ANNEXURE-5

(66)

D & A FINANCIAL SERVICES (P) LIMITED

Merchant Banking & Corporate Advisory Services

Date: November 28, 2019

Board of Directors,
DCM Limited,
6th Floor, Vikrant Tower,
4, Rajendra Place,
New Delhi – 110 008

Board of Directors,
DCM Engineering Limited,
6th Floor, Vikrant Tower,
4, Rajendra Place,
New Delhi – 110 008

Subject: Fairness Opinion for the purpose of Proposed Composite Scheme of Arrangement of DCM Limited ("Transferor Company") and DCM Engineering Limited ("Transferee Company") and their respective shareholders and creditors.

Dear Sir/s,

In connection with the proposed Composite Scheme of Arrangement of DCM Limited ("Transferor Company") and DCM Engineering Limited ("Transferee Company") and their respective shareholders and creditors for the proposed Merger under the provisions of Sections 230 to 232 of the Companies Act 2013 (the **'Scheme'** or the **'Scheme of Arrangement'**).

We, M/s D & A Financial Services (P) Ltd, SEBI registered Merchant Banker, having license no. INM000011484, have been engaged by you to give our fairness opinion on the proposed scheme of arrangement of DCM Limited and DCM Engineering Limited.

The Scheme shall be subject to (i) Receipt of approval from the National Company Law Tribunal ("NCLT") and (ii) other statutory approval(s) as may be required in this regard.

1. Scope and Purpose of the Opinion

The management of DCM Limited has engaged M/s D & A Financial Services (P) Ltd to submit fairness opinion to the Board of Directors on the proposed Scheme of Arrangement as defined above. The scope of this Fairness Opinion includes commenting on the fairness of the Scheme of Arrangement.

The Fairness Opinion is addressed to the Board of Directors of DCM Limited and DCM Engineering Limited. Further, this Fairness Opinion has been issued as per the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21, dated 10-3-2017 read with SEBI Circular No. CFD/DIL3/CIR/2017/26, dated 23-3-2017 and CFD/DIL3/CIR/2018/2, dated 3-1-2018 ("SEBI Circulars") and as per the SEBI (ICDR) Regulations, 2018 pricing rules.

H.O. & Regd. Office: 13, Community Centre, 2nd Floor, East of Kailash, New Delhi-110065, Phone:+91 11 26472557, 26419079
Fax:+91 11 26219491, E-mail:investors@dnafinserv.com, compliance@dnafinserv.com, contact@dnafinserv.com, Website:www.dnafinserv.com
• Mumbai • Admedabad CIN : U74899DL1981PTC012709

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For DCM LIMITED

Company Secretary

Disclaimer: We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the authorized representatives of management of Amalgamating and Amalgamated Companies for the purpose of this Opinion. We have not carried out any independent verification of the accuracy and completeness of all information as stated above and in the Scheme of Arrangement. We have not reviewed any other documents of the Company other than those stated herein. We have not assumed any obligation to conduct, nor have we carried out any independent physical inspection or title verification of the property, investments etc. interests of Companies and accept no responsibility therefore.

We have not reviewed any internal management information statements or any non-public reports and instead with your consent we have relied upon information that was publicly available or provided or otherwise made available to us by Companies for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims.

2. BRIEF BACKGROUND OF THE COMPANIES

Background of Company

DCM Limited

The Transferor Company is a public company incorporated under the India Companies Act, 1882 (and validly existing under the Companies Act, 2013) having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi 110 008, India and the corporate identification number L74899DL1889PLC000004. The Transferor Company was incorporated on March 26, 1889 under the name and style "The Delhi Cloth and General Mills Company" and the name of the Transferor Company was changed to DCM Limited with effect from October 6, 1983. The e-mail address of the Transferor Company is investors@dcm.in. The Transferor Company is inter-alia engaged in the business of manufacturing/ sale of castings to the automotive industry and real estate development. The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

The share capital of the Transferor Company, as on September 30, 2019 is as under:

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For DCM LIMITED
Prasad
Company Secretary

Share Capital	Amount (INR)
*Authorized Share Capital**	
8,39,99,000 equity shares of INR 10 each	83,99,90,000
3,20,000 9.5% sixth redeemable cumulative preference shares of INR 25 each	80,00,000
36,80,000 preference shares of INR 25 each	9,20,00,000
10,00,000 cumulative convertible preference shares of INR 100 each	10,00,00,000
100 13.5% redeemable cumulative preference shares of INR 100 each	10,000
Total	**1,04,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
1,86,77,749 equity shares of INR 10 each	18,67,77,490
Less: Calls in arrears by others	31,175
Total	**18,67,46,315**

The names of the promoters and directors of the Transferor Company as on September 30, 2019, along with their addresses are set forth below:

S. No.	Name	Promoter/Director	Address
1.	Vinay Bharat Ram	Promoter/ Director	B-69, Paschimi Marg, Vasant Vihar, New Delhi-110057
2.	Sumant Bharat Ram	Promoter	B-69, Paschimi Marg, Vasant Vihar, New Delhi-110057
3.	Rahil Bharat Ram	Promoter	B-69, Paschimi Marg, Vasant Vihar, New Delhi-110057
4.	Yuv Bharat Ram	Promoter	B-69, Paschimi Marg, Vasant Vihar, New Delhi-110057
5.	Ravi Vira Gupta	Director	9, Anand Lok, August Kranti Marg, New Delhi-110049
6.	Jitendra Tuli	Director	N-192, Greater Kailash, Part-I, New Delhi-110048
7.	Bipin Maira	Director	S-113, Greater Kailash, Part-II, New Delhi 110048
8.	Sudhir Kumar Jain	Director	F. No.- 2514, Sector - D, PKT II, Vasant Kunj, South West Delhi- 110070
9.	Krishna Singh Nagnyal	Director	Queens Mansion, Flat No-14, 12 Park Sheet, Opp Park Hotel, Middleton Row, Kolkata 700071

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For DCM LIMITED
Company Secretary

S. No.	Name	Promoter/Director	Address
10.	Dinesh Dhiman	Director	House No 04-SF,Palam Grove Ansal API, Sector -115, Kharar Landran Road, Mohali 160062 Punjab
11.	Sushil Kapoor*	Director	Flat No. 205, Block-18, Heritage City Mehrauli, Gurgaon Road, Gurgaon-122002 Haryana

* Mr. Sushil Kapoor has resigned from the position of Directorship of the Company from the close of business hours of September 30, 2019.

