

ANNEXURE A
REF. TO NSE REMARKS DATED 19.03.2024 PARA 10

Additional Requirements

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
1.	In case of Demerger- Apportionment of losses of the listed company among the companies involved in the scheme.	Not Applicable	There has been no loss and as such question of apportionment of loss does not arise.	-
2.	Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA).	Yes	Kindly refer 'Annexure M' uploaded on NSE website under 'Additional Attachment' tab. For ease of reference, the same is attached again.	A1
3.	Any type of arrangement or agreement between the demerged company/resulting company/ merged/ amalgamated company/ creditors / shareholders / promoters / directors/ etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.	Yes	Four promoter group investment companies, namely Hi-Vac Wares Private Limited, H R Travels Private Limited, Versa Trading Private Limited and Bantam Enterprises Private Limited were merged into and with Lily Commercial Pvt. Ltd. by an order of NCLT dated 15.02.2024 u/s 230-232 of the Act. There is no implication of the said merger in the present Composite Scheme as well as on the shareholders of the listed entity. Declaration attached.	A2
4.	Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.	Yes	Already submitted. Kindly refer Annexure M. Attached again for ready reference.	A3



S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
5.	Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.	Yes	Kindly refer 'Annexure M' uploaded on NSE website under 'Additional Attachment' tab. For ease of reference, CA Certificate is attached again.	A3
6.	Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.	Yes	Already provided also refer to Para 5 above.	A3
7.	The built up of the accumulated losses over the years, certified by CA.	Not applicable	There is no accumulated losses and as such not applicable.	-
8.	Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.	Yes	Statutory Auditors Certificates regarding Accounting Treatment confirms that the Scheme complies with the relevant provisions of the Companies Act, 2013 and Accounting Standards. Such certificates have been provided in respect of the listed company and the two resultant companies. Kindly refer para 10 uploaded on the NSE website. For ease of reference, the same is attached again.	A4
9.	Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme.	Yes	Attached.	A5
10.	Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof.	No	The unlisted companies have not issued any Bonus shares and as such not applicable.	-
11.	List of comparable companies considered for comparable companies' multiple method.	Not applicable	As Valuation is not applicable and as such comparable company multiple method is not applicable.	-
12.	Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.	Yes	Attached	A6
13.	Any action taken/pending by Govt./ Regulatory body/Agency against all the entities involved in the scheme.	No	No action is pending before any Govt./ Regulatory body/Agency against any of the entities involved in the Scheme.	-
14.	Comparison of revenue and net worth of demerged undertaking	Yes	Kindly refer 'Annexure M' uploaded on NSE website under	A7



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S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
	with the total revenue and net worth of the listed entity in last three financial years.		'Additional Attachment' tab. For ease of reference, the same is attached again.	
15.	Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.	Yes	Kindly refer 'Annexure M' uploaded on NSE website under 'Additional Attachment' tab. For ease of reference, the same is attached again.	A8
16.	In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.	Yes	Two of the undertakings of the listed entity (DCMSR) are being transferred to Resultant company 1 & 2 respectively as per the Scheme on going concern basis on book value. The bifurcation is based on undertaking-wise assets and liabilities.	-
17.	How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.	No	(i) Unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of the Resultant Companies. (ii) Allows shareholders to have a choice of investment in some and not all the businesses. There will not be any change in the public shareholding till listing of the shares.	-
18.	Tax/other liability/benefit arising to the entities involved in the scheme, if any.	No	None	-
19.	Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.	Not applicable	Valuation was not required as the shares are being issued on a mirror image basis and as reasons justifying the EBIDTA/PAT margin considered in the valuation report is not applicable.	-
20.	Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards.	Not applicable	The report is not a valuation report but SWAP and Fair Exchange Ratio Report and as such confirmation from valuer is not applicable about applicable valuation standard.	-



S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
21.	Confirmation from Company that the scheme is in compliance with the applicable securities laws.	Yes	Kindly refer '29UndertakingSecuritiesLaws' file uploaded on NSE website under 'Additional Attachment' tab. For ease of reference, the same is attached again.	A9
22.	Confirmation that the arrangement proposed in the scheme is yet to be executed.	Yes	Kindly refer '29UndertakingYettobeexecuted' file uploaded on NSE website under 'Additional Attachment' tab. For ease of reference, the same is attached again	A10

For DCM Shriram Industries Limited



Date: 28.03.2024


(Y.D. Gupta)
Company Secretary

Anshul Gupta & Associates
Chartered Accountants

Phone: +91-8010010609

Email: anshulguptaassociates@gmail.com

Certificate on the assets, liability, revenue and net worth of the companies involved in the Scheme, both pre and post scheme of arrangement

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 November 10, 2023 issued by **DCM Shriram Industries Limited**.
2. At the request of the management, we have examined the accompanying "Statement of Computation of pre scheme asset, liability, revenue and net worth and post scheme provisional asset, liability, revenue and net worth of DCM Shriram Industries Limited ("Company" or "DCMSR"), Lily Commercial Private Limited ("Lily"), DCM Shriram Fine Chemicals Limited ("DSFCL") and DCM Shriram International Limited ("DSIL") on standalone basis as at March 31, 2023" (hereinafter referred together as the "Statement") prepared by the management, which we have annexed along with this report for identification purposes. The Statement together with our report 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.
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 financial figures of Lily Commercial Private Limited are after considering effect of the Pending Scheme, as the Scheme is subject to approval of the Pending Scheme.



Address: Shop No. 4A & 4B Ajendra Market, 7259, Prem Nagar, Shakti Nagar Delhi-110007

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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 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

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 asset, liability, revenue and net worth as at and for the year ended March 31, 2023 have been accurately extracted from the audited financial statements of DCMSR, DSFCL and DSIL for the year ended March 31, 2023.
 - b) as much as these relate to pre scheme asset, liability, revenue and net worth of Lily as at March 31, 2023 have been accurately extracted from the special purpose condensed interim financial statements of Lily as at March 31, 2023, which takes into effect the impact of pending scheme as explained in the notes to the statement annexed.
 - c) as much as these relate to post scheme provisional asset, liability, revenue and net worth as at March 31, 2023 computed on provisional basis after taking into effect impact of the scheme and the pending scheme, have been determined by the management using the basis as fully explained in notes to the annexed statement.



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(ii) the computation in the above statement is arithmetically correct and is in accordance with the basis of computation set out in the Statement.

9. The standalone financial statements of the DCMSR, DSFCL and DSIL as at and for the year ended March 31, 2023 have been audited by other auditors who have issued an unmodified audit opinion vide their reports dated May 25, 2023, May 23, 2023, and May 23, 2023 respectively.

The Special Purpose Condensed Interim Financial Statements of Lily as at March 31, 2023 are after considering amalgamation of the four companies amalgamating into and with Lily Commercial Private Limited as per Pending Scheme and is based on individual audited statements of the companies involved in the Pending Scheme. This Special Purpose Condensed Interim Financial Statements has been certified by auditors of Lily Commercial Private Limited, who have issued an unmodified audit opinion vide their reports dated November 09, 2023.

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 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 been performed. Accordingly, we have performed the following procedures in relation to the Statement:
- 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.
 - Obtained and read the certified copy of the Pending Scheme.
 - Traced and agreed the amounts in the Statement to the audited standalone financial statements of DCMSR, DSFCL and DSIL as at and for the year ended March 31, 2023 and to the Special Purpose Condensed Interim Financial Statements of Lily as at March 31, 2023.



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- d) Traced the changes in provisional asset, liability and net worth consequent to the scheme based on adjustments relating to
- amalgamation of Lily with DCMSR 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 of DCMSR 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.
- f) 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 the financial statements of the Company taken as a whole.

13. The post scheme asset, liability, revenue and net worth are considered provisional as they 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 and Pending Scheme 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;

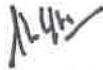
- a) as much as these relate to pre scheme asset, liability, revenue and net worth as at March 31, 2023 have not been accurately extracted from the audited standalone financial statements of DCMSR, DSFCL and DSIL and from the Special Purpose Condensed Interim Financial Statements of Lily as at March 31, 2023; and
- b) as much as these relate to post scheme provisional asset, liability, revenue and 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 notes of the annexed statement.

ii. the computation in above statement is arithmetically inaccurate and is not in accordance with the basis of computation set out in the Statement.

