DCM
LIMITED

September 15, 2015

BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

The National Stock Exchange of India Limited
"Exchange Plaza"
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai-400 051

Sub: Scheme of Amalgamation of DCM Engineering Limited ('Transferor Company') into and with DCM Limited ('Company' or 'Transferee Company') and their respective shareholders and creditors

Dear Sirs,

Pursuant to Clause 31 of the Listing Agreement, we enclose herewith 3 copies each of the following documents:

1. Notices of Court convened meetings, along with the explanatory statement and other accompanying documents, of equity shareholders, secured creditors and unsecured creditors of the DCM Limited;

2. Notices of Court convened meetings, along with the explanatory statement and other accompanying documents, of secured creditors and unsecured creditors of the DCM Engineering Limited

as approved by the respective Chairpersons of the aforesaid Court convened meetings, appointed by the Hon'ble High Court of Delhi, at New Delhi for the purpose of considering the Scheme of Amalgamation of DCM Engineering Limited into and with DCM Limited and their respective shareholders and creditors (the '**Scheme**').

You may be informed that the aforesaid meetings shall be convened on October 17, 2015

Pursuant to Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013, issued by Securities and Exchange Board of India (together referred to as '**SEBI Circulars**') consent of the public equity shareholders of the DCM Limited by way of a resolution is required on the Scheme through postal ballot and e-voting. The Notice of Postal Ballot and E-voting also forms part of the aforesaid Notice of Court convened meeting of equity shareholders of DCM Limited.

DCM LIMITED NEW DELHI

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
e-mail id: investors@dcm.in

Copy of the Notices of the Court convened meetings and Notice of Postal Ballot and E-voting of DCM Limited is available on the website of the Company, i.e. www.dcm.in. We request you to please put a copy of the aforesaid Notices on your website. Please acknowledge the receipt.

Thanking you,

Yours truly
For **DCM Limited**

Yadvinder Goyal
Company Secretary

Encl: as above

DCM ENGINEERING LIMITED

Registered Office: Vikrant Tower, 4, Rajendra Place, New Delhi - 110008
CIN: U74999DL1990PLC041398
e-mail: investors@dcmengg.co.in, website: www.dcmengg.com
Ph: 011-25719967, Fax: 011-25765214

COURT CONVENED MEETING OF UNSECURED CREDITORS

COURT CONVENED MEETING

Day	Saturday
Date	October 17, 2015
Time	2.00 P.M.
Venue	Ghalib Auditorium, Aiwan-E-Ghalib, Mata Sundari Lane, New Delhi-110002

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IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORDINARY ORIGINAL COMPANY JURISDICTION)
COMPANY APPLICATION (M) No. 130 of 2015

In the matter of:
The Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of DCM Engineering Limited ('Transferor Company') into and with DCM Limited ('Transferee Company') and their respective shareholders and creditors

DCM Engineering Limited, a company incorporated under the Indian Companies Act, 1956 and having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi – 110008

…Transferor Company / Applicant Company

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF DCM ENGINEERING LIMITED

To,
The Unsecured Creditors of DCM Engineering Limited ("**Transferor Company**")

TAKE NOTICE that by an Order dated September 1, 2015, the Hon'ble High Court of Delhi at New Delhi (the "**Order**"), has directed that a meeting of Unsecured Creditors of Transferor Company be held at Ghalib Auditorium, Aiwan-E-Ghalib, Mata Sundari Lane, New Delhi-110002 on Saturday, October 17, 2015 at 2.00 P.M. for the purpose of considering and if thought fit, approving with or without modifications, the following resolution relating to the proposed Scheme of Amalgamation of DCM Engineering Limited ('**Transferor Company**') into and with DCM Limited ('**Transferee Company**') and their respective shareholders and creditors (the "**Scheme**").

"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified) and all other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013, the Observation Letters, both dated July 7, 2015, issued by BSE Limited ('**BSE**') and National Stock Exchange of India Limited ('**NSE**') and enabling provisions in the Company's Memorandum and Articles of Association and subject to the requisite approval / sanction of the Hon'ble High Court of Delhi at New Delhi and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the consent of the Unsecured Creditors of DCM Engineering Limited be and is hereby accorded to the Scheme of Amalgamation of DCM Engineering Limited into and with DCM Limited and their respective shareholders and creditors.

RESOLVED FURTHER THAT the Board of Directors including any Committee of the Board of Directors (already constituted or to be constituted by the Board), of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary to have the Scheme approved by the Hon'ble High Court of Delhi at New Delhi and other relevant statutory / regulatory authority(ies)/body(ies)/department(s) (as may be necessary), to implement the arrangement as set out in the Scheme and to accept such modification(s) and/or condition(s), if any, which may be required and/or imposed by the Hon'ble High Court of Delhi at New Delhi and/or other relevant statutory / regulatory authority(ies)/body(ies)/department(s), including filing of relevant application(s) and making of appropriate representations in respect thereof, and taking all such steps as may be deemed necessary to give effect to the above resolution, and settling any questions, doubts and difficulties that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT the Board of Directors including any Committee of the Board of Directors (already constituted or to be constituted by the Board), be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any other officer(s)/authorized representative(s) of DCM Engineering Limited to give effect to the aforesaid resolution."

TAKE FURTHER NOTICE THAT in pursuance of the said Order and as directed therein, a meeting of the unsecured creditors of the Transferor Company will be held at Ghalib Auditorium, Aiwan-E-Ghalib, Mata Sundari Lane, New Delhi-110002 on Saturday, October 17, 2015 at 2.00 p.m. at which place the day, date & time you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorized representative is deposited at the Registered Office of the Company at Vikrant Tower, 4, Rajendra Place, New Delhi – 110008 not later than 48 hours before the commencement of the Meeting.

This Hon'ble Court has appointed Mr. Rahul Chauhan, Advocate as Chairperson and failing him, Ms. Pallavi Sharma, Advocate as Alternate Chairperson of the said meeting.

A copy of the Scheme of Amalgamation, the Explanatory Statement under Section 393 of the Companies Act, 1956, Observation Letter(s) issued by BSE and NSE, Valution Report, Form of Proxy and the Attendance Slip are enclosed.

