

# B S R & Co. LLP

Chartered Accountants

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

## **Independent Auditor's Certificate on the proposed accounting treatment**

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 proposed accounting treatment specified in clause 14, clause 31, clause 32 and clause 44 of the Scheme of Arrangement between Tiara Investment Holdings Limited, Purearth Infrastructure Limited, DCM Limited, DCM Realty And Infrastructure Limited and their respective shareholders and creditors ("the Scheme") in terms of the provisions of sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and/or sections 230 to 232 read with section 66 and the applicable provisions of the Companies Act, 2013, with reference to its compliance with the Accounting Standards specified in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Scheme was approved by the Board of Directors of the Company in its meeting held on 13 February 2017.

### **Management's Responsibility**

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

### **Auditor's Responsibility**

Our responsibility is only to examine and report whether the accounting treatment prescribed in the Scheme complies with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

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.

B S R & Co. is partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-B1B1) with effect from October 14, 2013

**Registered Office:**  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N.M. Joshi Marg, Mahalakshmi  
Mumbai - 400 011

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. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid scheme.

**Opinion**

Based on our examination and according to the information and explanations given to us, in our opinion, the accounting treatments specified in clause 14, clause 31, clause 32 and clause 44 of the Scheme, attached herewith and stamped by us for identification, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other generally accepted accounting principles, as applicable.


The accounting treatments, as referred to above, are in accordance with the applicable accounting standards as on the date of approval of the Scheme by the respective Board of Directors of Tiara Investment Holdings Limited, Purearth Infrastructure Limited, DCM Limited and DCM Realty And Infrastructure Limited, subject to approval by the regulatory authorities.

**Restriction on Use**

This Certificate is provided to the Board of Directors of the Company for onward submission to the High Court, National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock Exchanges(s) and Regional Director, Ministry of Corporate Affairs, in relation to the Scheme. 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 BSR & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101248W/W-100022

  
Kaushal Kishore  
Partner  
Membership No.: 090075

  
Place: Gurgaon  
Date: 15 March 2017



**Relevant extract of the scheme of Arrangement between Tiara Investment Holdings Limited, Purearth Infrastructure Limited, DCM Limited, DCM Realty And Infrastructure Limited and their respective shareholders and creditors**

**14 ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED PUREARTH**

- 14.1. The Amalgamated Purearth, subject to the provisions of this Scheme, shall follow the method of accounting as prescribed for the pooling of interest method under Accounting Standard 14 as notified under the Company Accounting Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs, Government of India).
- 14.2. The Amalgamated Purearth shall, upon the Scheme becoming effective and with effect from the Part B Appointed Date, record the assets and liabilities of Tiara at their respective book values as appearing in their respective books of accounts on the Part B Appointed Date.
- 14.3. The identity of the reserves of Tiara, if any, shall be preserved and they shall appear in the financial statements of the Amalgamated Purearth in the same form and manner, in which they appear in the financial statements of Tiara on the date preceding the Part B Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of Tiara available for distribution as dividend, the same would also be available in the financial statements of the Amalgamated Purearth for distribution as dividend pursuant to this Scheme becoming effective.
- 14.4. The balances of the Profit and Loss Accounts of Tiara (as appearing in the books of accounts of Tiara at the close of business on the day preceding the Part B Appointed Date) shall be aggregated and added to or set-off with the corresponding balance appearing in the financial statements of the Amalgamated Purearth.
- 14.5. Inter-se investments (equity and/or preference) amongst Tiara and Purearth, if any, shall stand cancelled upon the Scheme becoming effective.
- 14.6. The Amalgamated Purearth shall credit to its share capital account, the aggregate face value of the shares issued by it pursuant to clause 13.1 of this Scheme.
- 14.7. The difference between the net assets (assets minus liabilities and reserves) of Tiara transferred to the Amalgamated Purearth and the face value of equity shares issued and allotted (as detailed in Clause 13.1 herein above) by the Amalgamated Purearth adjusted for cancellation of investment as detailed and referred to in Clause 14.5 herein above, shall be adjusted in reserves in accordance with the provisions of Accounting Standard - 14 on 'Accounting for Amalgamation'.
- 14.8. The accounting treatment provided hereinabove is in accordance with the applicable accounting standards as on the date of approval of the Scheme by the Board of Directors of Purearth and TIARA and shall be followed as such or in such other manner as the regulatory authorities may approve.

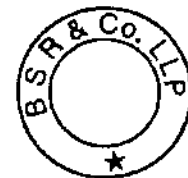


Registered Office :

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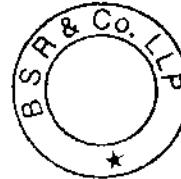
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**31 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- 31.1. Upon this Scheme becoming effective, the Demerged Company shall account for the demerger of the Real Estate Undertaking in its books of accounts with effect from the Part C Appointed Date in the following manner:
- (i) Entire investment made by the Demerged Company in the equity share capital of DCM Realty as on the Effective Date, shall stand cancelled;
  - (ii) the Demerged Company shall reduce from its books of accounts, the Book Values appearing as on the Part C Appointed Date of all assets and liabilities pertaining to the Real Estate Undertaking;
  - (iii) The excess of the book value of assets over the book value of liabilities of the Real Estate Undertaking, after considering the cancellation of investment in DCM Realty as above, shall be adjusted against the following Reserves on a proportionate basis:
    - a) Securities Premium Account;
    - b) Profit & Loss Account Balances.
- 31.2. It is clarified that the reduction to the Securities Premium account in the above clause shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 read with Section 66 of the Companies Act, 2013 and without having to follow the procedure under Section 66 of the Companies Act, 2013. The order of the NCLT sanctioning the Scheme shall also be deemed to be order under Section 66 of the Companies Act, 2013 for the purpose of confirming adjustment to the Securities Premium Account, as may be applicable
- 31.3. The accounting treatment provided hereinabove is in accordance with the applicable accounting standards as on the date of approval of the Scheme by the Board of Directors of DCM and DCM Realty and shall be followed as such or in such other manner as the regulatory authorities may approve.