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: 23538431BGYT217291



DCM SHRIRAM INDUSTRIES LTD.



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

Statement of Computation of pre scheme asset, liability, revenue and net worth and post scheme provisional asset, liability, revenue and net worth of DCM Shriram Industries Limited ("DCMSR"), Lily Commercial Private Limited ("Lily"), DCM Shriram Fine Chemicals Limited ("DSFCL") and DCM Shriram International Limited ("DSIL") on standalone basis as at March 31, 2023

(Rs. Crores)

Particulars	Lily Commercial Private Limited	DCM Shriram Industries Limited		DCM Shriram Fine Chemicals Limited		DCM Shriram International Limited	
	Pre-scheme	Pre-scheme	Post scheme	Pre-scheme	Post Scheme	Pre-scheme	Post Scheme
	Refer note 3(a)	(Audited)	Refer note 3(b)	(Audited)	Refer note 3(b)(ii)	(Audited)	Refer note 3(b)(ii)
		Refer note 3(a)	(Residual Company)	Refer note 3(a)	(Resultant Company 1)	Refer note 3(a)	(Resultant Company 2)
A. ASSETS							
(a) Non current assets							
Property, plant and equipment	-	592.5	284.68	24.17	133.01	-	198.98
Capital work in progress	-	2.21	0.51	-	0.09	-	1.61
Intangible Assets	-	2.38	0.69	-	0.99	-	0.71
Right of use assets	-	13.13	9.84	-	-	-	3.29
Investments	61.48	32.61	-	-	4.47	-	4.8
Loans	-	0.63	0.3	-	0.33	-	-
Other non-current financial assets	-	5.4	2.12	0.01	0.04	0	3.25
Income tax assets (net)	0.32	16.52	16.05	-	0.63	-	0.16
Other non-current assets	-	54.06	53.33	2.33	2.67	-	0.38
Total non-current assets	61.8	719.44	367.52	26.51	142.23	0	213.18
(b) Current Assets							
Inventories	-	634.83	459.93	-	55.78	-	119.12
Investments	-	28.35	11.83	-	15.63	-	0.89
Trade receivables	-	242.24	37.81	-	68.01	-	145.53
Cash and cash equivalents	0.78	4.74	3.82	0.02	1.35	0.01	0.38
Balances other than cash and cash equivalents	-	7.49	3.76	-	-	-	3.73
Loans	-	0.19	0.11	-	0.04	-	0.04
Other current financial assets	-	267.96	267.32	-	-	-	0.64
Other current assets	0.01	21.63	11.46	0	1.2	-	8.97
Assets held for sale	-	0.34	0.34	-	-	-	-
Total current assets	0.79	1,207.77	796.38	0.02	142.01	0.01	279.3
Total Assets	62.59	1,927.21	1,163.90	26.53	284.24	0.01	492.48



(Rs. Crores)

Particulars	Lily Commercial Private Limited	DCM Shriram Industries Limited		DCM Shriram Fine Chemicals Limited		DCM Shriram International Limited	
	Pre-scheme	Pre-scheme	Post scheme	Pre-scheme	Post Scheme Refer note 3(b)(ii)	Pre-scheme	Post Scheme Refer note 3(b)(ii)
	Refer note 3(a)	(Audited)	Refer note 3(b)	(Audited)		(Audited)	
		Refer note 3(a)	(Residual Company)	Refer note 3(a)	(Resultant Company 1)	Refer note 3(a)	(Resultant Company 2)
B. LIABILITIES							
(a) Non current liabilities							
Borrowings	-	73.31	45.56	-	13.53	-	14.22
Lease liabilities	-	10.97	8.27	-	-	-	2.69
Other non-current financial liabilities	-	54.16	54.16	-	-	-	-
Provisions	0.01	10.04	4.51	-	2.37	-	3.17
Deferred tax liabilities	-0.25	53.20	17.58	-	10.15	-	25.22
Other non-current liabilities	-	0.59	0.59	-	-	-	-
Total non-current liabilities	-0.24	202.27	130.67	-	26.05	-	45.30
(b) Current Liabilities							
Borrowings	-	418.64	318.36	3.05	10.39	-	92.93
Lease liabilities	-	4.36	3.79	-	-	-	0.57
Trade payables	-	274.75	107.60	0.01	60.50	-	115.76
Other current financial liabilities	-	42.43	24.15	0.75	8.97	-	10.07
Other current liabilities	0.03	15.49	12.63	0.01	1.41	-	1.49
Provisions	0.09	270.06	265.55	-	2.10	-	2.49
Total current liabilities	0.12	1,025.73	732.08	3.82	83.37	-	223.31
Total Liabilities	-0.12	1,228.00	862.75	3.82	109.42	-	268.61
C. Net worth							
Without considering exclusion as per section 2(57) of the Companies Act, 2013	62.71	699.21	301.15	22.71	174.82	0.01	223.87
Less: Reserves excluded under section 2(57) of the Companies Act, 2013	4.90	14.11	19.01	-	-	-	99.97
Net worth considered	57.81	685.10	282.14	22.71	174.82	0.01	123.90
D. Revenue from operations	-	2,350.92	1,428.93	-	458.09	-	463.92



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Basis of computation:

1. Composite Scheme of Arrangement proposed to be undertaken amongst the Lily Commercial Private Limited, DCM Shriram Industries Limited, 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. Post amalgamation and demerger as above the Residual DCMSR is referred to as "Residual Company".
3. 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 has been filed with NCLT bench of Delhi and is currently pending sanction ("Pending Scheme").
4. The financial figures of Lily Commercial Private Limited are based on Special Purpose Condensed Interim Financial Statement of Lily Commercial Private Limited certified by the auditor of Lily Commercial Private Limited as on March 31, 2023 which are after considering effect of the Pending Scheme, as the Scheme is subject to approval of the Pending Scheme.
5. For the purpose of preparation of the aforesaid Statement
 - a) Pre scheme asset, liability, revenue and net worth of DCM Shriram Industries Limited, DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited are based on the audited financial statements of DCMSR for the year ended March 31, 2023 and Pre scheme asset, liability, revenue and net worth of Lily Commercial Private Limited are based on Special Purpose Condensed Interim Financial Statements as at March 31, 2023 certified by auditors of Lily Commercial Private Limited.
 - b) Post scheme provisional assets, liability, revenue and net worth are based on 4(a) above and adjusted for
 - i. Amalgamation of Lily Commercial Pvt. Ltd. Post approval of pending scheme based on Special Purpose Condensed Interim Financial Statements of Lily Commercial Private Limited as at March 31, 2023 certified by their auditors.



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- ii. Break up financial information maintained by the management of DCMSR for Chemical Undertaking and Rayon Undertaking and extracted from the audited financial statements of DCMSR as at and for the year ended March 31, 2023.
- c) Post scheme revenue from operations for Resultant Company 1 and Resultant Company 2 are revenue from operations of Chemical Undertaking and Rayon Undertaking respectively for the year ended March 31, 2023 with residual revenue from operations of DCMSR being the revenue from operations of Residual Company for the year ended March 31, 2023. The figures are grossed up for inter undertaking sales.
6. The post scheme asset, liability, revenue and net worth are considered provisional as they 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 and Pending Scheme (refer note 1, 2 &3 above) in the intervening period and due to accounting of the scheme as per Ind AS 103 — Business Combinations.
7. 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.

For and on behalf of the DCM Shriram Industries Limited



Director

Place: New Delhi

Date: November 14, 2023



Write up on history of DCM Shriram Industries Limited

In the year 1889, a Corporate entity- The Delhi Cloth & General Mills Company Limited- was founded. The entity was after passage of several years renamed as DCM Limited.

A century later in the year 1989, the conglomerate that DCM was, restructured into four companies through a Scheme of Arrangement approved by the Delhi High Court. DCM Shriram Industries Limited was one of the four companies, which inherited the century old legacy of DCM. DCM Shriram Industries Limited commenced its operations from 1st April, 1990.

DCM Shriram Industries Limited (DCMSR) is a diversified group with operations in Sugar, Alcohol, Co-generation of Power, Organic and Inorganic Chemicals, Drug Intermediates, Industrial Fibres and Defence & Engineering Projects.

