DCM
LIMITED

January 14, 2020

To,
The Audit Committee
DCM Limited
Vikrant Tower,
4, Rajendra Place,
New Delhi - 110008

Sub: Modification in the Scheme of Arrangement and addendum to the fairness opinion issued by D&A Financial Services (P) Limited

Dear Sirs,

This is to inform you that the Audit Committee of DCM Limited in its meeting held on November 28, 2019 had recommended the draft scheme of arrangement amongst DCM Limited and DCM Engineering Limited and their respective shareholders and creditors under Section 230-232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "**Scheme**"). Valuation Report dated November 28, 2019 from Mr. Rakesh Mundra, registered valuer and fairness opinion issued by D&A Financial Services (P) Limited were also placed before the Audit committee the meeting.

I wish to inform you that post filing of application with stock exchange(s) and SEBI, DCM Limited has received following observations, amongst others:

- The Scheme shall also have a para that the scheme is conditional upon scheme being approved by the PUBLIC shareholders through e-voting in terms of para 9 (a) of part I of Annexure I of SEBI circular number CFD / DIL3 / CIR / 2017 / 21 dated March 10, 2017. Kindly include the same in draft scheme and provide revised scheme.

- Kindly provide fairness opinion report on valuation.

I, Prof. Sudhir Kumar Jain, Member of the Audit Committee of DCM Limited was authorized by the Audit Committee of DCM Limited vide its resolutions dated November 28, 2019 to approve and recommend any alterations / changes / modifications to the Scheme, including such alterations / changes / modifications as may be expedient or necessary.

In exercise of the aforementioned authorization, I have approved the following modification in the Scheme and recommended the same to the Board of Directors of DCM Limited for favorable consideration:

Clause 1.5.1 (c) of the aforesaid Scheme of Arrangement provides for the approval of public shareholders to scheme with requisite majority in accordance with SEBI circular, as per detail given below:

DCM LIMITED NEW

e-mail id: investors@dcm.in

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

"the number of votes casted by the public shareholders of the Transferor Company in favour of the Scheme being more than the number of votes casted by the public shareholders of the Transferor Company against the Scheme, as required under the SEBI Circulars"

In order to comply with observation made by Stock Exchange, Clause 1.5.1 (c) of the Scheme has been amended as under:

*"the scheme being approved by the **PUBLIC Shareholders** through e-voting in terms of para 9 (a) of part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and amendments thereof. The Scheme shall be acted upon only if the number of votes casted by the public shareholders of the Transferor Company in favour of the Scheme being more than the number of votes casted by the public shareholders of the Transferor Company against the Scheme;"*

There was no other change(s)/modification(s) in the Scheme.

Further, as per the observation received from the stock exchange on fairness opinion, we have received the amended fairness opinion from D&A Financial Services (P) Limited dated January 7, 2020 which is considered and taken on record.

Amended Scheme and fairness opinion have been submitted with the stock exchange for their review and the same has also been enclosed with this e-mail for your noting and record purpose.

I hereby request the Audit Committee to please note the same.

Thanking you
For and on behalf of DCM Limited

DCM LIMITED NEW DELHI

Prof. Sudhir Kumar Jain
Member - Audit Committee
DIN - 06419514

Vikrant Tower, 4,
Rajendra Place,
New Delhi – 110008

Encl. As Above:

1. Copy of amended Scheme of Arrangement;
2. Copy of amended fairness opinion issued by D&A Financial Services (P) Limited

DCM LIMITED

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE AUDIT COMMITTEE OF DCM LIMITED ("COMPANY") HELD ON THURSDAY, NOVEMBER 28, 2019 AT NEW DELHI

"**RESOLED THAT** the audit committee of the Company ("**Audit Committee**") has perused and taken on record the following documents:

(a) Draft Scheme of Arrangement;
(b) Valuation report dated November 28, 2019, from Mr. Rakesh Mundra, registered valuer;
(c) Fairness opinion dated November 28, 2019, from D & A, Financial Services (P) Limited, a merchant banker registered with the Securities and Exchange Board of India; and
(d) Certificate dated November 28, 2019, from M/s S.S Kothari Mehta & Company, Chartered Accountant, the statutory auditors of the Company, certifying that the accounting treatment proposed in the Scheme is in compliance with the accounting standards prescribed under the Act.

RESOLVED FURTHER THAT, the abovementioned reports and documents as placed before the Audit Committee be and are hereby taken on record and based on the abovementioned reports and other relevant documents presented before the Audit Committee, recommendation be and is hereby made to the board of directors of the Company ("**Board**") for approving the draft of the scheme of arrangement amongst the Company, DCM Engineering Limited ("**Transferee Company**") and their respective shareholders and creditors under Sections 230-232 and other relevant provisions of the Act ("**Scheme**"), in relation to:

(a) transfer of the business undertaking relating to the engineering division of the Company ("**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;

(b) restructuring of the debt in relation to the Business Undertaking to be transferred by the 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; and

(c) all other matters and transactions contemplated in the Scheme.

RESOLVED FURTHER THAT having considered the valuation report, dated November 28, 2019, from Mr. Rakesh Mundra, a registered valuer, and fairness opinion dated November 28, 2019, from D & A, Financial Services (P) Limited, a merchant banker registered with the Securities and Exchange Board of India, the Audit Committee hereby notes that the transfer/vesting of Business Undertaking from the Company to the Transferee Company, a wholly owned subsidiary of the Company, shall be at nil consideration.

RESOLVED FURTHER that the draft Scheme, as placed before the Audit Committee to be made effective with effect from the opening of business hours on October 1, 2019 (being the appointed date under the Scheme) and be and is hereby recommended to the board of directors of the Company, BSE Limited and the National Stock Exchange of India Limited, the

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Securities and Exchange Board of India and the National Company Law Tribunal, New Delhi Bench for their consideration and approval.

RESOLVED FURTHER THAT Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Member and Prof. Sudhir Kumar Jain, Member of the Audit Committee, be and are hereby jointly and/or severally authorized to make any alterations / changes / modifications to the Scheme, including such alterations / changes / modifications as may be expedient or necessary, which do not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the NCLT, any regulatory authority, the shareholders, or the secured or unsecured creditors of the Company and recommend the same to the Board of Directors of DCM Limited, as required.

RESOLVED FURTHER THAT Mr. Bipin Maira, Chairman, Mr. Ravi Vira Gupta, Member and Prof. Sudhir Kumar Jain, Member of the Audit Committee, be and are hereby jointly and / or severally authorized to sign and execute all deeds and document, as may be required including the report of the Audit Committee, and to do such acts, deeds, matters and things as may be necessary, incidental or ancillary to implement, or for giving effect to this resolution.

RESOLVED FURTHER THAT certified true copy of the aforesaid resolution duly signed by Mr. Jitendra Tuli, Managing Director, Mr. Ashwani Kumar Singhal, Chief Financial Officer or Mr. Vimal Prasad Gupta, Company Secretary of the Company, be furnished to whomsoever concerned."

Certified to be true copy,
For **DCM Limited**

DCM LIMITED NEW DELHI

Vimal Prasad Gupta
Company Secretary
M. No. FCS: 6380

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Rajendra Place,
New Delhi - 110008