

Annexure - 5



STRICTLY PRIVATE & CONFIDENTIAL

December 8, 2014

To,

The Board of Directors

DCM Limited

Vikrant Tower, 4, Rajendra Place,

New Delhi - 110 008.

The Board of Directors

DCM Engineering Limited

1151, Sector 15B, Sector 17,

Chandigarh - 160 017

Sub: Fairness Opinion in connection with the proposed amalgamation of DCM Engineering Limited with DCM Limited under a Scheme of Amalgamation

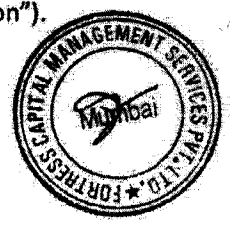
Dear Sir(s),

We refer to our discussion wherein the Management of DCM Limited and DCM Engineering Limited (hereinafter collectively referred to as the "Companies"), has requested Fortress Capital Management Services Private Limited ('us') to give a fairness opinion on the on the valuation carried out by M/s SSPA & Co., Chartered Accountants ('Valuer') in connection with the proposed amalgamation of DCM Engineering Limited (hereinafter referred to as "DEL") into DCM Limited (hereinafter referred to as "DCM").

A. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

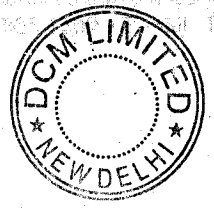
1) DCM LIMITED

a) DCM is engaged in the business of Textiles (hereinafter referred to as "Textiles Division"), Information Technology (IT) Services (hereinafter referred to as "Data Systems Division") Real Estate (hereinafter referred to as "Real Estate Division").



FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

City Centre, 10th Floor, 67, Moharshi Baba Saheb Ambedkar Road, Andheri West, Mumbai - 400 052, India.
Tel: +91 (22) 2730 4310/4311 Fax: +91 (22) 2730 4312 Email: info@fortresscs.com Website: www.fortresscs.com



For DCM LIMITED

Vitanda Tuli

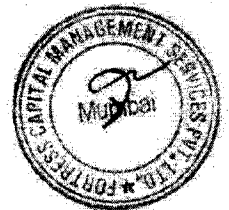
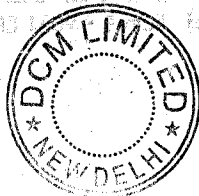
Chairman & Managing Director

- b) The Textile Division has spinning mill manufacturing cotton yarn. The mill is located at Hisar, Haryana with the current capacity of 1,15,048 spindles. Textile Division is highly focused on exports with around 60% turnover in export market. Data Systems Division is today a focused global player in IT Infrastructure Services, with multi-country execution through onsite & remote model. The Data Systems Division provides complete range of services encompassing System Administration, Storage Management, Backup Recovery, Disaster Management, databases, Messaging & Collaboration, Virtualization, etc. on multiple operating systems and platforms. Besides the above, DCM is in the business of real estate also. The development of real estate project on the DCM land at Bara Hindu Rao/Kishan Gang, Delhi is being done by Purearth Infrastructure Limited (PIL), a company co-promoted by DCM, pursuant to the rights to construct, develop and sale vested with them.
- c) The shares of DCM are listed on The National Stock Exchange of India Limited and BSE Limited.

2) DCM ENGINEERING LIMITED

- a) DEL is engaged in the manufacturing and supply of Grey iron castings across all segments in automotive market: car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipments etc. The factory is located in Village Asron, District Shaheed Bhagat Singh Nagar (Punjab) with current capacity of 72,000 MT per annum. DEL specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings, etc.
- b) DEL is a subsidiary company of DCM, holding ~75.06% of the equity share capital of DEL.
- 3) We have been informed that Management is considering a proposal for amalgamation of DEL with DCM with effect from appointed date.
- 4) We have been informed by the Management that DCM intends to discharge the consideration for amalgamation through issue of equity shares of DCM of INR 10 each fully paid up to the equity share holders of DEL.

