)	Rayon Undertaking assets to be transferred from DCM Shriram Industries Limited (DCMSR)	492.48
(b)	Rayon Undertaking liabilities to be transferred from DCMSR	268.61
(c)	Net Assets transferred (a-b)	223.87
(d)	DCMSR Equity Holding in DSIL (including advance for share capital) cancelled	0.01
(e)	Capital Reserve created on demerger not considered as part of net worth, net of equity share capital to be issued	99.97
	Adjustment to Pre Scheme Net Worth (c-d-e)	123.89
III	Post Scheme Provisional Net Worth (I+II)	123.90

Basis of computation:

1. For the purpose of preparation of the aforesaid Statement, the definition of net worth as given under Section 2(57) of the Companies Act, 2013 has been used. The definition is reproduced below:

“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, , after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

2. Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited (Lily), DCM Shriram Industries Limited (DCMSR), DCM Shriram Fine Chemicals Limited (DSFCL) and DCM Shriram International Limited (DSIL) with appointed date of 1st April, 2023 ("Scheme") includes:

TEL: (011) 43745000 E-mail : ashishiha@dcmsr.com CIN: U17299DL2022PLC404291




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- a) Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
- b) Subsequent to this amalgamation, demerger of Chemical undertaking of resultant DCMSR (“Chemical Undertaking”) into DSFCL (“Resultant Company 1”) and demerger of Rayon undertaking of resultant DCMSR (including defence and engineering projects) into DSIL (“Resultant Company 2”).
3. For the purpose of preparation of the aforesaid Statement
- a) Pre scheme net worth of DCM Shriram International Limited (DSIL) (as computed above) is based on the audited financial statements of DSIL for the year ended March 31, 2023.
- b) Post scheme provisional net worth (as computed above) is based on
- Assets and Liabilities of Rayon Undertaking transferred based on the break up financial information maintained by the management of DCMSR for Rayon Undertaking and extracted from the audited financial statements of DCMSR as at March 31, 2023;
 - Cancellation of investment of DCMSR in equity shares including advance for equity share capital of DSIL and forming part of the assets of Rayon Undertaking transferred from DCMSR to DSIL.
4. The post scheme net worth is considered provisional as this will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2023 to the effective date), other business transactions entered into by all companies party to the Scheme in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.

For and on behalf of the DCM Shriram International Limited


Company Secretary
FCS-11326
Place: New Delhi
Date: November 14, 2023

