DCM
LIMITED

The Manager Listing Department BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street Fort, **Mumbai - 400 001.** **Scrip Code: 502820**	The Manager Listing Department The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), **Mumbai- 400 051.** **Scrip Code: DCM**

Date: November 29, 2019

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulation") read with the circular issued by the Securities and Exchange Board of India ("SEBI") dated September 9, 2015, bearing reference no. CIR/CFD/CMD/4/2015 ("SEBI Circular")

Respected Sir,

Pursuant to Regulation 30 of the Listing Regulations, we are pleased to inform you that the board of directors of DCM Limited ("**Transferor Company**"), at its meeting held on November 28, 2019, considered and approved the scheme of arrangement amongst the Transferor Company and DCM Engineering Limited ("**Transferee Company**") and their respective shareholders and creditors ("**Scheme**"), in relation to, *inter alia*, the transfer of the engineering business undertaking of the Transferor Company namely the 'DCM Engineering Product' ("**Business Undertaking**") and vesting of the Business Undertaking with and into the Transferee Company on a going concern basis by way of a slump sale (as defined under Section 2(42C) of the Income Tax Act, 1961), in the manner set out in the Scheme, and restructuring of the debt in relation to the Business Undertaking to be transferred by the Transferor Company to the Transferee Company pursuant to the Scheme, after giving effect to the transfer of the Business Undertaking and vesting of such Business Undertaking with and into the Transferee Company.

The Scheme is subject to the necessary approvals from the shareholders and creditors of each of the Transferor Company and the Transferee Company and other statutory and regulatory approvals under applicable laws, including the approval from the National Company Law Tribunal, New Delhi bench ('**NCLT**') and approvals from the BSE Limited, the National Stock Exchange of India Limited and the SEBI in accordance with the Listing Regulations and SEBI circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017, read with the SEBI circular number CFD/DIL3/CIR/2017/26 dated March 23, 2017, the SEBI circular number CFD/DIL3/CIR/2017/105 dated September 21, 2017, the SEBI circular number CFD/DIL3/CIR/2018/2 dated January 3, 2018 and the SEBI circular number CFD/DIL1/CIR/P/2019/192 dated September 12, 2019.

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CIN: L74899DL1889PLC000004 Website: www.dcm.in E-mail: dcmltd@dcm.in

As required under Regulation 30 of the Listing Regulations read with the SEBI Circular, please find enclosed herewith brief details of the Scheme in Annexure A.

Kindly take note of the same on your records.

Yours respectfully,
For **DCM Limited**

Jitendra Tuli
Managing Director
DIN: 00272930

Enclosed: as above.

Disclosure under Regulation 30 of the Listing Regulations read with the SEBI Circular, in relation to the Scheme.

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Description</th></tr>
<tr><td>1.</td><td>The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year</td><td>The turnover and net worth of each of the Transferor Company and the Business Undertaking for the financial year ended March 31, 2019 (on a standalone basis), and the percentage of the turnover of the Business Undertaking to the turnover of the Transferor Company for the financial year ended March 31, 2019 (on a standalone basis) are as set out below:
(INR in Crore)
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Net Worth</th><th>Turnover</th></tr>
<tr><td>1</td><td>DCM Limited</td><td>194.60</td><td>1100.04</td></tr>
<tr><td>2</td><td>Business Undertaking</td><td>(4.97)</td><td>388.76</td></tr>
<tr><td>3</td><td>Percentage</td><td>-</td><td>35.34%</td></tr>
</table></td></tr>
<tr><td>2.</td><td>Date on which the agreement for sale has been entered into</td><td>Not applicable, there is no agreement for sale. The transfer of the Business Undertaking to the Transferee Company on a going concern basis by way of a slump sale is being undertaken pursuant to the Scheme.</td></tr>
<tr><td>3.</td><td>The expected date of completion of sale/disposal</td><td>Not applicable. The transfer and vesting of the Business Undertaking with and into the Transferee Company will be completed after the Scheme comes into effect in accordance with its terms.</td></tr>
<tr><td>4.</td><td>Consideration received from such sale/disposal</td><td>The Business Undertaking transfer / vesting with and into the Transferee Company is a wholly owned subsidiary of the Transferor Company. There is no cash consideration payable by the Transferee Company to the Transferor Company.</td></tr>
<tr><td>5.</td><td>Brief details of buyer(s) and whether any of the buyer belong to the promoter/ promoter group/group companies. If yes, details thereof</td><td>Name of the buyer / Transferee Company: DCM Engineering Limited

Details of the buyer / Transferee Company: DCM Engineering Limited is a public company incorporated under the Companies Act, 1956 having its registered office at New</td></tr>
</table>