DCM Engineering Limited

DCM Engineering Limited is a public company incorporated under the Companies Act, 1956 (and validly existing under the Companies Act, 2013) having its registered office at 606, 6th Floor, Vikrant Tower, 4 Rajendra Place, New Delhi - 110008, India with permanent account number AABCD5608H and the corporate identification number U29223DL1998PLC097618. The Transferee Company 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 Transferee Company is engaged inter-alia in the business of manufacturing/ sale of castings to the automotive industry. The Transferee Company is a wholly owned subsidiary of the Transferor Company.

The share capital of the Transferee Company, as on September 30, 2019 is as under:

Share Capital	Amount (INR)
Authorized Share Capital	
59,000 equity shares of INR 10 each	5,90,000
100 redeemable cumulative preference shares of INR 100 each	10,000
Total	**6,00,000**
Issued, Subscribed and Paid-up Share Capital	
50,000 equity shares of INR 10 each	5,00,000
Total	**5,00,000**

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For DCM LIMITED

Company Secretary

The names of the promoters and directors of the Transferee Company as on September 30, 2019, along with their addresses are set forth below:

S. No.	Name	Promoter/Director	Address
1.	DCM Limited	Promoter	Vikrant Tower, 4, Rajendra Place, New Delhi - 110008
2.	Ashwani Kumar Singhal	Director	A -17A, DDA Flats, Munirka, New Delhi 110067
3.	Pawan Kumar Gupta	Director	H.No 2074, Gali No. 162, First Floor, Ganesh Pura, Tri Nagar, Delhi- 110035
4.	Krishna Gopal Gupta	Director	C – 30, Shyam Vihar, Ph – II, Dindar Pur Village, Delhi - 110043

3. Sources of Information

For arriving at the opinion set forth below, we have relied upon following documents:

1. Considered the audited financial statements of the Transferor Company for the financial year ("FY") 2018-19 and the limited review report on the unaudited financial results for period ended September 30, 2019;
2. Considered the provisional carved-out financials of the Engineering Undertaking as on September 30, 2019, which are based on limited review financials of the Transferor Company;
3. Considered the Draft Scheme;
4. Considered the existing and proposed shareholding of Transferor Company and Transferee Company;
5. Other information, interviews and correspondence with the Management, on which we have relied; and
6. Such other analysis, reviews and inquiries, as we considered necessary.

4. Valuation Report.

Fair value for transfer of Engineering Undertaking to the wholly owned subsidiary of the Transferor Company:

1. Considering the fact that the transfer is proposed to be made to the wholly owned subsidiary company of DCM Limited and that any consideration for such transfer shall not have any economic impact on the Transferor Company or its shareholders and also considering the fact that the net-worth of the Engineering Undertaking is currently not positive, management has proposed no payment from the Transferor Company for the proposed transfer of Engineering Undertaking and hence Nil consideration.

2. Based on the above, and scope limitations below, and considering that the transfer is proposed to be made to the wholly owned subsidiary company and that there will be no economic impact on the shareholders of the Transferor Company, in our view, Nil consideration proposed by the Management is fair in relation to the proposed transfer of Engineering Undertaking.

For DCM LIMITED

Company Secretary

5. Rationale of scheme

The Transferor Company currently has business interests in diverse businesses such as manufacturing/ sale of castings to the automotive industry and real estate development. 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 the Remaining Undertaking (*as defined hereinafter*), 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).
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).

In addition, 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.

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.

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 assets and to bridge the gap between intrinsic value and market capitalization of the Transferor Company.

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:

(i) imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Transferor Company and Transferee Company;

(ii) increasing efficiencies in management, control and administration of the affairs of the Transferor Company and Transferee Company;

(iii) facilitating strategic investment in the Transferee Company;

(iv) enabling the Transferor Company and Transferee Company to focus on their core business verticals;

(v) creating and enhancing stakeholders' value by unlocking the intrinsic value of the core businesses of the Transferor Company and Transferee Company;

(vi) enabling each of the Transferor Company and the Transferee Company to raise necessary resources for their respective businesses independently; and

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Prasad
Company Secretary

(vii) achieving an optimum capital 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.

6. Conclusion and Opinion

On the basis of our scope and limitations mentioned in the report and based on our examination of the draft of the Proposed Scheme of Arrangement and on consideration of all the relevant factors as described herein above, we are of the opinion that the proposed scheme of arrangement is fair.

Thanking You

For **D & A Financial Services (P) Ltd**

(M K Doogar)

Director

D AND A FINANCIAL SERVICES PRIVATE LIMITED NEW DELHI

Place: New Delhi

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For DCM LIMITED

Company Secretary

APPENDIX A

EXCLUSIONS AND LIMITATIONS

- Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies.
- Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this Opinion. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this Opinion.
- Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- We do not express any opinion as to the price at which shares of the Companies may trade at any time, including, subsequent to the date of this opinion.

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For DCM LIMITED

Prasad

Company Secretary