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

Sd/-

Place: New Delhi
Date: September 4, 2015

Rahul Chauhan, Advocate
Chairperson appointed
for the meeting

Notes:

1. Unsecured Creditor of the Transferor Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be an Unsecured Creditor of the Transferor Company. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Unsecured Creditors or their Proxy/(ies) are requested to bring copy of the notice to the meeting and produce the attendance slip duly completed and signed at the entrance of the meeting venue.
3. Only Unsecured Creditors whose name appearing in the books of accounts (as on May 31, 2015) of the Transferor Company may attend and vote (either in person or by proxy) at the Unsecured Creditors meeting. The authorized representative of a body corporate which is an Unsecured Creditor of the Transferor Company may attend and vote at the Unsecured Creditors' meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Unsecured Creditors' meeting is deposited at the Registered Office of the Transferor Company not later than 48 hours before the meeting.
4. The Unsecured Creditor / Authorised Representatives/ Proxies are advised to bring original photo identity proof for verification.
5. All alterations made in the Form of Proxy should be initialed.

Enclosed – As above

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORDINARY ORIGINAL COMPANY JURISDICTION)
COMPANY APPLICATION (M) No. 130 of 2015

In the matter of:
The Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of DCM Engineering Limited ('Transferor Company') into and with DCM Limited ('Transferee Company') and their respective shareholders and creditors

DCM Engineering Limited, a company incorporated under the Indian Companies Act, 1956 and having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi – 110008

…Transferor Company / Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF UNSECURED CREDITORS OF DCM ENGINEERING LIMITED

1. Pursuant to an Order dated September 1, 2015 by the Hon'ble High Court of Delhi at New Delhi in the Company Application referred to hereinabove, a meeting of the Unsecured Creditors of the Transferor Company ('Court Convened meeting') will be convened and held at Ghalib Auditorium, Aiwan-E-Ghalib, Mata Sundari Lane, New Delhi-110002 on Saturday, October 17, 2015 at 2.00 P.M. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of DCM Engineering Limited ('**DCM Engg.**' or '**Transferor Company**') into and with DCM Limited ('**DCM**' or '**Transferee Company**') and their respective shareholders and creditors.
2. The proposed Scheme envisages Amalgamation of DCM Engg. into and with DCM pursuant to Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding Sections of the Companies Act, 2013 (as and when such corresponding Sections are notified in the Official Gazette by the Central Government) and other applicable provisions of the Companies Act, 1956.
3. In accordance with the provisions of the Companies Act, 1956, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the unsecured creditors of the Transferor Company, present and voting at the Court Convened Meeting in person or by proxy, agree to the Scheme.
4. A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme of Amalgamation, which has been approved by the Board of Directors of the Transferor Company and Transferee Company at their respective Board Meetings, held on December 8, 2014, is enclosed here with as **Annexure - 1** and forms a part of this Statement.
5. **Background of the Companies**

5.1 **DCM ENGINEERING LIMITED (i.e. Transferor Company)**

(a) DCM Engineering ("**Transferor Company**") is a public limited company within the meaning of the Act having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi - 110008. The Transferor Company was originally incorporated as a Private Limited Company on September 5, 1990, vide Certificate of Incorporation No. 55-41398 under the name of DCM Precision Engineering Private Limited. DCM Precision Engineering Private Limited was later converted into a Public Company vide the certificate dated February 5, 1998 and consequently the name was changed to DCM Precision Engineering Limited. Further, the name of the Transferor Company was changed to DCM Engineering Limited with effect from March 23, 2004.

(b) DCM Engineering is a subsidiary company of DCM within the meaning of the Act wherein DCM holds approx. 75.06% of the share capital of DCM Engineering.

(c) DCM Engineering is authorised to and is primarily engaged inter alia in the manufacturing and supply of Grey iron castings in automotive markets (i.e., car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipments etc.) Further, Transferor Company specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings etc.

(d) The Share Capital of the Transferor Company as on March 31, 2015, was as under:

Particulars	Amount in Rupees
Authorized Capital	
23,999,000 Equity Shares of Rs. 10/- each	239,990,000
100 13.50% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,000
Total	**240,000,000**
Issued, Subscribed and Paid-up Capital	
20,050,000 Equity Shares of Rs. 10/- each fully paid up	200,500,000
Total	**200,500,000**

Subsequent to March 31, 2015, there has been no change in the share capital of the Transferor Company

(e) Post the sanction of the proposed Scheme, the Transferor Company shall stand dissolved, without any further act or deed, without being wound-up.

(f) The Equity Shares of the Transferor Company are not listed on any Stock Exchange.

5.2 **DCM LIMITED (i.e. Transferee Company)**

(a) DCM ("Transferee Company") is a listed public limited company within the meaning of the Act, having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi - 110008. The Transferee Company was originally incorporated on March 26, 1889 under the name and style of The Delhi Cloth and General Mills Company which was changed to DCM Limited with effect from October 6, 1983. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

(b) DCM is authorized to and is inter alia engaged in the business of manufacturing and/or dealing in cotton yarn and is also a service provider in IT Infrastructure Services encompassing System Administration, Storage Management, Backup Recovery, Disaster Management, databases, Messaging & Collaboration, Virtualization, etc.

(c) The Share Capital of Transferee Company as on March 31, 2015, was as under:

Particulars	Amount in Rupees
Authorized Capital	
60,000,000 Equity Shares of Rs 10/- each	600,000,000
320,000 9.5% - 6th Redeemable Cumulative Preference Shares of Rs. 25/- each	8,000,000
3,680,000 Preference shares of Rs. 25/- each	92,000,000
1,000,000 Cumulative Convertible Preference Shares of Rs. 100 each	100,000,000
Total	**800,000,000**
Issued, Subscribed and Paid-up Capital	
17,379,037 Equity Shares of Rs. 10/- each fully paid up	173,790,370
Less : Calls in arrears	31,175
Total	**173,759,195**

Subsequent to March 31, 2015, there has been no change in the share capital of the Transferee Company.

(d) The Equity Shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

6. **Rationale for the Scheme of Amalgamation**

Amalgamation of the Transferor Company into and with the Transferee Company will inter-alia result in:

a. Creation of a single entity with better financial strength which would result in improving the competitive position of the businesses of the combined entity:

b. Consolidation of the businesses presently being carried on by the Transferor Company and the Transferee Company would help in diversification of business risks and would also help in cost optimization in the system;

c. Combined entity would be able to optimize the manpower resources required for overall administration and statutory compliances in functional areas like finance, administration, legal, secretarial, human resources, etc., thereby resulting in elimination of overlapping activities.