DCMSR has been evaluating various possibilities for taking the businesses on a faster trajectory while ensuring that the interests of the stakeholders viz shareholders, creditors, employees and customers are kept paramount and protected. After detailed deliberations, it emerged that the three business verticals of the Company are independent and are self-sustainable. It was felt that these three verticals should grow independent of each other providing for growth and unlocking shareholders value.

Accordingly, the Board of Directors of DCMSR, approved a Composite Scheme of Arrangement inter-alia including demerger of Chemical business of DCMSR into DCM Shriram Fine Chemicals Limited (DSFCL) and demerger of Industrial Fibre business of DCMSR into DCM Shriram International Limited (including defense & engineering projects) (DSIL) both wholly owned subsidiaries. After these demergers the Residual DCMSR shall mainly have the Sugar,



Alcohol business and power generation (residual undertaking). DFCL and DSIL are wholly owned subsidiaries of DCMSR. The demerged undertakings are referred to in the Scheme as “Chemical Undertaking” and “Rayon Undertaking” respectively. The history of residual undertaking and demerged undertakings is as under :

Residual Undertaking

Daurala Sugar Works was established in the pre independence era in the year **1932** at **Daurala**, a small village near Meerut on New Delhi - Haridwar National highway no. 58. Today, after more than eight decades it continues to command respect as one of the more efficient and modern sugar factories of the Country and is a familiar name not only in India but overseas as well.

Over this period of time, diversification of activities were pioneered under the umbrella brand of "**Daurala Sugar Works**", **Daurala**. These inter-alia included manufacture of pharmaceutical grade sugar, sugarcane research farm, setting up of distillery, manufacture of IMFL, Bio-Methanation, co-generation of power etc. as detailed below :

1. Sugar

The complex has a modern and efficient sugar plant with a daily throughput of 12,500 MT. It produces bulk sugar for pharmaceutical, specialty food products and whole-sale markets. The products enjoy a dominating position with "**Daurala**" brand being synonymous for high quality sugar including sugar cubes and sugar sachet. The sugar operations are efficient with excellent technical parameters.



2. Alcohol

The complex has an efficient distillery with a capacity of 75,250 KL per annum. The plant produces industrial and potable alcohol, including country liquor. Major part of the production is of ethanol, which is mainly used for mixing with petrol and sold to Oil Marketing Companies.

3. Power Co-Generation

The complex has facilities for co-generation of power from agro-fuel and the excess power produced after meeting captive requirement is supplied to the grid.

With a strong R&D base, the undertaking has played a pioneering role in developing innovative pollution control techniques and better varieties of cane. The complex has received ISO 9001:2015 certification & FSSC 22000 accreditation.

The entire range of products are manufactured in modern plants having contemporary equipment and employing R & D based advanced technologies. An independent quality assurance and control system ensures continual improvement and choicest quality products to satisfy the need of even the most demanding customers.

Rayon Undertaking

Shriram Rayons, Kota (Rajasthan) is a unit of **DCM Shriram Industries Ltd.** It was established in **1965** with technical know-how from **M/s Beaunit Fibers Inc., USA**, a leading man-made fiber manufacturer.



The plant produces Industrial Technical Tyre Yarn, Cord and Fabric/chafer for tyres and also for other industrial applications including stitching cord, reinforcing materials for V-Belts etc. The production is predominantly exported to European Countries. The plant also produces chemicals such as Carbon Disulphide, Anhydrous Sodium Sulphate.

Quality of rayon tyre yarn and fabrics produced by Shriram Rayons have been widely accepted in the international market giving potentials for capturing further growing share in the world market. The Unit is committed to excellence and growth and has plans for diversification, which are on anvil.

The defence and engineering projects is in the nascent stage and has good potential going forward.

Shriram Rayons has won the National Safety Award for 15 years from Government of India. Shriram Rayons has also received ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Certifications.

Chemical Undertaking

The fine chemicals business of **DCM Shriram Industries Ltd.** started in the early 70s with a manufacturing facility in the Group's Industrial Complex in **Daurala** (near Meerut), U.P., for Photochlorination of Toluene and Cyanation.

The Group soon leveraged its competency to produce value added products and their derivatives using Photochlorination & Cyanation as its core strength.



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In 1994, as the Fine Chemicals industry grew, a new company **Daurala Organics Ltd** was promoted by **DCMSR** to produce high value/high technology drug intermediates. Affiliations with three European companies were established to obtain state-of-the-art technology. The Company was merged with DCMSR in 2005.

The products of the undertaking are well established in the market and known for their quality which has been accepted internationally. The undertaking also does contract manufacturing for a MNC.

The plant has received ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications.



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ANNEXURE A2
REF. TO NSE REMARKS DATED 19.03.2024 PARA 10

Undertaking

We hereby confirm and undertake that Four promoter group investment companies, namely Hi-Vac Wares Private Limited, H R Travels Private Limited, Versa Trading Private Limited and Bantam Enterprises Private Limited were merged into and with Lily Commercial Pvt. Ltd. by an order of NCLT u/s 230-232 of the Act dated 15.02.2024.

There is no implication of the said merger in the present Composite Scheme as well as on the shareholders of the listed entity.



For DCM Shriram Industries Ltd.



Yagya Datt Gupta

Company Secretary & Compliance Officer

FCS 3405

Place: New Delhi

Date: 28.03.2024

Anshul Gupta & Associates
Chartered Accountants

Phone: +91-8010010609

Email: anshulguptaassociates@gmail.com

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 terms of our Engagement Letter dated November 10, 2023 issued by DCM Shriram Industries Limited (“Company”).
2. At the request of the management we have examined the accompanying “Statement of Build up of Reserves and their nature”.
3. We confirm that the accompanying statement has been extracted from the details relating to “Other Equity” (Reserves) forming part of “Statement of changes in Equity” as contained in the annual standalone audited financial statements of DCM Shriram Industries Limited as on 31st March, 2023, which have been audited by another auditor and relied upon by us.
4. None of reserves contained in the statement are notional and / or unrealised.



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Extract from the Statement of Standalone Changes in Equity for the year ended March 31, 2023 forming part of the standalone audited financial statements of DCM Shriram Industries Limited for the year ended March 31, 2023

Other equity

(Rs. lakhs)

Particulars	Reserve and surplus					Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2021	1,411.38	13,465.60	0.10	3,406.68	39,963.40	58,247.16
Profit for the year	-	-	-	-	6,573.59	6,573.59
Other comprehensive income for the year net of tax	-	-	-	-	181.90	181.90
Transactions with shareholders, recorded directly in equity						
Distribution to shareholders						
Final dividend on equity shares (Rs. 2.5 per equity share of Rs. 10 each)	-	-	-	-	(434.96)	(434.96)
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)	-	-	-	-	(869.92)	(869.92)
Balance as at March 31, 2022	1,411.38	13,465.60	0.10	3,406.68	45,414.01	63,697.77
Balance as at April 1, 2022	1,411.38	13,465.60	0.10	3,406.68	45,414.01	63,697.77
Profit for the year	-	-	-	-	6,026.04	6,026.04
Other comprehensive (expense) for the year net of tax	-	-	-	-	(237.89)	(237.89)
Transactions with shareholders, recorded directly in equity						
Distribution to shareholders						
Final dividend on equity shares (Rs. 0.5 per equity share of Rs. 2 each)	-	-	-	-	(434.96)	(434.96)
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)	-	-	-	-	(869.92)	(869.92)
Balance as at March 31, 2023	1,411.38	13,465.60	0.10	3,406.68	49,897.28	68,181.04



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Nature and purpose of reserve

a. Amalgamation reserve

Amalgamation reserve had been created on amalgamation of Daurala Organics Limited with the Company.

b. General reserve

Profits earned by the Company are transferred to General reserve as decided.

c. Capital redemption reserve

Created on redemption of preference shares as per requirements of the Companies Act, 1956.

d. Securities premium

Securities premium has been created on account of the premium received on issue of shares and capital and reorganisation reserve reclassified in the year ended March 31, 1993. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

e. Retained earnings

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

Note: Amalgamation Reserve is excluded from the calculation of Net worth as per Section 2(57) of the Companies Act, 2013.