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		Delhi. It was incorporated on December 23, 1998 under the name and style "DCM Tools and Dies Limited" and the name of the Transferee Company was changed to DCM Engineering Limited with effect from October 15, 2019. The object of the Transferee Company is to undertake the engineering business which includes manufacturing and supply of grey iron casting. The Transferee Company does not conduct any business operations as of date. **Detail of promoter group:** DCM Engineering Limited is a wholly owned subsidiary of the DCM Limited, the Transferor Company.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Since the Transferee Company is a wholly owned subsidiary of the Transferor Company, the transfer of the Business Undertaking from the Transferor Company to the Transferee Company pursuant to the Scheme will be a related party transaction. Thus exempt from purview of regulations governing related party transactions. The Scheme will be implemented on an arms' length basis.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	Please refer paragraphs 8 to 13 below.
8.	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover etc.	**Name of Transferor Company:** DCM Limited, which presently has its equity shares listed on the National Stock Exchange of India Limited and the BSE Limited. The total assets, net worth and turnover of the Transferor Company as on March 31, 2019 (on a standalone basis) is as set out below: a) Total assets: INR 588,97,00,000 (Indian Rupees Five Hundred Eighty Eight Crores Ninety Seven Lakh); b) Net worth: INR 194,60,00,000 (Indian Rupees One Hundred Ninety Four Crores Sixty Lakh); and

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<table>
<tr><td></td><td></td><td>c) Turnover: INR 1100,04,00,000 (Indian Rupees One Thousand One Hundred Crores Four Lakh).

Name of the Transferee Company: DCM Engineering Limited is a public unlisted company and a wholly owned subsidiary of the Transferor Company.

The object of the Transferee Company is to undertake the engineering business which includes manufacturing and supply of grey iron casting. The Transferee Company does not conduct any business operations as of date.</td></tr>
<tr><td>9.</td><td>Whether it is a related party transaction? If yes, whether it is done at “arms length”</td><td>Please refer to the description set out in paragraph 6 above.</td></tr>
<tr><td>10.</td><td>Area of business of the entity/entities</td><td>The Transferor Company and the Transferee Company are engaged in the following business activities:
<table>
<tr><th>S. No.</th><th>Name of the company</th><th>Type of business</th></tr>
<tr><td>1.</td><td>Transferor Company</td><td>Manufacturing/ sale of castings to the automotive industry and real estate development</td></tr>
<tr><td>2.</td><td>Transferee Company</td><td>Engineering business which includes manufacturing and supply of grey iron casting</td></tr>
</table></td></tr>
<tr><td>11.</td><td>Rationale for amalgamation/merger</td><td>The rationale for the proposed Scheme includes:

(i) The management of the Transferor Company believes that the business interests of the Transferor Company in the Business Undertaking, which comprises the engineering division, and business undertakings of the Transferor Company other than the Business Undertaking (including the real estate business) (“Remaining Undertaking”)</td></tr>
</table>

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		require dedicated management focus and business strategies to ensure that the respective businesses are given the right impetus for growth by securing, among other things, strategic and financial partnership(s). (ii) With a view to achieve greater management focus on each of the Remaining Undertaking and the Business Undertaking, the management of the Transferor Company proposes to transfer the Business Undertaking, and vest such Business Undertaking with and into the Transferee Company (a wholly owned subsidiary of Transferor Company). (iii) With a view to restore profitability of and revive the Business Undertaking, it is considered necessary to induct financial/ strategic partner(s) in the Business Undertaking (which comprises the engineering division) who can provide critically required modern technology and financial investment to the Business Undertaking, enabling the Transferee Company to sustain and grow the operations of the Business Undertaking. (iv) The management of the Transferor Company believes that the segregation of the Business Undertaking will enable the Transferee Company to restructure the outstanding loans, debts and liabilities of the Transferor Company in relation to the Business Undertaking, enabling the Transferee Company to improve serviceability of such outstanding loans, debts and liabilities and revive the Business Undertaking. (v) The transfer of the Business Undertaking by the Transferor Company to the Transferee Company will enable the management of the Transferor Company to focus on the Remaining Undertaking and to develop and manage real estate assets, so as to derive long term annuity value for the shareholders. This will help in expediting the monetization of these

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		assets and to bridge the gap between intrinsic value and market capitalization of the Transferor Company. (vi) The management of the Transferor Company and the Transferee Company believe that the transfer of the Business Undertaking from the Transferor Company and vesting of such Business Undertaking with and into the Transferee Company and the restructuring of the outstanding loans, debt and liabilities in relation to the Business Undertaking, are in the larger interest of the shareholders, creditors and employees of the Transferor Company and the Transferee Company and will enhance the prospects of the future growth of the Transferor Company and the Transferee Company, and is likely to result in the following benefits for the Transferor Company and the Transferee Company: (a) imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Transferor Company and Transferee Company; (b) increasing efficiencies in management, control and administration of the affairs of the Transferor Company and Transferee Company; (c) facilitating strategic investment in the Transferee Company; (d) enabling the Transferor Company and Transferee Company to focus on their core business verticals; (e) creating and enhancing stakeholders' value by unlocking the intrinsic value of the core businesses of the Transferor Company and Transferee Company; (f) enabling each of the Transferor Company and the Transferee Company to raise necessary resources for their respective businesses independently; and (g) achieving an optimum capital

