

Date: 23.09.2024

The General Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

Scrip Code: 523369

Ref. BSE Application No.189382

Kind Attn: Ms. Sabah Vaze, Senior Manager and Ms. Tanmayi Lele, Assistant Manager

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 (“Draft Scheme”)

Ref: Letter dated 17 September 2024 bearing reference no. DCS/AMAL/TL/R37/3330/2024-25 (“Letter”)

Dear Ma'am,

This is with reference to the queries raised through your Letter wherein you have sought additional information along with various documents in response to the comments received from the Securities and Exchange Board of India (“SEBI”) on the Draft Scheme.

Accordingly, please find below the documents/details as required.

Sl. No	SEBI's Observation dated 17.09.2024	Company's Comment
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.	Noted for compliance.



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Sl. No	SEBI's Observation dated 17.09.2024	Company's Comment
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.	Noted for compliance.
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.	Noted for compliance. It is clarified that the Scheme provides that all the liabilities of the Transferor Company will be transferred to the Transferee Company upon the Scheme becoming effective and with effect from the Appointed Date. It is further clarified that the liabilities of the Chemical Undertaking and Rayon Undertaking (as defined in the Scheme) will be transferred from the Transferee Company to the Resultant Company 1 and Resultant Company 2 respectively upon the Scheme becoming effective and with effect from the Appointed Date.
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.	Noted for compliance. The information pertaining to all the unlisted companies involved in the scheme will be included in the format prescribed for abridged prospectus as provided in SEBI circular dated 4 February 2022 bearing reference no. SEBI/HO/CFD/SSEP/CIR/P/2022/14, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.
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.	Since financials are not provided in the Scheme and valuation is not required, 6 months condition is not applicable. The Company undertakes to file the financials which are not more than 6 months old from the date of filing the Company Application with the National Company Law Tribunal.



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Sl. No	SEBI's Observation dated 17.09.2024	Company's Comment
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.	Noted for compliance.
7	Company is advised that new equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only.	Noted for compliance.
8	Company shall ensure that the "Scheme" shall be acted upon subject to the complying with the relevant clauses mentioned in the scheme document.	Noted.
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.	Noted.
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.	Noted for compliance.
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.	Noted for compliance.
12	<p>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:</p> <ul style="list-style-type: none"> <li>• Details of assets, liabilities, net worth and revenue of the Companies involved, pre and post scheme, arrangement.</li> <li>• A write-up on the history of demerged undertakings.</li> </ul>	Noted for compliance.



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Sl. No	SEBI's Observation dated 17.09.2024	Company's Comment
	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The need, rationale, and synergies of the scheme along with its impact on shareholders.</li> <li>• 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.</li> </ul>	
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.	Noted.

We hope that you find the above in order. In case you require any clarifications, please feel free to contact the Company.

Yours sincerely,

For DCM Shriram Industries Ltd.

  
 Yagya Datt Gupta  
 Company Secretary & Compliance Officer  
 FCS 3405  
 Contact number: 011-43745032  
 E mail ID: ydgupta@dcmsr.com  
 Date: 23.09.2024



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