For **Anshul Gupta & Associates**

Chartered Accountants

FRN: 039576N



Anshul Gupta

Proprietor

Membership No.: 538431



Place: New Delhi

Date: November 14, 2023

UDIN: 23538431B6YTZM4633

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase - II,
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

The Board of Directors
DCM Shriram Industries Limited
6th Floor, Kanchanjunga Building,
18, Barakhamba Road, New Delhi,
Delhi 110001

Statutory Auditors' Certificate in relation to proposed accounting treatment in the books of DCM Shriram Industries Limited as specified in the Proposed Composite Scheme of Arrangement between Lily Commercial Private Limited ("the Transferor Company"), DCM Shriram Industries Limited ("the Transferee Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("the Resultant Company 1") and DCM Shriram International Limited ("the Resultant Company 2") and their respective shareholders and creditors pursuant to provisions of Sections 230- 232 of the Companies Act, 2013 ("the Act")

1. This certificate is issued in accordance with the terms of our engagement letter and addendum dated 21 August 2023.
2. We have been requested by the Board of Directors of DCM Shriram Industries Limited ("the Company" or "Demerged Company" or "Transferee Company" or "DCMSR") to issue a certificate in relation to the proposed accounting treatment specified in Part III Clause 3.7.1, Part IV Clause 4.7.1 and Part V Clause 5.7.1 of the Proposed Composite Scheme of Arrangement ("the Proposed Scheme") between the Company, Lily Commercial Private Limited ("Transferor Company"), DCM Shriram Fine Chemical Limited ("the resultant Company 1") and DCM Shriram International Limited ("Resultant Company 2") and their respective shareholders and creditors, and reproduced under Annexure A to this certificate, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') and rules made thereunder with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act and other generally accepted accounting principles in India.
3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company, Transferor Company, Resultant Company 1 and Resultant Company 2 on 14 November 2023 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 1 April 2023.

Management's Responsibility

4. The preparation of the Proposed Scheme as reproduced in the Annexure A and its compliance with the relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the Board of Directors of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
6. The Company's management is also responsible for ensuring that the Company complies with the requirements of Companies Act, 2013 and providing all relevant information with respect to the Proposed Scheme to the NCLT.



B S R & Co. LLP

Auditor's Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act, our responsibility is only to provide a reasonable assurance on whether the proposed 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 Proposed Scheme, reproduced as an Annexure A to this certificate is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and Ind AS specified under section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India.
8. We conducted our examination of the proposed accounting treatment referred to 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 Proposed Scheme and reproduced under Annexure A to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. 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.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2023.

Based on our examination and according to the information and explanations provided to us and appropriate representations obtained from the Company, the proposed 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 Proposed Scheme and reproduced in Annexure A to this Certificate, initialed and stamped by us for the purpose of identification only, is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and applicable Ind AS prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

Restriction on use

11. This certificate is issued at the request of the Board of Directors of the Transferee Company solely for the purpose of onward submission to the NCLT, Bombay Stock Exchange, National Stock Exchange and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and Sections 230 to 232 of the Act read with relevant rules issued thereunder. Our certificate 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.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022



Adhir Kapoor
Partner

Membership No.: 098297
UDIN: 23098297BHAUOF9676

Place: New Delhi

Date: 14 November 2023



Annexure A

Relevant extracts of the Composite Scheme of Arrangement (the "Proposed Scheme") between Lily Commercial Private Limited ("Transferor Company" or "Lily") and DCM Shriram Industries Limited ("Transferee Company" or "Demerged Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("the Resultant Company 1" or "DSFCL") and DCM Shriram International Limited ("the Resultant Company 2" or "DSIL") and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions thereunder.

PART 3

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 Companies Act read with relevant rules issued thereunder 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 clause 3.7.1 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).



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 (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 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 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).

PART V

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 accounts 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 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 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).

For and on behalf of Board of Directors of
DCM Shriram Industries Limited




Director

Place: New Delhi

Date: 14 November 2023



S.C. KWATRA & CO.

CHARTERED ACCOUNTANTS

204, 303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,
DELHI- 110 033 INDIA
PH.: 27676375, 27672646, 9810077853

The Board of Directors
DCM Shriram Fine Chemicals Limited
6th Floor, Kanchenjunga Building
18, Barakhamba Road,
New Delhi – 110001

Statutory Auditors' Certificate in relation to proposed accounting treatment in the books of DCM Shriram Fine Chemicals Limited as specified in the proposed Composite Scheme of Arrangement between Lily Commercial Private Limited ("the Transferor Company"), DCM Shriram Industries Limited ("Transferee Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("the Resultant Company 1" or "the Company") and DCM Shriram International Limited ("the Resultant Company 2") and their respective shareholders and creditors pursuant to provisions of Sections 230- 232 of the Companies Act, 2013 ("the Act")

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 November 2023.
2. We have been requested by the Board of Directors of DCM Shriram Fine Chemicals Limited ("the Company" or "Resultant Company 1") to issue a certificate in relation to the proposed accounting treatment specified in Part IV Clause 4.7.2 of the Proposed Composite Scheme of Arrangement (the "Proposed Scheme") between the Company, Lily Commercial Private Limited ("the Transferor Company"), DCM Shriram Industries Limited ("Transferee Company" or "DCMSR") and DCM Shriram International Limited ("the Resultant company 2") and their respective shareholders and creditors and reproduced in Annexure A to this certificate, in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.
3. The Proposed Scheme is approved by the Board of Directors of the Company, Transferee Company, Transferor Company and the Resultant Company 2 on 14 November 2023 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 1 April 2023.

Management's Responsibility

4. The preparation of the Proposed Scheme as reproduced in the Annexure A and its compliance with the relevant provisions of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the



responsibility of the Board of Directors of the companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.

5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
6. The Company's management is also responsible for ensuring that the Company complies with the requirements of Companies Act, 2013 and providing all relevant information with respect to the Proposed Scheme to the NCLT.

Auditors' Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act, our responsibility is only to provide a reasonable assurance on whether the proposed accounting treatment specified in Clause 4.7.2 of Part IV of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.
8. We conducted our examination of the proposed accounting treatment referred to in Clause 4.7.2 of Part IV of the Proposed Scheme and as reproduced in Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of 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 Engagement.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2023.

Based on our examination and according to the information and explanations provided to us and appropriate representations obtained from the Company, the proposed accounting treatment specified in Clause 4.7.2 of Part IV of the Proposed Scheme and as reproduced in Annexure A to this certificate, initialed and stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles in India.



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Restriction on use

11. This certificate is issued at the request of the Board of Directors of the Company solely for the purpose of onward submission to NCLT and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act and relevant Rules thereunder. Our certificate 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.

For S. C. Kwatra & Co.
Chartered Accountants
Firm's Registration No.: 004232N

M.M. Kwatra



M.M. Kwatra
Partner
Membership No.: 083756
Place: Delhi
Date: 14 November 2023
UDIN: 23083756BGRYTO9690



M.M.

Annexure A

Relevant extracts of the Composite Scheme of Arrangement (the "Proposed Scheme") between Lily Commercial Private Limited ("Transferor Company" or "Lily") and DCM Shriram Industries Limited ("Transferee Company" or "Demerged Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("the Resultant Company 1" or "DSFCL") and DCM Shriram International Limited ("the Resultant Company 2" or "DSIL") and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions thereunder.

PART 4

4.7.2 Accounting treatment in the books of the 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 Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- a) 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;
- b) 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 the DCMSR;
- c) 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;
- d) The 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
- e) In case of any differences in accounting policies between DCMSR and the Resultant Company 1, the accounting policies followed by the 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.



DCM SHRIRAM FINE CHEMICALS LIMITED



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

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).