7. The Scheme is not prejudicial to the interests of the Shareholders as well as Creditors of any of the Petitioner Companies involved in the Scheme.

8. The Board of Directors of the Petitioner Companies in their respective Meetings held on December 8, 2014 have approved the Share Exchange Ratio based on the Valuation Report Issued by M/s SSPA & Co., Chartered Accountants dated December 8, 2014.

9. It is therefore proposed to amalgamate DCM Engg. with DCM by way of a Scheme of Amalgamation under Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding Sections of the Companies Act, 2013 (as and when such corresponding Sections are notified in the Official Gazette by the Central Government).

10. **Salient features of the Scheme**

"1.3 Definitions

(v) ***"Appointed Date"*** *means April 1, 2014 or such other date as may be determined by the Board of each of the Transferor Company and the Transferee Company or such other date as may be approved by the High Court of Delhi;*

(vi) ***"Board of Directors"*** *in relation to the Transferor Company and/or the Transferee Company, as the case may be, shall mean their respective board of directors, and unless it be repugnant to the context or otherwise, shall include any committee of directors or any person authorized by the board of directors or by such committee of directors;*

(ix) ***"Effective Date"*** *means the date on which the certified copy of the Order of the Delhi High Court is filed with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi by the Transferor and Transferee Company, respectively. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean and refer to the Effective Date;*

(xi) ***"High Court"*** *shall mean the Hon'ble High Court of Delhi at New Delhi;*

(xii) ***"Record Date"*** *shall mean the date as may be fixed by the Board of Directors of the Transferee Company for the purpose of issue of shares of the Transferee Company to the respective shareholders of the Transferor Company*

(xiv) ***"Transferee Company"*** *shall mean DCM as mentioned under Clause 1.1.1 above;*

(xv) ***"Transferor Company"*** *shall mean DCM Engineering as mentioned above under Clause 1.1.2 above, and shall include but not limited to:*

(a) *any and all of its assets, movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;*

(b) *any and all of its investments (including shares and other securities), loans and advances, including dividends declared or interest accrued thereon;*

(c) *any and all of its licences, including the licences granted by any governmental, statutory or regulatory bodies, permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, applications for trade names, copyrights, all indirect and direct tax credits including but not limited to sales tax credits, Excise Duty, service tax credit, CENVAT credit, VAT credit i.e., income-tax carry forward losses/depreciation, Tax Deducted at Source ('TDS'), MAT credit entitlement etc., privileges and benefits of all contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever;*

(d) *any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured;*

(e) *any and all of its employees, who are on its payrolls, including those employed at its offices and branches; and*

(f) *any and all of the advance monies, earnest monies and / or security deposits, payment against warrants or other entitlements, as may be lying with it;*

3. MERGER OF DCM ENGINEERING LIMITED WITH DCM LIMITED

3.1 <u>Transfer and vesting of Assets and Liabilities and entire business of Transferor Company:</u>

Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Transferor Company shall, pursuant to the provisions of Section 394(2) of the 1956 Act and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/ or be deemed to have been and stand transferred to and vested in the Transferee Company, as a going concern so as to become

the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, this clause of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

3.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date and upon this Scheme becoming effective:

(i) All assets of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual or constructive delivery and / or by endorsement and delivery or by vesting and recording pursuant to the Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) All other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies corporate, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.

(iii) All immovable properties, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the High Court in accordance with the terms hereof.

(iv) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to, meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

However, any loans, advances and other obligations due from the Transferee Company to the Transferor Company, or vice versa, shall stand cancelled and shall be of no effect.

3.7 Upon the Scheme becoming effective, the Transferor Company shall stand dissolved, without any further act or deed, without being wound-up."

4.2 ***Consideration***

4.2.1 Upon coming into effect of this Scheme and upon vesting in and transfer of the assets and liabilities of the Transferor Company to the Transferee Company in accordance with Part III of this Scheme, the Transferee Company shall fix a Record Date for the purposes of this Scheme for completion of all allotments to the respective members of the Transferor Company existing as on the Record Date as provided herein and without any further act or deed

(i) Issue and allot 20 (twenty) equity shares of INR 10/- (Indian Rupees Ten only) each as fully paid up shares of the Transferee Company to the shareholders of the Transferor Company for every 77 (seventy seven) equity shares of INR 10/- (Indian Rupees Ten only) each fully paid up shares held by the said shareholders of the Transferor Company.

(ii) The equity shares issued and allotted to the shareholders of the Transferor Company in the Transferee Company shall rank pari passu in all respects with existing equity shares of the Transferee Company.

(iii) No fractional shares shall be issued by the Transferee Company to the shareholders of the Transferor Company in respect of the residual fractional entitlements (if any), to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company in pursuance of this Clause 4.2.1. Any fraction arising out of such allotment shall be rounded off to the next integer.

(iv) In so far as the issue of new equity shares pursuant to clause 4.2.1. above is concerned, each of the members of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive, the new equity shares of the Transferee Company either in certificate form or in dematerialized form, in lieu of their equity shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the equity shares of the Transferee Company shall be issued to such members in physical form. Those of the members of the Transferor Company who exercise the option to receive the equity shares in the dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required in the notice provided by such member to the Transferee Company. It is only thereupon that the Transferee Company shall issue and directly credit the demat account of such member with the new equity shares of the Transferee company.

(v) Notwithstanding anything to the contrary, upon the issue and allotment of new shares in the Transferee Company to the eligible shareholders of the Transferor Company whose name shall appear on the respective Register of Members of the Transferor Company on such Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect, on and from such Record Date.

(vi) The equity shares so issued and allotted to the shareholders of the Transferor Company shall be listed at National Stock Exchange [NSE] and Bombay Stock Exchange [BSE] where the existing shares of the Transferee Company are listed.

4.2.3 The share capital of the Transferor Company held by the Transferee Company and the investment as shown in the balance sheet of the Transferee Company, being shares held in the Transferor Company, shall stand cancelled.

4.3 Accounting Treatment

4.3.1 The Transferee Company, subject to the provisions of this Scheme, shall follow the method of accounting as prescribed for the pooling of interest method under AS 14 as notified under the Company Accounting Rules, 2006.