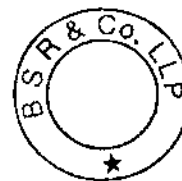


### 32. ACCOUNTING TREATMENT IN THE BOOKS OF DCM REALTY

32.1. Upon this Scheme becoming effective, the Resulting DCM Realty shall account for the demerger of the Real Estate Undertaking in its books of accounts with effect from the Part C Appointed Date in the following manner:

- (i) all assets and liabilities in relation to the Real Estate Undertaking shall be recorded in its books of accounts by the Resulting DCM Realty at the respective Book Values as appearing in the books of accounts of the Demerged Company as at the Part C Appointed Date;
- (ii) the inter-corporate deposits/loans and advances/balances outstanding between the Real Estate Undertaking of Demerged Company and DCM Realty, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;
- (iii) the Resulting DCM Realty shall record in its books of accounts, all transactions relating to the Real Estate Undertaking of Demerged Company in respect of assets, liabilities, income and expenses from the Part C Appointed Date to the Effective Date;
- (iv) the aggregate face value of the DCM Realty Shares issued by the Resulting DCM Realty to the shareholders of the Demerged Company shall stand credited to the share capital of the Resulting DCM Realty in its books of accounts; and
- (v) the difference between the book value of assets and book value of liabilities so recorded in the books of account of the Resulting DCM Realty, as reduced by aggregate sum of the paid-up value of the DCM Realty Shares issued in terms of Clause 30.1 and after giving effect to Clause 30.2 of the Scheme, shall be recorded against the following Reserves [in the proportion in which the said Reserves shall be adjusted in the books of the Demerged Company in accordance with Clause 31.1.(iii) above]:
  - a. Securities Premium Account;
  - b. Profit & Loss Account Balances;
- (vi) The existing shareholding of the Demerged Company in DCM Realty and utilization of securities premium of DCM Realty, if any, shall be cancelled as an integral part of this Scheme in accordance with provisions of Section 66 and other applicable provisions of the Companies Act, 2013 and the order of the NCLT sanctioning the Scheme shall be deemed to be for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- (vii) It is clarified that the reduction to the Securities Premium account in the above clause shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 read with Section 66 of the Companies Act, 2013 and without having to follow the procedure under Section 66 of the Companies Act, 2013. The order of the NCLT sanctioning the Scheme shall also be deemed to be order under Section 66 of the Companies Act, 2013 for the purpose of confirming adjustment to the Securities Premium Account, as may be applicable

32.2. The accounting treatment provided hereinabove is in accordance with the applicable accounting standards as on the date of approval of the Scheme by the Board of Directors of DCM and DCM Realty and shall be followed as such or in such other manner as the regulatory authorities may approve.



**44 ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED DCM REALTY**

- 44.1. The Amalgamated DCM Realty, subject to the provisions of this Scheme, shall follow the method of accounting as prescribed for the pooling of interest method under Accounting Standard 14 as notified under the Company Accounting Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs, Government of India).
- 44.2. The Amalgamated DCM Realty shall, upon the Scheme becoming effective and with effect from the Appointed Date, record the assets and liabilities of the Amalgamated Purearth at their respective book values as appearing in their respective books of accounts at the close of business on the day preceding the Appointed Date.
- 44.3. The identity of the reserves of the Amalgamated Purearth, if any, shall be preserved and they shall appear in the financial statements of the Amalgamated DCM Realty in the same form and manner, in which they appear in the financial statements of the Amalgamated Purearth, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of Tiara available for distribution as dividend, the same would also be available in the financial statements of the Amalgamated DCM Realty for distribution as dividend pursuant to this Scheme becoming effective.
- 44.4. The balances of the Profit and Loss Accounts of Amalgamated Purearth (as appearing in the books of accounts of the Amalgamated Purearth at the close of business on the day preceding the Appointed Date) shall be aggregated and added to or set-off with the corresponding balance appearing in the financial statements of the Amalgamated DCM Realty.
- 44.5. Inter-se investments amongst Amalgamated Purearth and the Resulting DCM Realty, if any, shall stand cancelled upon the Scheme becoming effective.
- 44.6. The Amalgamated DCM Realty shall credit to its share capital account, the aggregate face value of the shares issued by it pursuant to clause 43.1 of this Scheme.
- 44.7. The difference between the net assets (assets minus liabilities and reserves) of Tiara transferred to the Amalgamated Purearth and the face value of equity shares issued and allotted (as detailed in Clause 43.1 herein above) by the Amalgamated Purearth adjusted for cancellation of investment as detailed and referred to in Clause 44.5 herein above, shall be adjusted in reserves in accordance with the provisions of Accounting Standard - 14 on 'Accounting for Amalgamation'.
- 44.8. The accounting treatment provided hereinabove is in accordance with the applicable accounting standards as on the date of approval of the Scheme by the Board of Directors of Purearth and DCM Realty and shall be followed as such or in such other manner as the regulatory authorities may approve.

For DCM LIMITED

  
Chairman & Managing Director