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



Yanabur

Director

Place: New Delhi

Date: 14 November 2023



[Signature]

k

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

The Board of Directors
DCM Shriram International Limited
6th Floor, Kanchenjunga Building 18,
Barakhamba Road,
New Delhi – 110001, India

Statutory Auditors' Certificate in relation to proposed accounting treatment in the books of DCM Shriram International Limited as specified in the Proposed Composite Scheme of Arrangement between Lily Commercial Private Limited ("the Transferor Company"), DCM Shriram Industries Limited ("Transferee Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("the Resultant Company 1") and DCM Shriram International Limited ("the Resultant Company 2" or "the Company") and their respective shareholders and creditors pursuant to provisions of Sections 230- 232 of the Companies Act, 2013 ("the Act")

1. This certificate is issued in accordance with the terms of our engagement letter and addendum dated 27 August 2023.
2. We have been requested by the Board of Directors of DCM Shriram International Limited ("the Company" or "Resultant Company 2") to issue a certificate in relation to the proposed accounting treatment specified in Part V Clause 5.7.2 of the Proposed Composite Scheme of Arrangement ("the Proposed Scheme") between the Company, Lily Commercial Private Limited ("the Transferor Company"), DCM Shriram Industries Limited ("Transferee Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("Resultant Company 1") and their respective shareholders and creditors, and reproduced under Annexure A to this certificate, in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.
3. The Proposed Scheme is approved by the Board of Directors of the Company, Transferee Company, Transferor Company and the Resultant Company 1 on 14 November 2023 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 1 April 2023.

Management's Responsibility

4. The preparation of the Proposed Scheme as reproduced in the Annexure A and its compliance with the relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the Board of Directors of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
6. The Company's management is also responsible for ensuring that the Company complies with the requirements of Companies Act, 2013 and providing all relevant information with respect to the Proposed Scheme to the NCLT.



B S R & Co. is a partnership firm with Registration No. BA612231 converted into B S R & Co. LLP
(a limited liability Partnership with LLP Registration No. AAB 8181) with effect from October 14, 2013

Registered Office

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East), Mumbai - 400063





B S R & Co. LLP

Auditor's Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act, our responsibility is only to provide a reasonable assurance on whether the proposed accounting treatment specified in Clause 5.7.2 of Part V of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India.
8. We conducted our examination of the proposed accounting treatment referred to in Clause 5.7.2 of Part V of the Proposed Scheme and as reproduced in Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. 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.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2023.

Based on our examination and according to the information and explanations provided to us and appropriate representations obtained from the Company, the proposed accounting treatment specified in Clause 5.7.2 of Part V of the Proposed Scheme and as reproduced in Annexure A to this Certificate, initialed and stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles in India.

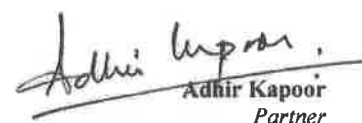
Restriction on use

11. This certificate is issued at the request of the Board of Directors of the Company solely for the purpose of onward submission to NCLT and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act and relevant Rules thereunder. Our certificate 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.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022


Adhir Kapoor
Partner

Membership No.: 098297

UDIN: 23098297BHAUOG5958

Place: New Delhi

Date: 14 November 2023





DCM SHRIRAM INTERNATIONAL LIMITED

(a wholly owned subsidiary of DCM Shriram Industries Limited)



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

Annexure A

Relevant extracts of the Composite Scheme of Arrangement (the "Proposed Scheme") between Lily Commercial Private Limited ("Transferor Company" or "Lily") and DCM Shriram Industries Limited ("Transferee Company" or "Demerged Company" or "DCMSR") and DCM Shriram Fine Chemical Limited ("the Resultant Company 1" or "DSFCL") and DCM Shriram International Limited ("the Resultant Company 2" or "DSIL") and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions thereunder.

PART 5

5.7.2 Accounting treatment in the books of the 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 the 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:

- a) 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, the 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;
- b) The 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;
- c) 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;
- d) The 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
- e) In case of any differences in accounting policies between DCMSR and the Resultant Company 2, the accounting policies followed by the 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 2 with DCMSR.



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



DCM SHRIRAM INTERNATIONAL LIMITED

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

The Board of Directors of the Resultant Company 2 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).

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



Ashish Jha
Director

Place: New Delhi

Date: 14 November 2023



Telephone: 011-43745000,

Email : ashishjha@dcmsr.com

CIN: U17299DL2022PLC404291

AS

ANNEXURE A5

REF. TO NSE REMARSKS PARA 10

Pre and post Amalgamation / Arrangement shareholding pattern for all companies involved in the scheme.

I. Amalgamation of Lily Commercial Private Limited (“Transferor Company”) with DCM Shriram Industries Limited (“Transferee Company” or “DCMSR”)

I.			Transferor Company (Lily Commercial Pvt. Ltd.)			Transferee company (DCMSR)				
			Pre-arrangement			Post-arrangement	Pre-arrangement		Post-arrangement (after merger with Lily)	
S. No	Description	Name of Shareholder	No. of shares (Rs. 100 face value each)	%		No. of shares (Rs. 2 face value each)	%	No. of shares	%	
(A)	Shareholding of Promoter and Promoter Group				Not Applicable as the Company will stand dissolved upon effectiveness of the Scheme.					
1	Indian									
(a)	Individuals/ Hindu Undivided Families	Alok Shriram- Karta Lala Bansi Dhar & Sons (HUF)	302199	27.60		0	0	12028267	13.83	
		Mr. Alok B Shriram	60020	5.48		0	0	2388944	2.75	
		Mrs. Karuna Shriram	103975	9.50		0	0	4138462	4.76	
		Ms. Kanika Shriram	36589	3.34		0	0	1456332	1.67	
		Mr. Rudra Shriram	24089	2.20		0	0	958802	1.10	
		Mrs. Suman Bansi Dhar	44147	4.03		0	0	1757160	2.02	
		Mr. Akshay Dhar-Karta Tilakdhar & Sons HUF	12767	1.17		0	0	508158	0.59	
		Mrs. Urvashi Tilakdhar	147971	13.51		0	0	5889611	6.77	
		Mr. Akshay Dhar	31997	2.92		500	0	1274060	1.46	
		Ms. Aditi Dhar	31928	2.91		500	0	1271313	1.46	
		Mr. Madhav B Shriram	109278	9.98		0	0	4349534	5.00	
		Mrs. Divya Shriram	91638	8.6		435	0	3647854	4.19	
		Mr. Uday Shriram	23528	2.15		0	0	936473	1.08	
		Mr. Rohan Shriram	212	0.02		0	0	8438	0.01	
		Akshay Foundation	74779	6.83		0	0	2976389	3.42	
		Mr. S.K. Jain	8	0.00		0	0	318	0	
(b)	Central Government/ State Government(s)		0	0		0	0	0	0	
(c)	Bodies Corporate	Lily Commercial Pvt. Ltd.	0	0	43588680	50.11	0	0		
(d)	Financial Institutions/ Banks		0	0	0	0	0	0		



(e)	Any Others		0	0		0	0	0	0
	Sub Total(A)(1)		1095125	100		43590115	50.11	43590115	50.11
2	Foreign								
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)		0	0		0	0	0	0
(b)	Bodies Corporate		0	0		0	0	0	0
(c)	Institutions		0	0		0	0	0	0
(d)	Any Others		0	0		0	0	0	0
	Sub Total(A)(2)		0	0		0	0	0	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		1095125	100		43590115	50.11	43590115	50.11
(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds/ UTI		0	0		755	0	755	0
(b)	Financial Institutions / Banks		0	0		11165	0.01	11165	0.01
(c)	Central Government/ State Government(s)		0	0		0	0	0	0
(d)	Venture Capital Funds		0	0		2590000	2.98	2590000	2.98
(e)	Insurance Companies		0	0		4206760	4.84	4206760	4.84
(f)	Foreign Institutional Investors		0	0		863482	0.99	863482	0.99
(g)	Foreign Venture Capital Investors		0	0		0	0	0	0
(h)	Any Other		0	0		4928206	5.67	4928206	5.67
	Sub-Total (B)(1)		0	0		12600368	14.49	12600368	14.49
2	Non-institutions		0	0					
(a)	Bodies Corporate		0	0		3030069	3.48	3030069	3.38
(b)	Individuals		0	0					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh		0	0		18021293	20.72	18021293	20.71
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.		0	0		4683539	5.38	4683539	5.38
(c)	Any Other		0	0		5066801	5.82	5066801	5.82
	Sub-Total (B)(2)		0	0		30801702	35.40	30801702	35.40



(B)	Total Public Shareholding (B)= (B)(1) + (B)(2)	0	0	43402070	49.89	43402070	49.89
	TOTAL (A)+(B)	1095125	100	86992185	100	86992185	100
(C)	Shares held by Custodians and against which DRs have been issued	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	1095125	100	86992185	100	86992185	100

II. Demerger of demerged undertakings of DCMSR into two separate companies, namely, DCM Shriram Fine Chemicals Limited ("Resultant Company 1" or "DSFCL") and DCM Shriram International Limited ("Resultant Company 2" or "DSIL"), respectively.