4.3.2 The Transferee Company shall, upon the Scheme becoming effective and with effect from the Appointed Date, record all the assets (Tangible and Intangible) and liabilities and reserves of the Transferor Company at their respective book values as appearing in its books of accounts at the close of business on the day preceding the Appointed Date.

4.3.3 The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appear in the financial statements of the Transferor Company, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of the Transferor Company available for distribution as dividend, the same would also be available in the financial statements of the Transferee Company for distribution as dividend pursuant to this Scheme becoming effective.

4.3.4 The balance of the Profit and Loss Account of the Transferor Company (as appearing in the books of accounts of the Transferor Company at the close of business on the day preceding the Appointed Date) shall be added to or set-off with the corresponding balance appearing in the financial statements of the Transferee Company.

4.3.5 The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to clause 4.2.1 of this Scheme and the aggregate face value of New Preference Shares issued pursuant to clause 4.2.3 of this Scheme, if any.

4.3.6 The equity share capital and / or New Preference Shares directly held by Transferee Company in Transferor Company shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

4.3.7 The difference between the net assets (assets minus liabilities and reserves) of the Transferor Company transferred to the Transferee Company and the face value of equity shares issued and allotted (as detailed in Clause 4.2.1 herein above)and New Preference Shares issued and allotted (as detailed in Clause 4.2.3 herein above) by the Transferee Company adjusted for cancellation of investment as detailed and referred to in Clause 4.3.6 herein above, shall be adjusted in reserves in accordance with the provisions of Accounting Standard -14 on 'Accounting for Amalgamation'.

The features set out above being only the salient features of the Scheme of Amalgamation, the Unsecured Creditors of DCM Engineering Limited are requested to read the entire text of the Scheme of Amalgamation to get themselves fully acquainted with the provisions thereof.

11. Approvals and Actions taken in relation to the Scheme

1. The Board of Directors of the Transferor Company and Transferee Company have approved the Scheme at their respective Board meetings held on December 08, 2014.

2. The Transferee Company has received observation letters regarding the Scheme from BSE Limited on July 7, 2015 and from National Stock Exchange of India Limited on July 7, 2015, pursuant to which both the stock exchanges have conveyed their no objection for filing the Scheme with the Hon'ble High Court of Delhi at New Delhi. Copies of the Observation letters both dated July 7, 2015 are enclosed as **Annexure 3** and **Annexure 4** respectively.

12. Other matters

1. The Transferee Company will be able to meet and pay debts of Transferor Company as and when they arise and become due. The rights and interests of the members and the creditors of the Transferor Company or the Transferee Company will not be prejudiced by the Scheme.

2. Pursuant to the Scheme, the equity shares of the Transferee Company that are proposed to be issued to the equity shareholders of the Transferor Company, in terms of the scheme, in the prescribed Share Exchange Ratio are to be listed on the same stock exchanges on which the equity shares of the Transferee Company are listed, i.e. BSE Limited and the National Stock Exchange of India Limited.

3. No investigation proceedings have been instituted or are pending in relation to the Petitioner Companies under sections 237, 243, 247(1A), 250A and 251 or any other applicable provisions of the Companies Act, 1956 or under Sections 210, 211, 212(1) to (7) & (11) to (17), 214, 215, 216(1) & (3), 217, 219, 220, 223, 224(1), (3) and (4) and 225 or any other applicable provisions of the Companies Act, 2013.

13. The details of the present Directors of the Transferor Company are as follows:

S. No.	Name of Directors	DIN	Designation	No. of shares held in Transferor Company	No. of shares held in Transferee Company
1	Dr. Vinay Bharat Ram	00052826	Executive Chairman	*	6525
2	Mr. Sumant Bharat Ram	00052833	Executive Vice Chairman & Managing Director	*	12000
3	Mr. Chandra Mohan	00017621	Director	NIL	NIL
4	Mr. Ravi Vira Gupta	00017410	Director	NIL	NIL
5	Mr. Raghupati Singhania	00036129	Director	NIL	NIL
6	Mr. Lakshman Lakshminarayan	00012554	Director	NIL	NIL
7	Prof. Sudhir Kumar Jain	06419514	Director	NIL	NIL
8	Dr. Meenakshi Nayar	06866256	Director	NIL	100

*Second holder(s) in respect of 10 equity shares held jointly by each of them with DCM Limited in the transferor company

14. The details of the present Directors of the Transferee Company are as follows:

S. No.	Name of Directors	DIN	Designation	No. of shares held in Transferor Company	No. of shares held in Transferee Company
1	Mr. Jitendra Tuli	00272930	Chairman & Managing Director	NIL	NIL
2	Mr. Bipin Maira	05127804	Director	NIL	NIL
3	Mr. Ravi Vira Gupta	00017410	Director	NIL	NIL
4	Prof. Sudhir Kumar Jain	06419514	Director	NIL	NIL
5	Mr. Narendra Pal Chawla	06412645	Nominee Director	NIL	NIL
6	Dr. Meenakshi Nayar	06866256	Director	NIL	100
7	Mr. Arun Kumar Vedhera	02211540	Director	NIL	NIL

15. None of the Promoters (other than those listed below), Directors, the Key Managerial Personnel (as defined under the Companies Act, 2013 and rules framed thereunder) of the Transferor Company and their respective Relatives (as defined under the Companies Act, 2013 and rules framed thereunder) have any interest in the Scheme, except as shareholders in general of the respective companies, the extent of which is as stated below:

Sr. No.	Names	Shareholding in Transferor Company as on August 28, 2015	Shareholding in Transferee Company as on August 28, 2015
Promoters of the Transferor Company			
1	DCM Limited	15049988	N.A.
2	Aggresar Leasing and Finance Pvt. Ltd.	3600000	3716578
3	Midopa Holdings Pvt Ltd.	1400000	531843
Directors of the Transferor Company			
1	Dr. Vinay Bharat Ram	*	6525
2	Mr. Sumant Bharat Ram	*	12000
3	Mr. Chandra Mohan	NIL	NIL
4	Mr. Ravi Vira Gupta	NIL	NIL
5	Mr. Raghupati Singhania	NIL	NIL
6	Mr. Lakshman Lakshminarayan	NIL	NIL
7	Prof. Sudhir Kumar Jain	NIL	NIL
8	Dr. Meenakshi Nayar	NIL	100
*Second holder(s) in respect of 10 equity shares held jointly by each of them with DCM Limited in the Transferor Company			
Key Managerial Personnel (KMP) of the Transferor Company			
1	Dr. Vinay Bharat Ram	*	6525
2	Mr. Sumant Bharat Ram	*	12000
3	Mr. Ramesh Goel	NIL	NIL
4	Mr. Apil Agrawal	NIL	NIL

*Second holder(s) in respect of 10 equity shares held jointly by each of them with DCM Limited in the Transferor Company

16. None of the directors of the Transferor Company or the Transferee Company hold any loans in either Transferor Company or the Transferee Company as on date.