Page 2 of 5

**FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.**Daryaganj House, 3rd Floor, 49, Ashoka Road, Connaught Place, New Delhi - 110002, India
Tel: +91 (011) 2269 1924-25 • Fax: +91 (011) 2203 1924 • Email: fortress@fortress.com**For DCM LIMITED***Vitendra Tuli*
Chairman & Managing Director

- 5) Accordingly, DCM has appointed us to give a fairness opinion on valuation report issued by Valuer and scheme of amalgamation in connection with the proposed amalgamation.
- 6) The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

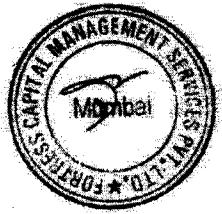
B. SOURCES OF INFORMATION

For the purpose of Fairness Opinion, we have relied upon the following sources of information provided by the management of the Companies and Valuer

- 1) Audited financial statements of DCM and its subsidiaries/associates including DEL for the financial year ended March 31, 2014.
- 2) Projections of DCM and DEL comprising of Profit & Loss, Balance Sheet and Cash Flow for financial years (FY) 2014-15 to 2016-17.
- 3) Draft Scheme of Amalgamation u/s 391 to 394 and other applicable provisions of the Companies Act, 1956.
- 4) Valuation Report dated December 8, 2014 of the Valuer.
- 5) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.
- 6) Such other information and explanations as we required and which have been provided by the management of the Companies and Valuer.

C. EXCLUSIONS AND LIMITATIONS

- 1) Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 2) We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.



FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

Devgangotri House, 2nd Floor, 69, Linking Road, Bandra West, Mumbai - 400 052 (INDIA)
Tel: +91 (22) 2200 5734/573 • Fax: +91 (22) 7393 1800 • Email: info@fortress.com • Website: www.fortress.com



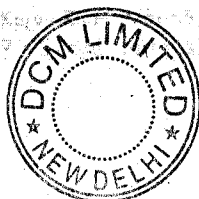
For DCM LIMITED
Vitendra Tuli
Chairman & Managing Director

- 3) Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 4) 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.
- 5) 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 with DCM.
- 6) 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.
- 7) We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 8) We do not express any opinion as to the price at which shares of the Resulting Company may trade at any time, including subsequent to the date of this opinion.
- 9) Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.
- 10) This certificate has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.
- 11) Fortress Capital Management Services Private Limited, nor its directors, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information,

Page 4 of 5

FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

Registered Office: 2nd Floor, 67, Nehru Park, Connaught Place, New Delhi - 110028
(011) 26172000 (011) 26172001 (011) 26172002 (011) 26172003 (011) 26172004 (011) 26172005 (011) 26172006 (011) 26172007 (011) 26172008 (011) 26172009 (011) 26172010



For DCM LIMITED

Vitendra Tuli
Chairman & Managing Director





based on which the fairness opinion is given. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the opinion.

D. VALUATION APPROACH

For the purposes of valuation, the Valuer has adopted the Net Assets Method under "Underlying Assets" Approach and Comparable Company Method under "Income Approach" for determining the fair value per share of DCM and DEL and arrived at the exchange ratio of shares for proposed amalgamation of DEL into DCM.

E. CONCLUSION

- 1) We have reviewed the Scheme of Amalgamation and methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of both the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending exchange ratio for Shares.
- 2) On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed amalgamation and share exchange ratio of 20 (Twenty) equity shares of DCM of INR 10 each fully paid up for every 77 (Seventy Seven) equity shares of DEL of INR 10 each fully paid up recommended by Valuer is fair and reasonable.

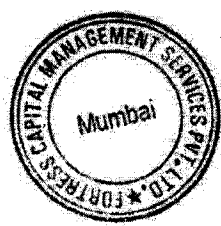
Thanking you,

Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

William M. Sood

Authorized Signatory



Place: Mumbai

SEBI Registration No.: INM000011146



For DCM LIMITED

Vitendra Tuli
Chairman & Managing Director