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		structure and commensurate assets which is likely to enhance the business prospects of the Transferor Company as well as the Transferee Company and provide for wealth creation for the shareholders of the Transferor Company and the Transferee Company in the long-term.
12.	In case of cash consideration (amount) or otherwise share exchange ratio	Please refer to paragraph 4 above.
13.	Details of change in shareholding pattern (if any) of listed entity	Nil
14.	Details and reasons for restructuring	**Details of restructuring**: Upon the transfer of the Business Undertaking and vesting of the same with and into the Transferee Company, the loans and outstanding debt transferred by the Transferor Company to the Transferee Company pursuant to the Scheme will be restructured in the following manner: (i) *Term loan facilities*: The Transferee Company will issue optionally convertible debentures having face value of INR 1,000 (Indian Rupees One Thousand) each ("**OCDs**") to each of the term lenders for an amount equivalent to 50% (fifty per cent.) of the entire outstanding principal amount (excluding the accrued interest thereon, if any) under such term loan facilities as on the date the scheme comes into effect in accordance with its terms (such date being referred to as the "**Effective Date**" and such amount being referred to as the "**Outstanding TL Amount**"). The terms of such OCDs are as set out in the Scheme. The remaining 50% (fifty per cent.) of the Outstanding TL Amount along with the outstanding accrued interest under the term loan facilities as on the Effective Date ("**Repayment TL Amount**"), will be paid by the Transferee Company over a period of 5 (five) years from the Effective Date in 5 (five) equal annual instalments payable at the end of each such year following the Effective Date. In

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		addition to the above, the Transferee Company shall pay to each of the Term Lenders an interest at the rate of 8% (Eight per cent.) on a quarterly basis on the respective Repayment TL Amount payable to such Term Lender. ("**TL Interest Amount**"). The TL Interest Amount shall be payable by the Transferee Company to each of the Term Lenders at the end of each quarter following the Effective Date. The abovementioned payment obligations of the Transferee Company shall be secured by: I. First *pari passu* charge on all fixed assets of the Transferee Company, transferred by the Transferor Company to the Transferee Company pursuant to the Scheme, over which the respective term lenders have existing charge immediately prior to the Effective Date. II. First *pari passu* charge on the immovable properties of the Transferor Company, over which the respective term lenders have existing charge immediately prior to the Effective Date. III. First *pari passu* charge on the current assets of the Transferee Company, including receivables, stocks and other movable assets, appearing in its books as on the Effective Date. It is clarified that the term lenders shall have no charge on the current assets of the Transferee Company created in the Transferee Company after the Effective Date. (ii) *Working capital facilities*: The entire outstanding principal amount (including the accrued interest thereon, if any) under the working capital facilities as on the Effective Date (*as defined in the Scheme*)

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		("**WC Outstanding Amount**") will be converted into term loan facilities, and shall be paid by the Transferee Company over a period of 5 (five) years from the Effective Date (*as defined in the Scheme*) in 5 (Five) equal annual instalments payable at the end of each such year following the Effective Date. In addition to the above, the Transferee Company shall pay to each of the WC Lenders an interest at the rate of 8% (Eight per cent.) on a quarterly basis on the respective WC Outstanding Amount payable to such WC Lender ("**WC Interest Amount**"). The WC Interest Amount shall be payable by the Transferee Company to each of the WC Lenders at the end of each quarter following the Effective Date. The abovementioned payment obligations of the Transferee Company shall be secured by: I. First *pari passu* charge on all fixed assets of the Transferee Company, transferred by the Transferor Company to the Transferee Company pursuant to the Scheme, over which the respective working capital lenders have existing charge immediately prior to the Effective Date. II. First *pari passu* charge on the immovable properties of the Transferor Company, over which the respective working capital lenders have existing charge immediately prior to the Effective Date. III. First *pari passu* charge on the current assets of the Transferee Company, including receivables, stocks and other movable assets, appearing in its books as on the Effective Date. It is clarified that the working capital lenders shall have no charge on the current assets

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		of the Transferee Company created in the Transferee Company after the Effective Date. (iii) *Payments to sundry creditors*: The entire outstanding amount owed (including the principal amount and the accrued interest) to the sundry creditors as on the Effective Date, will be paid by the Transferee Company to each of the respective sundry creditors over a period of 6 (six) years from the Effective Date, payable by the end of each such year, as per the details set out in the Scheme (under which the priority to the payments to be made to the sundry creditors is determined in increasing order of the value of the outstanding amounts due to such sundry creditors). **Reasons for restructuring**: Please refer to paragraph 11 above.
15.	Quantitative and/ or qualitative effect of restructuring	Pursuant to the abovementioned debt restructuring, all creditors in relation to the Business Undertaking will be repaid the entire outstanding amount owed to them as per the timelines mentioned above.
16.	Details of benefit, if any, to the promoter/ promoter group/ group companies from such proposed restructuring	The promoter/ promoter group/ group companies have not received any benefit from the proposed restructuring otherwise than in their capacity as shareholders of the Transferor Company.
17.	Brief details of change in shareholding pattern (if any) of all entities	There will be no change in the shareholding pattern of the Transferor Company and the Transferee Company pursuant to the Scheme.