II.	S No.	Description	Transferor Company (DCMSR)				Resultant company 1 (DSFCL)				Resultant company 2 (DSIL)			
			Pre- Arrangement (after merger with Lily)		Post-arrangement		Pre- arrangement		Post- arrangement		Pre- arrangement		Post arrangement	
		Name of Shareholder	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
(A)	1	Shareholding of Promoter and Promoter Group Indian												
(a)		Individuals/ Hindu Undivided Families												
		Alok Shriram Karta Lala Bans Dhar & Sons (HUF)	12028267	13.83	12028267	13.83	0	0	12028267	13.83	0	0	12028267	13.83
		Mr. Alok B Shriram	2388944	2.75	2388944	2.75	1	0	2388944	2.75	1	0	2388944	2.75
		Mrs. Karuna Shriram	4138462	4.76	4138462	4.76	0	0	4138462	4.76	1	0	4138462	4.76
		Ms. Kanika Shriram	1456332	1.67	1456332	1.67	0	0	1456332	1.67	1	0	1456332	1.67
		Mr. Rudra Shriram	958802	1.10	958802	1.10	0	0	958802	1.10	1	0	958802	1.10
		Mrs. Suman Bansi Dhar	1757160	2.02	1757160	2.02	0	0	1757160	2.02	0	0	1757160	2.02
		Mr. Akshay Dhar- Karta Tilakdhar & Sons HUF	508158	0.59	508158	0.59	0	0	508158	0.59	0	0	508158	0.59
		Mrs. Urvashi Tilakdhar	5889611	6.77	5889611	6.77	0	0	5889611	6.77	0	0	5889611	6.77
		Mr. Akshay Dhar	1274060	1.46	1274060	1.46	0	0	1274060	1.46	0	0	1274060	1.46
		Ms. Aditi Dhar	1271313	1.46	1271313	1.46	0	0	1271313	1.46	0	0	1271313	1.46
		Mr. Madhav B Shriram	4349534	5.00	4349534	5.00	0	0	4349534	5.00	0	0	4349534	5.00
		Mrs. Divya Shriram	3647854	4.19	3647854	4.19	0	0	3647854	4.19	0	0	3647854	4.19
		Mr. Uday Shriram	936473	1.08	936473	1.08	0	0	936473	1.08	0	0	936473	1.08

		Mr. Rohan Shriram	8438	0.01	8438	0.01	1	0	8438	0.01	0	0	8438	0.01
		Akshay Foundation	2976389	3.42	2976389	3.42	0	0	2976389	3.42	0	0	2976389	3.42
		Mr. Vineet Manaktala	0	0	0	0	1	0	0	0	0	0	0	0
		Mr. Yagya Datt Gupta	0	0	0	0	1	0	0	0	0	0	0	0
		Mr. Ashish Jha	0	0	0	0	1	0	0	0	0	0	0	0
		Mr. Sunil Kumar Chowdhary	0	0	0	0	0	0	0	0	1	0	0	0
		Mr. Sushil Kumar Jain	318	0	318	0	0	0	318	0	1	0	318	0
(b)	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	DCM Shriram Industries Ltd	0	0	0	0	99999994	99.99	0	0	49994	99.99	0	0
(d)	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Others		0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total(A)(1)		43590115	50.11	43590115	50.11	100000000	100	43590115	50.11	50000	100	43590115	50.11
2	Foreign													
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate		0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0
(d)	Any Others		0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total(A)(2)		0		0		0	0	0		0	0	0	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		43590115	50.11	43590115	50.11	100000000	100	43590115	50.11	50000	100	43590115	50.11
(B)	Public shareholding													
1	Institutions													
(a)	Mutual Funds/ UTI		755	0	755	0	0	0	755	0	0	0	755	0
(b)	Financial Institutions / Banks		11165	0.01	11165	0.01	0	0	11165	0.01	0	0	11165	0.01



(c)	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds		2590000	2.98	2590000	2.98	0	0	2590000	2.98	0	0	2590000	2.98
(e)	Insurance Companies		4206760	4.84	4206760	4.84	0	0	4206760	4.84	0	0	4206760	4.84
(f)	Foreign Institutional Investors		863482	0.99	863482	0.99	0	0	863482	0.99	0	0	863482	0.99
(g)	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0
(h)	Any Other		4928206	5.67	4928206	5.67	0	0	4928206	5.67	0	0	4928206	5.67
	Sub-Total (B)(1)		12600368	14.49	12600368	14.49	0	0	12600368	14.49	0	0	12600368	14.49
2	Non-institutions													
(a)	Bodies Corporate		3030069	3.38	3030069	3.38	0	0	3030069	3.38	0	0	3030069	3.38
(b)	Individuals													
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh		18021293	20.71	18021293	20.71	0	0	18021293	20.71	0	0	18021293	20.71
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.		4683539	5.38	4683539	5.38	0	0	4683539	5.38	0	0	4683539	5.38
(c)	Any Other		5066801	5.82	5066801	5.82	0	0	5066801	5.82	0	0	5066801	5.82
	Sub-Total (B)(2)		30801702	35.40	30801702	35.40	0	0	30801702	35.40	0	0	30801702	35.40
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)		43402070	49.89	43402070	49.89	0	0	43402070	49.89	0	0	43402070	49.89
	TOTAL (A)+(B)		86992185	100	86992185	100	100000000	100	86992185	100	50000	100	86992185	100
(C)	Shares held by Custodians and against which DRs have been issued		0	0	0	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)		86992185	100	86992185	100	100000000	100	86992185	100	50000	100	86992185	100



Handwritten signature or initials in blue ink.

Certificate on the details of Capital evolution of the transferee / resulting and transferor / demerged companies

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 November 10, 2023 issued by DCM Shriram Industries Limited (“Company”).
2. At the request of the management, we have examined the accompanying statement of Share Capital Built-Up in Lily Commercial private Limited(Transferor Company), DCM Shriram Industries Limited (Transferee Company / DCMSR), DCM Shriram Fine Chemicals Limited (Resultant Company 1/ DSFCL) and DCM Shriram International Limited (Resultant Company 2 / DSIL) as on 14th November, 2023, and based on the Register of members and other relevant documents including returns filed with the Stock Exchanges by the transferee company and return of allotments filed by the above companies with the Registrar of Companies under the Companies Act, 1956 and 2013 made available to us.
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, 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:
- Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
 - 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

- 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 control 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.
- 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

- Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether the details included in the Statement have been accurately extracted from the relevant records.
- 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.
- 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.
- 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 been performed. 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 and the Pending Scheme.
- b) Tested that the details included in the Statement have been accurately extracted from the relevant records.
- c) Performed necessary inquiries with the management and obtained necessary representations from the management.

Conclusion

12. 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 the details included in the annexed statement has not been accurately extracted from the relevant records.

