

Date: 23.09.2024

The Manager- Listing Compliance,
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

Symbol: DCMSRIND

Ref. NSE Application No. 38655

Kind Attn: Ms. Khyati Vidwans, Senior 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 18th September 2024 bearing reference no. NSE/LIST/38655 (“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
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.	Noted for compliance.



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Sl. No	SEBI's Observation dated 17.09.2024	Company's Comment
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.	Noted for compliance.
c)	The Company shall ensure compliance with SEBI circulars issued from time to time.	Noted for compliance.
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.	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.
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.	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.
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.	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
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.	Noted for compliance.
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.	Noted for compliance.
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.	Noted.
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.	Noted.
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.	Noted for compliance.
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.	Noted for compliance.
m)	<p>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:</p> <p>(i) details of assets, liabilities, net worth, revenue of the companies involved in the scheme, for both pre and post scheme of arrangement</p> <p>(ii) a write up on the history of the demerged undertakings</p>	Noted for compliance.



Handwritten signature or initials.

Sl. No	SEBI's Observation dated 17.09.2024	Company's Comment
	(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.	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
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 E mail ID: ydgupta@dcmr.com
 Date: 23.09.2024