17. The pre-amalgamation and post amalgamation shareholding pattern of the Transferor Company and the Transferee Company are as under (as submitted by Transferee Company with BSE Limited on June 15, 2015):

Sr. No.	Description	Transferor Company				Transferee Company			
		DCM ENGINEERING LIMITED				DCM LIMITED			
		Pre-merger		Post- merger		Pre- merger		Post- merger #	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
(A)	**Shareholding of Promoter and Promoter Group**								
1	**Indian**								
(a)	Individuals/ Hindu Undivided Family								
	Names of Individuals								
	Sumant Bharat Ram	0	0.00	NA	NA	12000	0.07	12000	0.06
	Panna Bharat Ram	0	0.00	NA	NA	7912	0.05	7912	0.04
	Vinay Bharat Ram	0	0.00	NA	NA	6525	0.04	6525	0.03
	Rahil Bharat Ram	0	0.00	NA	NA	4852	0.03	4852	0.03
	Yuv Bharat Ram	0	0.00	NA	NA	4800	0.03	4800	0.03
(b)	Central Government/ State Government(s)	0	0.00	NA	NA	0	0.00	0	0.00
(c)	Bodies Corporate								

Sr. No.	Description	Transferor Company				Transferee Company			
		DCM ENGINEERING LIMITED				DCM LIMITED			
		Pre-merger		Post- merger		Pre- merger		Post- merger #	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
	Names of Bodies Corporate								
	DCM Limited	15049988	75.06	NA	NA	NA	NA	NA	NA
	Aggresar Leasing and Finance Pvt. Ltd.	3600000	17.96	NA	NA	3716578	21.39	4651643	24.90
	Betterways Finance and Leasing Pvt. Ltd	0	0.00	NA	NA	1623135	9.34	1623135	8.69
	Xonix Enterprises Pvt. Ltd.	0	0.00	NA	NA	777829	4.48	777829	4.16
	Midopa Holdings Pvt Ltd	1400000	6.98	NA	NA	531843	3.06	895480	4.80
	Lotus Finance & Investments Pvt Ltd.	0	0.00	NA	NA	535546	3.08	535546	2.87
	Lotte Trading Allied Services Pvt. Ltd.	0	0.00	NA	NA	546862	3.15	546862	2.93
(d)	Financial Institutions/ Banks	0	0.00	NA	NA	0	0.00	0	0.00
(e)	Any Others	0	0.00	NA	NA	0	0.00	0	0.00
	Sub Total(A)(1)	**20049988**	**100**	**NA**	**NA**	**7767882**	**44.70**	**9066584**	**48.54**
2	**Foreign**								
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0.00	NA	NA	0	0.00	0	0.00
(b)	Bodies Corporate	0	0.00	NA	NA	0	0.00	0	0.00
(c)	Institutions	0	0.00	NA	NA	0	0.00	0	0.00
(d)	Any Others	0	0.00	NA	NA	0	0.00	0	0.00
	Sub Total(A)(2)	0	0.00	NA	NA	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**20049988**	**100**	**NA**	**NA**	**7767882**	**44.70**	**9066584**	**48.54**
(B)	**Public shareholding**								
1	**Institutions**								
(a)	Mutual Funds/ UTI	0	0.00	NA	NA	76411	0.44	76411	0.41
(b)	Financial Institutions / Banks	0	0.00	NA	NA	5835	0.03	5835	0.03
(c)	Central Government/ State Government(s)	0	0.00	NA	NA	2964	0.02	2964	0.02
(d)	Venture Capital Funds	0	0.00	NA	NA	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	NA	NA	1567444	9.02	1567444	8.39
(f)	Foreign Institutional Investors	0	0.00	NA	NA	0	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0.00	NA	NA	0	0.00	0	0.00
(h)	Any Other	0	0.00	NA	NA	0	0.00	0	0.00
	Sub-Total (B)(1)	**0**	**0.00**	**NA**	**NA**	**1652654**	**9.51**	**1652654**	**8.85**
2	**Non-institutions**								
(a)	Bodies Corporate	0	0.00	NA	NA	1789064	10.29	1789064	9.58
(b)	Individuals								
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	12	0.00	NA	NA	3318476	19.09	3318486	17.77
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0.00	NA	NA	2111837	12.15	2111837	11.31
(c)	Any Other								
(c-i)	Trust and Foundation	0	0.00	NA	NA	11567	0.07	11567	0.06
(c-ii)	Non Resident Individual*	0	0.00	NA	NA	727557*	4.19	727557*	3.90
	Sub-Total (B)(2)	**12**	**0.00**	**NA**	**NA**	**7958501**	**45.79**	**7958511**	**42.61**

Sr. No.	Description	Transferor Company				Transferee Company			
		DCM ENGINEERING LIMITED				DCM LIMITED			
		Pre-merger		Post- merger		Pre- merger		Post- merger #	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	12	**0.00**	NA	NA	**9611155**	**55.30**	**9611165**	**51.46**
	TOTAL (A)+(B)	**20050000**	**100**	NA	NA	**17379037**	**100.00**	**18677749**	**100**
(C)	Shares held by Custodians and against which DRs have been issued	0	0.00	NA	NA	0	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	20050000	100	NA	NA	17379037	100.00	18677749	100

#This is Illustrative Post Merger Shareholding Pattern of DCM Limited considering only new Equity Shares to be issued pursuant to Merger of DCM Engineering Limited into and with DCM Limited

*Non-resident shareholders include 73 Shareholders holding 44278 equity shares of Rs. 10/- each which are in the custody of The Custodian of Enemy Property for India.