Restriction on Use

13. 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

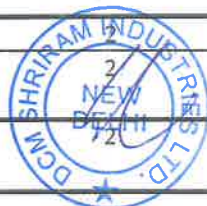
Place: New Delhi
Date: November 14, 2023

UDIN: 23538431BG4T206392



Details of Capital evolution of the transferee/resulting and transferor/demerged companies:

Sl No.	Name of Companies involving in the Scheme	Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
1	Lily Commercial Private Limited (Transferor Company)	27.03.1985	2	100	Initial allotment by subscription of MOA	2	Unlisted (Company is unlisted private Co.)
		01.04.1989	1	100	Right issue	3	
		25.10.1990	99897	100	Private Placement	99900	
		26.09.1996	190000	100	Private Placement	289900	
		09.05.2019	228063	100	Scheme of Amalgamation	517963	
		31.03.2022	-40000	100	Buy Back	477963	
		03.10.2023	450000	100	Right issue	927963	
		On Approval by NCLT	1095125	100	Scheme of Arrangement pending for approval at NCLT: Case No. C.A.(CAA) - 49/2023	1095125	
2	DCM Shriram industries Limited (Transferee Company/DCMSR)	21.02.1989	100	10	Initial allotment by subscription of MOA	100	Listed
		12.10.1990	5755076	Not Applicable	Scheme of Arrangement (Share allotment ratio 01:04)	5755176	
		22.02.1994	2403492	40 (Face value Rs. 10/- plus premium of Rs. 30/-)	Conversion of PCD - Part "A"- Right Issue	8158668	
		22.02.1995	2403492	45 (Face value Rs. 10/- plus premium of Rs. 35/-)	Conversion of PCD -Part "B"- Right Issue	10562160	
		02.11.1994	1899933	150 (Face value Rs. 10/- plus premium of Rs. 140/-)	Private Placement to Financial Institutions	12462093	
		30.12.1996	1268144	30 (Face value Rs. 10/- plus premium of Rs. 20/-)	Allotment against Warrants- Right Issue	13730237	
		31.10.2005	1568200	Not Applicable	Scheme of Arrangement -DOL (Share allotment ratio 01:10)	15298437	
		18.12.2007	700000	90 (Face value Rs. 10/- plus premium of Rs. 80/-)	Preferential Allotment	15998437	
		29.03.2008	455000	90 (Face value Rs. 10/- plus premium of Rs. 80/-)	Preferential Allotment	16453437	
		01.04.2008	945000	90 (Face value Rs. 10/- plus premium of Rs. 80/-)	Preferential Allotment	17398437	
		11.10.2021	86992185	Not Applicable	Split of Shares (Split Ratio: 01:05)	86992185	
3	DCM Shriram Fine Chemical Limited (Resultant Company 1/ DSFCL)	29.09.2021	50000		Initial Allotment by subscription of MOA	50000	Unlisted (Company is unlisted public Co.)
		29.09.2022	99950000		Equity Allotment to Promoter Company	100000000	
4	DCM Shriram International Limited (Resultant Company 2/ DSIL)	07.09.2022	50000		Initial Allotment by subscription of MOA	50000	Unlisted (Company is unlisted public Co.)



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Anshul Gupta & Associates

Phone: +91-8010010609

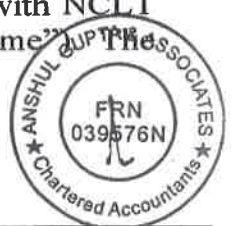
Chartered Accountants

Email: anshulguptaassociates@gmail.com

Certificate on Net Worth, Turnover and Profitability of the Demerged Undertakings and as percentage to the total net worth, turnover and profitability of DCM Shriram Industries Limited in the immediately preceding three financial years

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 engagement vide letter dated November 10, 2023 with, DCM Shriram Industries Limited (hereinafter “the Company”).
2. At the request of the Company, we have examined the accompanying “Statement of computation of Net Worth, turnover and profitability of the Demerged Undertakings and as percentage to the total Net Worth, Turnover and Profitability of DCM Shriram Industries Limited in the immediately preceding three financial years” i.e. March 31, 2023, March 31, 2022 and March 31, 2021 (hereinafter referred together as “the statement”), which we have initialled for identification purposes only. The Statement together with our certificate is required by the Company pursuant to the requirements of stock exchanges for filing of the Composite Scheme of Arrangement proposed to be filed under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (refer point 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.



Address: Shop No. 4A & 4B Ajendra Market, 7259, Prem Nagar, Shakti Nagar Delhi-110007

5. As part of the Scheme, the following steps are proposed to be undertaken:
- Amalgamation of Lily Commercial Private Limited (“Transferor Company”) into and with DCMSR;
 - 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”).
6. Resultant DCMSR retains the Sugar and Alcohol business and is referred to hereinafter as “Residual Undertaking”. The Chemical undertaking and Rayon undertaking are collectively referred to as “Demerged undertakings”.
7. For the statement, the financial figures of residual undertaking are without considering impact of amalgamation of Lily into and with DCMSR, referred to in 5(a) above.

Management's Responsibility

8. 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.
9. The Management is also responsible for ensuring that the Company complies with the requirements of the applicable SEBI Circulars and the Companies Act, 2013, in relation to the Scheme and for providing all the information to SEBI and the Stock Exchanges.

Our Responsibility

10. Our responsibility is to provide a limited assurance whether:
- the amounts in the Statement of Net Worth, Turnover and Profitability of DCM Shriram Industries Limited in the immediately preceding three financial years have been accurately extracted from the audited financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021;
 - The Net Worth, Turnover and Profitability of the demerged undertakings and residual undertaking are based on management maintained break up of these undertakings based on audited financial statements of DCMSR for the year ended March 31, 2023, March 31, 2022 and March 31, 2021;



(iii) The computation of Net Worth, Turnover & Profitability and Percentages mentioned in the statement are arithmetically correct and are in accordance with the basis of computation set out in the statement.

11. The audited financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 of the Company, referred to in Paragraph 10(i) above, have not been audited by us. We have relied upon the audited financial statements of these years, as audited by the statutory auditors of the Company who have issued an unmodified opinion vide their reports dated May 25, 2023, May 30, 2022 and June 29, 2021 respectively.
12. 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.
13. 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.
14. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 10 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 been performed. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Traced and agreed the account balances (Equity Share Capital, Other Equity, Turnover and Profitability) of DCMSR used in the computation of net worth, profitability and turnover in the attached Statement, to the audited financial statement of Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared under Indian Accounting Standard (Ind AS), which has been audited by another firm of Chartered Accountants. We have solely relied on the book values as per these statements, and not performed any procedures for determining completeness and appropriateness of book values extracted in the statement.



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- b) Traced and agreed the amounts of the net worth, profitability and turnover of the demerged undertakings and residual undertaking in attached Statement to the management maintained break up of the same in relation to the Demerged Undertakings and the Residual Undertaking, as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.
- c) Read the certified copy of the Scheme, as approved by the Board of Directors of the Company, at its meeting held on 14th November, 2023.
- d) Obtained and read the certified copy of the Pending Scheme.
- 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 inquires with the management and obtained necessary representations from the management.

Conclusion

15. Based on our examination, as above, and the information and explanations given to us and read with the matter stated in Paragraphs 14 above, we are of the opinion

- a) that the basis of computation and amounts forming part of the accompanying statement of computation of Net Worth, Turnover and Profitability of the Demerged Undertakings and residual undertaking and as percentage to the total Net Worth, Turnover and Profitability of DCM Shriram Industries Limited in the immediately preceding three financial years i.e. as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared by the Management, have been accurately extracted from the respective audited financial statements of the Company and the management maintained breakups of Demerged Undertakings and Residual Undertaking thereof; and
- b) that the computation of net worth, turnover, profitability and percentages in the Statement is mathematically accurate and in accordance to the basis of computation set out in the statement.



