

ANNEXURE IV

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended]

To,
The Members,
DCM Limited
Unit Nos. 2050 to 2052,
2nd Floor, Plaza - II, Central Square,
20, Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi – 110006.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCM Limited, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DCM Limited ("the Company") for the financial year ended 31st March, 2023 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended; (Not Applicable to the Company during the review period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the review period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the review period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the review period);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the review period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the review period);
- VI. We have relied on the systems/mechanism formed by the Company for compliances under other applicable Acts, laws and regulations applicable to the Company and the management explanation in this regard. The list of major Acts, Laws and Regulations as applicable to the Company is given in Annexure –A.

We have not examined compliance with applicable financial laws like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and tax audit.

We have also examined compliance with the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We have also examined compliances of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Annexure - IV to the Directors' Report continued

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review following specific events having a major bearing on the Company's affairs have occurred:

1. In view of continued situation of industrial unrest at DCM Engineering Products, a unit of the Company situated at Village Asron, District Shaheed Bhagat Singh Nagar (Punjab) (referred as 'Engineering Business Undertaking'), the Company was forced to declare lockout at its said Engineering Business Undertaking w.e.f. October 22, 2019. The said lockout is still continues as on the date and no production activity is carried out at the said Engineering Business Undertaking.
2. The dues of all the bankers [Viz. State Bank of India (SBI), ICICI Bank Limited (ICICI) and HDFC Bank Limited (HDFC)], who have provided term loans and working capital facilities (referred as 'said Credit facilities') to DCM Engineering Products, a unit of the Company (referred as 'Engineering Business Undertaking') have been fully paid under One Time Settlement (OTS) as agreed with them.
3. The Board of Directors of the Company in its meeting held on November 28, 2019 have approved a composite scheme of arrangement for transfer of its "Engineering Business undertaking" into its wholly owned subsidiary namely DCM Engineering Limited (formerly known as DCM Tools and Dies Limited), on a going concern basis with effect from the appointed date of October 01, 2019 and restructuring of outstanding loans, debts and liabilities of the Engineering Business Undertaking. The filing of Scheme for seeking approval from Hon'ble National Company Law Tribunal (NCLT) under Section 230 – 232 of the Companies Act, 2013 remained pending awaiting in principle approval of secured lenders (Banks).

The Company has recently paid creditors including secured lenders of its said Engineering Business undertaking. Hence the Section-II of the original composite scheme of arrangement approved by the Board on November 28, 2019 relating to restructuring of outstanding loans and liabilities of Engineering Business Undertaking has become infructuous & not relevant at this stage.

Due to above, the aforesaid original Composite Scheme of Arrangement has been withdrawn by the Board of Directors of the Company in its meeting held on 29.05.2023.

**For Pragnya Pradhan & Associates
Company Secretaries**

Sd/-

Pragnya Parimita Pradhan

ACS No. 32778

C P No.: 12030

UDIN: A032778E000614691

Peer Review No.: 1564/2021

Place: New Delhi
Date: July 14, 2023

This report is to be read with our letter of even date which is annexed as Annexure B and forms an integral part of this report.

Annexure A

1. Factories Act, 1948;
2. Industries (Development and Regulation) Act 1951;
3. Minimum Wages Act, 1948;
4. Employees Provident Fund & Miscellaneous Provisions Act, 1952;
5. Industrial Employment (Standing Orders) Act, 1946;
6. Inter –State Migrant Workman (Regulation of Employment and Condition of Services) Act, 1979;
7. Maternity Benefit Act, 1961;
8. Payment of Gratuity Act, 1972;
9. Payment of Wages Act, 1936;
10. Environment (Protection) Act, 1986;
11. Water (Prevention and Control of Pollution) Act, 1974;
12. The Legal Metrology Act, 2009.

Annexure B

To
The Members,
DCM Limited
Unit Nos. 2050 to 2052,
2nd Floor, Plaza - II, Central Square, 20,
Manohar Lal Khurana Marg, Bara Hindu Rao,
Delhi – 110006

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The Secretarial Audit report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Pragnya Pradhan & Associates
Company Secretaries**

Sd/-

Pragnya Parimita Pradhan

ACS No. 32778

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