18. The rights and interests of the Members and Creditors of DCM Engg. and DCM will not be prejudicially affected by the Scheme as no sacrifice or waiver at all called from them, nor is their rights sought to be modified in any manner.
19. On the Scheme being approved by the requisite majority of the Shareholders and Creditors (Secured and Unsecured), the Transferor Company shall file a petition with the Hon'ble High Court of Delhi at New Delhi for sanction of the Scheme under Sections 391-394 and other applicable provisions of the Companies Act, 1956.
20. The following documents are available for inspection by the Unsecured Creditors of DCM Engineering Limited at the Registered Office of the Company upto one day i.e. October 16, 2015 between 11.00 A.M. to 5.00 P.M. on all working days (except Saturdays, Sundays and public holidays) prior to the date of the Court Convened Meeting:
    (a) Copy of the Order dated September 1, 2015 of the Hon'ble High Court of Delhi at New Delhi passed in Company Application (M) No. 130 of 2015 directing the convening of the Meeting of the Unsecured Creditors of DCM Engineering Limited.
    (b) Scheme of Amalgamation.
    (c) Memorandum and Articles of Association of DCM Engg. and DCM.
    (d) Annual Report of DCM Engg. and DCM for the financial year ended March 31, 2015.
    (e) Valuation Report issued by M/s SSPA & Co., Chartered Accountants dated December 8, 2014.
    (f) Copy of Observation Letters both dated July 7, 2015 from BSE Limited and National Stock Exchange of India Limited conveying no objection for filing the Scheme with the Hon'ble High Court of Delhi at New Delhi.

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

Place: New Delhi
Date: September 4, 2015

By Order of the Board of Directors
For DCM Engineering Limited
Sd/-
Apil Agrawal
Company Secretary

Annexure - 1

SCHEME OF AMALGAMATION

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT 1956 AND ANY OTHER APPLICALE PROVISIONS OF THE ACT)

OF

DCM ENGINEERING LIMITED

INTO AND WITH

DCM LIMITED

PART-I

1. INTRODUCTION AND DEFINITIONS

1.1 Introduction

1.1.1 DCM Limited ("**DCM**"):

(i) DCM ("**Transferee Company**") is a listed public limited company within the meaning of the Act, having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi - 110008. The Transferee Company was originally incorporated on March 26, 1889 under the name and style of The Delhi Cloth and General Mills Company which was changed to DCM Limited with effect from October 6, 1983. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

DCM is authorized to and is *inter alia* engaged in the business of manufacturing and/or dealing in cotton yarn and is also a service provider in IT Infrastructure Services encompassing System Administration, Storage Management, Backup Recovery, Disaster Management, databases, Messaging & Collaboration, Virtualization, etc.

1.1.2 DCM Engineering Limited ("**DCM Engineering**"):

(i) DCM Engineering ("**Transferor Company**") is a public limited company within the meaning of the Act having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi - 110008. The Transferor Company was originally incorporated as a Private Limited Company on September 5, 1990, vide Certificate of Incorporation No. 55-41398 under the name of DCM Precision Engineering Private Limited. DCM Precision Engineering Private Limited was later converted into a Public Company vide the certificate dated February 5, 1998 and consequently the name was changed to DCM Precision Engineering Limited. Further, the name of the Transferor Company was changed to DCM Engineering Limited with effect from March 23, 2004.

(ii) DCM Engineering is a subsidiary company of DCM within the meaning of the Act wherein DCM holds approx. 75.06% of the share capital of DCM Engineering.

(iii) DCM Engineering is authorised to and is primarily engaged *inter alia* in the manufacturing and supply of Grey iron castings in automotive markets (i.e., car, multi-utility vehicle, tractor, light commercial vehicle, heavy commercial vehicle and earth moving equipments etc.) Further, Transferor Company specializes in the manufacture of Cylinder Heads, Cylinder Blocks and Housings etc.

1.1.3 DCM Engineering may hereinafter be referred to as such, or as the "**Transferor Company**". DCM may hereinafter be referred to as such, or as the "**Transferee Company**".

1.2 Objects and Benefits of the Scheme:

1.2.1 The Transferor Company and the Transferee Company propose through this Scheme (as defined hereinafter) to merge / amalgamate DCM Engineering into and with DCM pursuant to and under the provisions of Sections 391 to 394 of the 1956 Act and the relevant provisions made thereunder, in the manner provided for in the Scheme.

1.2.2 Amalgamation of the Transferor Company into and with the Transferee Company will inter-alia result in:

(a) Creation of a single entity with better financial strength which would result in improving the competitive position of the businesses of the combined entity;

(b) Consolidation of the businesses presently being carried on by the Transferor Company and the Transferee Company would help in diversification of business risks and would also help in cost optimization in the system;

(c) Combined entity would be able to optimize the manpower resources required for overall administration and statutory compliances in functional areas like finance, administration, legal, secretarial, human resources, etc., thereby resulting in elimination of overlapping activities.

1.3 Definitions

1.3.1 In this Scheme, unless repugnant to the subject, context or meaning thereof, the following initially and / or fully capitalised words and expressions shall have the meanings as set out herein below:

(i) "**1956 Act**" means the Companies Act, 1956 together with rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force.

(ii) "**2013 Act**" means the Companies Act, 2013 together with the rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force.

(iii) "**Act**" means the 1956 Act or the 2013 Act, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof.

(iv) "**Applicable Law(s)**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question.

(v) "**Appointed Date**" means April 1, 2014 or such other date as may be determined by the Board of each of the Transferor Company and the Transferee Company or such other date as may be approved by the High Court of Delhi;

(vi) "**Board of Directors**" in relation to the Transferor Company and/or the Transferee Company, as the case may be, shall mean their respective board of directors, and unless it be repugnant to the context or otherwise, shall include any committee of directors or any person authorized by the board of directors or by such committee of directors;

(vii) "**Valuation Certificate**" shall mean and refer to the certificate issued by the valuer named SSPA & Co., Chartered Accountants, Mumbai dated December 8, 2014.

(viii) "**DCM**" shall have the meaning assigned to it in Clause 1.1.1 of this Scheme and "**DCM Engineering**" shall have the meaning assigned to it in Clause 1.1.2 of this Scheme.

(ix) "**Effective Date**" means the date on which the certified copy of the Order of the Delhi High Court is filed with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi by the Transferor and Transferee Company, respectively. Any references in the Scheme to "**upon the Scheme becoming effective**" or "**effectiveness of the Scheme**" shall mean and refer to the Effective Date.

