

**REPORT OF AUDIT COMMITTEE OF DCM LIMITED RECOMMENDING  
DRAFT SCHEME OF AMALGAMATION**

**1 Background**

The Scheme of Amalgamation between DCM Limited and Crescita Enterprises Private Limited and their respective shareholders and creditors in respect of amalgamation of Crescita Enterprises Private Limited into and with DCM Limited ('Scheme of Amalgamation') was placed before the audit committee at the meeting held on March 31, 2017.

As per Securities and Exchange Board of India ('SEBI') Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 has amongst other requirements sought a report from the Audit Committee of the listed entity recommending the draft scheme.

This report of the Audit Committee is provided, in compliance with the requirements of the aforesaid SEBI Circular, after considering the following documents which were placed before the Audit Committee for its recommendation:

- The Report on allotment of equity shares of DCM Limited, as a consideration for amalgamation of Crescita Enterprises Private Limited into and with DCM Limited dated March 29, 2017 provided by M/s Chhajer & Chhajer Co., Chartered Accountants
- Fairness Opinion report dated March 31, 2017 provided by M/s D & A Financial Services Private Limited, New Delhi, a SEBI registered Category I Merchant Banker
- Draft Scheme of Amalgamation

**2 Proposed Scheme of Amalgamation:**

Scheme of Amalgamation comprises of the following:

- a) Amalgamation of Crescita Enterprises Private Limited into and with DCM Limited w.e.f. appointed date being March 31, 2017;
- b) The share exchange ratios for the proposed Scheme of Amalgamation shall be as under:

*"90,30,495 (Ninety Lakh Thirty Thousand Four Hundred and Ninety Five only) fully paid up Equity Shares of the face value of Rs.10 (Rupees Ten) each of DCM against 90,30,495 (Ninety Lakh Thirty Thousand Four Hundred and Ninety Five only) fully paid-up equity shares of Rs. 10 (Ten) each held by Crescita in DCM as on March 31, 2017 shall be issued and allotted to the equity shareholders of Crescita in proportion to their shareholding in Crescita"*

*"In the event Crescita holds more than 90,30,495 (Ninety Lakh Thirty Thousand Four Hundred and Ninety Five only) fully paid-up equity shares of DCM without incurring any additional liability), such additional number of equity shares of DCM (if any) as may be held by Crescita in DCM in addition to 90,30,495 (Ninety Lakh Thirty Thousand Four Hundred and Ninety Five only) fully paid up equity shares held by Crescita in DCM as on March 31, 2017 shall also be issued and allotted to the equity shareholders of Crescita, in proportion of their holdings in Crescita"*

Registered Office :

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

Phone : (011) 25719967 Fax : (011) 25765214

CIN: L74899DL1889PLC000004 Website: www.dcm.in E-mail: dcm ltd@dcm.in



e-mail id: investors@dcm.in

*"In the event Crescita holds less than 90,30,495 (Ninety Lakh Thirty Thousand Four Hundred and Ninety Five only) fully paid-up equity shares of DCM on the Record Date, such lower number of shares of DCM as would be held by Crescita as on the Record Date shall be issued and allotted to the equity shareholders of Crescita, in proportion of their holdings in Crescita".*

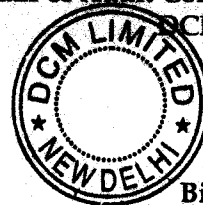
The Audit Committee noted that the proposed Scheme of Amalgamation is being undertaken to, *inter alia*, simplification of the shareholding structure and reduce shareholding tiers, optimize administrative costs, demonstrate the promoter group's direct commitment to and engagement with the Transferee Company and to hold equity shares directly in the Transferee Company.

### 3. Recommendation of the Audit Committee

After consideration of the draft Scheme of Amalgamation, the members of the Audit Committee formed an opinion that the implementation of the proposed Scheme of Amalgamation is not prejudicial to the interest of the Company and its shareholders, creditors and other stakeholders.

The Audit Committee hereby approves and recommends the draft Scheme of Amalgamation and the share exchange ratio for favorable consideration by the board of directors, Stock Exchange(s), SEBI and other appropriate authorities.

For and on behalf of Audit Committee of  
DCM Limited



*Bipin Maira*

Bipin Maira  
Chairman of Audit Committee

Dated: March 31, 2017

Place: New Delhi