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Restriction on Use

16. 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: 23538431BGYZK9619

Statement of computation of Net worth, turnover and profitability of the demerged undertakings and as percentage to the total net worth, turnover and profitability of DCM Shriram Industries Limited in the immediately preceding three financial years

As at and for the year ended March 31,2023						
Particulars	Net worth	% to total of Company	Turnover	% to total of Company	Profit after Tax	% to total of Company
	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%
Demerged Division 1-Chemcial Undertaking	175.42	25%	458.09	19%	23.68	39%
Demerged Division 2- Rayon Undertaking	223.87	33%	463.92	20%	27.58	46%
Other Division- Residual Undertaking	285.81	42%	1,428.93	61%	9.00	15%
Less: Inter division turnover			-0.02	0%		
Total	685.10	100%	2,350.92	100%	60.26	100%

As at and for the year ended March 31,2022						
Particulars	Net worth	% to total of Company	Turnover	% to total of Company	Profit after Tax	% to total of Company
	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%
Demerged Division 1-Chemcial Undertaking	147.56	23%	383.05	18%	27.08	45%
Demerged Division 2-Rayon Undertaking	227.95	36%	441.96	21%	18.72	31%
Other Division- Residual Undertaking	264.75	41%	1,298.14	61%	19.93	33%
Less: Inter division turnover			-0.03	0%		
Total	640.26	100%	2,123.12	100%	65.74	100%



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As at and for the year ended March 31,2021						
Particulars	Net worth	% to total of Company	Turnover	% to total of Company	Profit after Tax	% to total of Company
	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%
Demerged Division 1-Chemical Undertaking	129.68	22%	386.13	20%	45.07	68%
Demerged Division 2- Rayon Undertaking	198.51	34%	337.46	17%	9.76	15%
Other Division- Residual Undertaking	257.57	44%	1,219.49	63%	11.07	17%
Less: Inter division turnover			-0.07	0%		
Total	585.76	100%	1,943.00	100%	65.89	100%

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. 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 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.
3. The figures of Chemical Undertaking, Rayon Undertaking and Residual Undertaking stated above have been arrived at based on the break up maintained by the management and figures extracted by the management from the audited financial statements prepared under Indian Accounting Standards (Ind AS) of the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 and based on certain assumptions / assessments / estimations as considered necessary by the management.
4. Resultant DCMSR retains the Sugar and Alcohol business and is referred to hereinafter as "Residual Undertaking". The Chemical undertaking and Rayon undertaking are collectively referred to as "Demerged undertakings".
5. For the statement, the financial figures of residual undertaking are without considering impact of amalgamation of Lily into and with DCMSR, referred to in 1(a) above.
6. Total figure represent data relating to DCM Shriram Industries Limited.
7. The net worth of Chemical Undertaking and Rayon Undertaking as computed above represents the difference in asset and liabilities of Chemical Undertaking and Rayon Undertaking being transferred to DSFCL and DSIL respectively as part of the Scheme. Post scheme, there shall be adjustments in net worth relating to reserves which have not been considered in the statement.
8. Reserves not forming part of net worth as per section 2(57) of the Companies Act, 2013 and included in the reserves of DCMSR as on March 31, 2023, March 31, 2022 and March 31, 2021 have been excluded from net worth of DCMSR and Residual Undertaking.

For and on behalf of the DCM Shriram Industries Limited


Director

Place: New Delhi
Date: November 14, 2023







Anshul Gupta & Associates
Chartered Accountants

Phone: +91-8010010609

Email: anshulguptaassociates@gmail.com

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

Sub: Certification on rationale for arriving at the swap ratio for issuance of shares as proposed in the composite scheme of arrangement.

We refer to the Engagement Letter dated November 14, 2023 wherein DCM Shriram Industries Limited (hereinafter referred to as “DSCMSR” or “the Company” or “Demerged Company”) requesting us to provide a certificate on the rationale for arriving at the swap ratio for issuance of shares as given in the composite scheme of arrangement approved by the Board of Directors in their meeting dated November 14, 2023. As part of the scheme the following steps are proposed to be undertaken:

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

The Fair Equity Exchange Ratio for the Proposed Amalgamation and share entitlement ratio for the Proposed Demerger has been 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”).

(a) Scope and Purpose of the Certificate

Our scope of work includes commenting only on the the rationale determined by the valuer for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement. This report has been issued for facilitating the Proposed Transaction and should not be used for any other purpose.



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(b) Sources of information and procedure adopted

We have relied on the following information received from the Management in connection with the exercise:

- Valuation report by Valuer dated November 14, 2023;
- Composite Scheme of Arrangement approved by the Board of Directors of the Company;
- 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.

In connection with this exercise, we have adopted the following procedure to issue the certificate.

- Requested and received financial and qualitative information as stated above
- Obtained data available in public domain
- Discussions (physical/over call) with the Management and the Valuer to understand the rationale for arriving at the swap ratio for issuance of shares as proposed draft in the draft scheme of arrangement.
- Seek clarifications wherever required.

(c) Fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio (Swap ratio for issuance of shares)

The Share Exchange Ratio and Share Entitlement Ratio and the rationale there of has been extracted from the report of the valuer dated November 14, 2023 (annexed to this certificate) as given below.

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)



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Accordingly, the following has been considered 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

- 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, valuation of these companies has not been carried out under generally accepted valuation approaches namely cost approach, income approach and market approach, being not applicable.



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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”

(d) Conclusion

Based on the procedures performed by us and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that the rationale used for arriving at the swap ratio for issuance of shares as proposed in the composite scheme of arrangement is inappropriate.

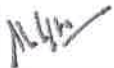
(e) Restriction on use

This certificate is addressed to and provided to the Board of Directors of the Company solely for onward submission to stock exchanges or any other regulatory authority 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 which this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Anshul Gupta & Associates

Chartered Accountants

FRN: 039576N



Anshul Gupta

Proprietor

Membership No.: 538431



Place: New Delhi

Date: November 14, 2023

UDIN: 23538431BGYTZL1867

To,

14th November 2023

Board of Directors,	Board of Directors,	Board of Directors,	Board of Directors,
Lily Commercial Private Limited 404 Akashdeep Building, 26A, Barakhamba Road, New Delhi - 110001	DCM Shriram Industries Limited 6 th floor, 610 Kanchenjunga Building 18, Barakhamba Road, New Delhi- 110001	DCM Shriram Fine Chemicals Limited 6 th floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi, Delhi 110001	DCM Shriram International Limited 6 th floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi, 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 4th 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



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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,



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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 27th 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
Total	10,95,125	100.00

(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 21st 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 29th September 2021 under the Companies Act 2013 and has its registered office at 6th 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 7th September 2022 under the Companies Act 2013 and has its registered office at 6th 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 30th 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



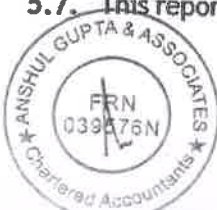
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Companies Act 2013 which include valuation of mergers/acquisitions, ESOPS, Intangible assets, Purchase Price Allocation, etc.

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 31st 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 up to 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 31st 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 31st 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 the Letter of Engagement, perform 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 are 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 influenced 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 above mentioned 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.


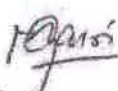

Pursuant to demerger of the Chemical Undertaking and Rayon Undertaking of DCMSR into the DSFCL and DSIL respectively.

“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:

<p>For TRC Corporate Consulting Private Limited</p>  <p>Mr. Santij Goel Director Date: 14.11.2023 Place: Gurugram, India</p>	<p>Registered Valuer</p>   <p>Mr. Mukesh Chand Jain Reg No: IBBI/RV/05/2020/13666 UDIN: F010483E001864467 Date: 14.11.2023 Place: Delhi, India</p>
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DCM SHRIRAM INDUSTRIES LTD.



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

Undertaking

We hereby confirm and undertake that the proposed Scheme of Arrangement involving amalgamation of Lily Commercial Private Limited ("Transferor Company") with DCM Shriram Industries Limited ("Transferee Company" or "DCMSR" or "Company") and subsequent demerger of demerged undertakings of DCMSR into two separate companies, namely, DCM Shriram Fine Chemicals Limited ("Resultant Company 1" or "DSFCL") and DCM Shriram International Limited ("Resultant Company 2" or "DSIL"), respectively, (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the "Resultant Companies") is in compliance with the applicable securities laws.

For DCM Shriram Industries Ltd.




Yagya Datt Gupta

Company Secretary & Compliance Officer

FCS 3405

Place: New Delhi

Date: 13.03.2024

DCM SHRIRAM INDUSTRIES LTD.



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

Undertaking

We hereby confirm and undertake that the proposed Scheme of Arrangement, involving amalgamation of Lily Commercial Private Limited ("Transferor Company") with DCM Shriram Industries Limited ("Transferee Company" or "DCMSR") and subsequent demerger of two undertakings of DCMSR into two separate companies, namely, DCM Shriram Fine Chemicals Limited ("Resultant Company 1" or "DSFCL") and DCM Shriram International Limited ("Resultant Company 2" or "DSIL"), respectively, is yet to be executed and that the Scheme of Arrangement will be executed only after receipt of relevant approvals.

For DCM Shriram Industries Ltd.



Yagya Datt Gupta

Company Secretary & Compliance Officer

FCS 3405

Place: New Delhi

Date: 06.12.2023