(x) "**Government**" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof

(xi) "**High Court**" shall mean the Hon'ble High Court of Delhi at New Delhi;

(xii) "**Record Date**" shall mean the date as may be fixed by the Board of Directors of the Transferee Company for the purpose of issue of shares of the Transferee Company to the respective shareholders of the Transferor Company

(xiii) "**Scheme**" shall mean this Scheme of Amalgamation in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions from the High Court and the regulatory authorities as may be required under the Act and under all applicable laws;

(xiv) "**Transferee Company**" shall mean DCM , as mentioned under Clause 1.1.1 above;

(xv) "**Transferor Company**" shall mean DCM Engineering as mentioned under Clause 1.1.2 above, and shall include but not limited to:

(a) any and all of its assets, movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

(b) any and all of its investments (including shares and other securities), loans and advances, including dividends declared or interest accrued thereon;

(c) any and all of its licences, including the licences granted by any governmental, statutory or regulatory bodies, permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, applications for trade names, copyrights, all indirect and direct tax credits including but not limited to sales tax credits, Excise Duty, service tax credit, CENVAT credit, VAT credit i.e., income-tax carry forward losses/ depreciation, Tax Deducted at Source ('TDS'), MAT credit entitlement etc., privileges and benefits of all contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever;

(d) any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured;

(e) any and all of its employees, who are on its payrolls, including those employed at its offices and branches; and

(f) any and all of the advance monies, earnest monies and / or security deposits, payment against warrants or other entitlements, as may be lying with it;

1.3.2 The expressions, which are used in the Scheme and not defined therein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the High Court in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("**NCLT**") or such other forum or authority, as may be vested with any of the powers of a relevant High Court under sections 391 to 394 of the 1956 Act and any other applicable provisions of the Act.

PART-II

2. CAPITAL STRUCTURE

2.1 DCM (Transferee Company)

The capital structure of the Transferee Company, as of March 31, 2014, is as under:

Particulars	Amount in Rupees
Authorized:	
60,000,000 Equity Shares of Rs. 10/- each	600,000,000
320,000 9.5% - 6th Redeemable Cumulative Preference Shares of Rs. 25/- each	8,000,000
3,680,000 Preference shares of Rs. 25/- each	92,000,000
1,000,000 Cumulative Convertible Preference Shares of Rs. 100 each	100,000,000
Total	800,000,000
Issued, Subscribed and Paid-up:	
17,379,037 Equity Shares of Rs.10/- each fully paid up	173,790,370
Less : Calls in arrears	31,175
Total	**17,37,59,195**

There has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company between March 31, 2014 until the date on which this Scheme was approved by the Board of the Transferee Company.

2.2 DCM Engineering (Transferor Company)

The capital structure of the Transferor Company, as of March 31, 2014, is as under:

Particulars	Amount in Rupees
Authorized:	
23,999,000 Equity Shares of Rs. 10/- each	239,990,000
100 13.50% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,000
Total	240,000,000
Issued, Subscribed and Paid-up:	
20,050,000 Equity Shares of Rs. 10/- each fully paid up	200,500,000
Total	**200,500,000**

There has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company between March 31, 2014 until the date on which this Scheme was approved by the Board of the Transferor Company.

PART-III

3. MERGER OF DCM ENGINEERING WITH DCM

3.1 Transfer and vesting of Assets and Liabilities and entire business of Transferor Company:

Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Transferor Company shall, pursuant to the provisions of Section 394(2) of the 1956 Act and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company, as a going concern so as to become the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

Further, this clause of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

3.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date and upon this Scheme becoming effective:

(i) All assets of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual or constructive delivery and / or by endorsement and delivery or by vesting and recording pursuant to the Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) All other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies corporate, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.

(iii) All immovable properties, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the High Court in accordance with the terms hereof.

(iv) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to, meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

However, any loans, advances and other obligations due from the Transferee Company to the Transferor Company, or vice versa, shall stand cancelled and shall be of no effect.

(v) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses, including the licenses granted by any governmental, statutory or regulatory bodies in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be respectively eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. In relation to the same any procedural requirements required to be fulfilled by the Transferor Company shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company.

(vi) Any pending suits/appeals or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against the Transferor Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in the Scheme, but the proceedings shall continue and any prosecution, order/decree shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if the Scheme had not been made.

(vii) All permanent employees of the Transferor Company, who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to the funds maintained by the Transferor Company, in accordance with the provisions of applicable laws and in terms of the Scheme. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

(viii) Any and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trade marks, appertaining to the Transferor Company shall stand transferred to and vested in the Transferee Company.

(ix) All direct and indirect taxes and tax credits (including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, fringe benefit tax, securities transaction tax, taxes withheld/paid in India or foreign country, Excise duty, value added tax, sales tax, service tax, wealth tax etc.) payable by or refundable to the Transferor Company,

including all or any refunds or claims shall be treated as the tax liability or refunds/claims as the case may be of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to the Transferor Company, shall pursuant to sanction of the Scheme, be available to the Transferee Company.

(x) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, including the licenses granted by any governmental, statutory or regulatory bodies, and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of the Scheme by the High Court, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

(xi) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under sections 180, 181, 185 and 186 or any other sections of the 2013 Act as and to the extent applicable and any other applicable provisions of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company, as the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.

(xii) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394(2) of the 1956 Act and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

3.3 Upon the Scheme becoming effective, the secured creditors of the Transferor Company shall continue to have security in respect of the properties, assets, rights, benefits and interest of the Transferor Company (to whom such creditors had advanced the facilities), as existing immediately prior to the amalgamation of such Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, the secured creditors of the Transferor Company shall not be entitled to any further security over the properties, assets, rights, benefits and interest of the Transferee Company. Hence, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by the Transferee Company. For this purpose, no further consent from the existing secured creditors shall be required and sanction of the Scheme shall be considered as a specific consent towards the same.

