69 Annexure - 10 - 1/2

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

Telephone: + 91 124 2358 610
Fax: + 91 124 2358 613

The Board of Directors
DCM Limited
Vikrant Tower, 4, Rajendra Place,
New Delhi - 110008

Independent Auditor's Certificate on non-applicability of paragraph I (A) (9) (b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017

This Certificate is issued in accordance with the terms of our agreement dated 10 March 2017.

We, the statutory auditors of DCM Limited (hereinafter referred to as "the Company"), have examined the accompanying undertaking ('the Undertaking') regarding the non-applicability of paragraph I (A) (9) (b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ('SEBI Circular') stating the reasons thereof in respect of the Scheme of Arrangement ('the Scheme'), between DCM Limited, DCM Nouvelle Limited ('the Resulting Company') and their respective shareholders and creditors in terms of the provisions of sections 230 to 232 read with section 66 and the applicable provisions of the Companies Act, 2013 ('the Act'), which has been stamped by us for identification purposes only.

Management's Responsibility

The preparation of the Undertaking is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Undertaking, 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 the SEBI Circular and for providing all relevant information to the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited.

Auditor's Responsibility

Our responsibility is to form an opinion whether the paragraph I (A) (9) (b) of Annexure I of SEBI Circular is applicable to the Scheme based on our examination of the Scheme, the Undertaking, the unaudited books of account, other relevant records and documents maintained by the Company and representations obtained from the management.

We conducted our examination of the proposed accounting treatment in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" ("the Guidance Note") 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 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.

CERTIFIED TRUE COPY

For DCM LIMITED

Company Secretary

B S R & Co. LLP

Opinion

Based on our examination as above, and the information and explanations given to us, in our opinion, the paragraph I (A) (9) (b) of Annexure I of SEBI Circular is not applicable to the Scheme for the reasons stated in the Undertaking.

Restriction on Use

This Certificate is provided to the Board of Directors of the Company for onward submission to the National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place: New Delhi
Date: 15 March 2017

CERTIFIED TRUE COPY

For DCM LIMITED

Company Secretary

DCM LIMITED

Undertaking pursuant to paragraph (I)(A)(9)(c) of Annexure 1 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") regarding non - applicability of requirements prescribed under paragraph I(A)(9)(a) of Annexure 1 of SEBI Circular in respect of Scheme of Arrangement

This is in connection with the Scheme of Arrangement ('the Scheme") which provides for a demerger of Cotton Textile Business Undertaking of DCM Limited ("Demerged Company") into DCM Nouvelle Limited ("Resulting Company"), a wholly owned subsidiary of the Demerged Company, as a going concern.

In terms of paragraph I(A)(9)(a) of Annexure 1 of SEBI Circular, SEBI has mandated all listed companies to ensure that the Scheme submitted with the National Company Law Tribunal/ Hon'ble High Court for sanction, provides for voting by public shareholders through postal ballot and e-voting in specified cases.

The Demerged Company hereby undertakes that the requirement of paragraph I(A)(9)(a) of Annexure 1 of the SEBI Circular is not applicable on the Demerged Company as following specified cases are not applicable to the Scheme -

1. Paragraph I(A)(9)(b)(i)

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed company

Reason for non-applicability

This clause is not applicable. Upon demerger coming into effect, the following has been envisaged-

- Issue of shares by Resulting Company to the existing shareholders of Demerged Company

  Resulting Company shall issue and allot Equity Shares of Rs. 10/- each at par value to the shareholders of the Demerged Company whose names appear in the Register of Members of the Demerged Company on the Record Date in the ratio of 1:1, i.e. 1 (one) Equity Share of Rs. 10/- each, fully paid-up of the Resulting Company, for every 1 (one) Equity Share of Rs. 10/- each, fully paid-up held in the Demerged Company.

- Cancellation of shares held by the Demerged Company in the Resulting Company

  Simultaneous with the issuance of Equity Shares by the Resulting Company to the shareholders of the Demerged Company, the equity shares of the Resulting Company held by the Demerged Company, along with nominee shareholders, will be cancelled.

  This will ensure that the shareholding pattern of the Resulting Company is identical to that of the Demerged Company.

Accordingly, it is evident from above that all the shareholders of the Demerged Company will be issued shares in Resulting Company in the same proportion in which they hold shares in the Demerged Company and there would be no allotment of additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed company.

CERTIFIED TRUE COPY

For DCM LIMITED

Company Secretary

DCM LIMITED NEW DELHI

B S R & Co. LLP GURGAON Chartered Accountants

Registered Office :
Vikrant Tower, 4, Rajendra Place, New Delhi-110008
Phone : (011) 25719967 Fax : (011) 25765214
CIN: L74899DL1889PLC000004 Website: www.dcm.in E-mail: dcmltd@dcm.in
e-mail id: investors@dcm.in

2. Paragraph I(A)(9)(b)(ii)

Where the Scheme of Arrangement involves the listed company and any other entity involving Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group

Reason for non-applicability

This clause is not applicable. The Scheme is envisaged between the Demerged Company and its wholly owned subsidiary i.e. the Resulting Company and thus, it does not involve any arrangement between the Demerged Company and any other entity involving Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

3. Paragraph I(A)(9)(b)(iii)

Where the parent listed company has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme of Arrangement

Reason for non-applicability

This clause is not applicable. The Demerged Company (being the parent listed company) has not acquired any equity shares of Resulting Company (being the subsidiary company) by paying consideration in cash or in kind in the past to any of the shareholders of Resulting Company who may be Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the parent listed company i.e. the Demerged Company. In fact, the Resulting Company has been incorporated by the Demerged Company, which holds the entire share capital of the Resulting Company along with nominee shareholders from the date of incorporation. Further, the Scheme is not for the purpose of merger of the subsidiary company with the parent listed company.

4. Paragraph I(A)(9)(b)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity

Reason for non-applicability

This clause is not applicable. The proposed Scheme provides for demerger of Cotton Textile Business Undertaking of the Demerged Company into the Resulting Company. Pursuant to the same, all the shareholders of the Demerged Company will be issued shares in Resulting Company in the same proportion in which they hold shares in the Demerged Company.

DCM LIMITED NEW DELHI

B S R & Co. LLP GURGAON Chartered Accountants

CERTIFIED TRUE COPY

For DCM LIMITED

Company Secretary

5. Paragraph I(A)(9)(b)(v)

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares

Reason for non-applicability

This clause is not applicable. Pursuant to demerger, the Resulting Company will issue shares to the shareholders of the Demerged Company in the same proportion in which they hold shares in the Demerged Company.

In light of the above reasons, the Demerged Company is not required to seek approval of the public shareholders through postal ballot and e-voting in relation to the Scheme of Arrangement between the Demerged Company and the Resulting Company.

For and on behalf of DCM Limited

DCM LIMITED NEW DELHI

B S R & Co. LLP GURGAON Chartered Accountants

Dr. Vinay Bharat Ram
Chairman & Managing Director

Date : March 15, 2017
Place : New Delhi

CERTIFIED TRUE COPY

For DCM LIMITED

Company Secretary