3.4 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

3.5 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.6 <u>Conduct of Businesses till Effective Date</u>

3.6.1 With effect from the Appointed Date and upto and including the Effective Date:

(i) the Transferor Company undertakes to carry on and shall be deemed to have carried on all its business activities and stand possessed of its properties and assets, for and on account of and in trust for the Transferee Company;

(ii) all profits or income accruing or arising to the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, fringe benefit tax, securities transaction

tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) or losses arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company;

(iii) the Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its respective properties/ assets, except—

(a) when the same is expressly provided in the Scheme; or

(b) when the same is in the ordinary course of business as carried on by the Transferor Company, as on the date of filing of the Scheme in the High Court; or

(c) when written consent of the Transferee Company has been obtained in this regard.

(iv) During the pendency of the scheme and before the Effective date, the Transferor company reserves the right to issue new redeemable preference shares ("**New Preference Shares**") to its existing shareholders at such terms as may be decided by the Transferor Company and in compliance with the applicable provisions of the Act including increase of authorized capital as required. However, such issue of New Preference Shares shall not be made unless the written consent of the Transferee Company has been obtained in this regard.

(v) the Transferor Company shall not alter or substantially expand its business, except with the written concurrence of the Transferee Company;

(vi) the Transferor Company shall not amend its Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company; and

(vii) all profits accruing to the Transferor Company and all taxes thereon or losses arising in or incurred by it with respect to its business shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Transferee Company.

3.6.2 (i) With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company.

(ii) For the purpose of giving effect to the amalgamation order passed under Sections 391 to 394 of the 1956 Act and other applicable provisions of the Act in respect of the Scheme by the High Court, the Transferee Company shall, at any time pursuant to the orders on the Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company, in accordance with the provisions of Sections 391 to 394 of the 1956 Act. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

(iii) Upon the Scheme becoming effective the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.

3.7 Upon the Scheme becoming effective, the Transferor Company shall stand dissolved, without any further act or deed, without being wound-up.

PART-IV

4. REORGANISATION OF CAPITAL, CONSIDERATION, ACCOUNTING TREATMENT, CHANGE IN OBJECT CLAUSE

4.1 <u>Changes in Share Capital</u>

4.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Company shall stand transferred to and be merged with the authorized share capital of the Transferee Company, without any liability for payment of any additional fees or stamp duty.

4.1.2 Upon the Scheme coming into effect and with effect from the Appointed Date, (and consequent to consolidation of the existing authorized share capital of the Transferor Company in accordance with Clause 4.1.1 above), the authorized share capital of the Transferee Company of Rs. 80,00,00,000 (Rupees Eighty crores Only) divided into 6,00,00,000 ordinary equity shares of Rs. 10 (Rupees Ten Only) each, 3,20,000 9.5% Sixth Redeemable cumulative preference shares of Rs. 25 (Rupees Twenty five

Only) each, 36,80,000 Preference Shares of Rs. 25 (Rupees Twenty five Only) each and 10,00,000 cumulative convertible preference shares of Rs. 100 (Rupees One Hundred Only) each, shall stand enhanced to an aggregate amount of Rs. 1,040,000,000 (Rs. One Hundred and Four Crore Rupees only) and the authorized share capital of the Transferee Company shall be reclassified. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall stand modified and reclassified as necessary and be substituted by the following:

"The Authorised share capital of the Company is Rs. 1,040,000,000 (Rupees One Hundred and Four Crore only) divided into 8,39,99,000 ordinary shares of Rs. 10 (Rupees Ten Only) each; 3,20,000 Sixth Redeemable cumulative preference shares of Rs. 25 (Rupees Twenty five Only) each; 36,80,000 Preference Shares of Rs. 25 (Rupees Twenty five Only) each; 10,00,000 cumulative convertible preference shares of Rs. 100 (Rupees One Hundred Only) each and 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs. 10,000/- (Rupees Ten Thousand only), with such rights, as may be decided.

4.1.3 Where New Preference Shares are issued by Transferor Company as per Clause 3.6.1(iv) of the Scheme and the authorized capital of Transferor Company is increased for such issuance of shares, such increased authorized capital of the Transferor Company shall also stand transferred to and be merged with the authorized share capital of the Transferee Company as per Clause 4.1.1 above. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall stand modified and reclassified as necessary to give effect to this clause.

4.1.4 It is hereby clarified that for the purposes of this Clause, the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting this amendment and that no further resolution under Sections 13, Section 61, Section 62 of the 2013 Act or any other applicable provisions of the Act, would be required to be separately passed, nor any additional registration fee, stamp duty, etc, shall be payable by the Transferee Company.

4.2 <u>Consideration</u>

4.2.1 Upon coming into effect of this Scheme and upon vesting in and transfer of the assets and liabilities of the Transferor Company to the Transferee Company in accordance with Part III of this Scheme, the Transferee Company shall fix a Record Date for the purposes of this Scheme for completion of all allotments to the respective members of the Transferor Company existing as on the Record Date as provided herein and without any further act or deed

(i) Issue and allot 20 (twenty) equity shares of INR 10/- (Indian Rupees Ten only) each as fully paid up shares of the Transferee Company to the shareholders of the Transferor Company for every 77 (seventy seven) equity shares of INR 10/- (Indian Rupees Ten only) each fully paid up shares held by the said shareholders of the Transferor Company.

(ii) The equity shares issued and allotted to the shareholders of the Transferor Company in the Transferee Company shall rank pari passu in all respects with existing equity shares of the Transferee Company.

(iii) No fractional shares shall be issued by the Transferee Company to the shareholders of the Transferor Company in respect of the residual fractional entitlements (if any), to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company in pursuance of this Clause 4.2.1. Any fraction arising out of such allotment shall be rounded off to the next integer.

(iv) In so far as the issue of new equity shares pursuant to clause 4.2.1 above is concerned, each of the members of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive, the new equity shares of the Transferee Company either in certificate form or in dematerialized form, in lieu of their equity shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the equity shares of the Transferee Company shall be issued to such members in physical form. Those of the members of the Transferor Company who exercise the option to receive the equity shares in the dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required in the notice provided by such member to the Transferee Company. It is only thereupon that the Transferee Company shall issue and directly credit the demat account of such member with the new equity shares of the Transferee company

(v) Notwithstanding anything to the contrary, upon the issue and allotment of new shares in the Transferee Company to the eligible shareholders of the Transferor Company whose name shall appear on the respective Register of Members of the Transferor Company on such Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect, on and from such Record Date

(vi) The equity shares so issued and allotted to the shareholders of the Transferor Company shall be listed at National Stock Exchange [NSE] and Bombay Stock Exchange [BSE] where the existing shares of the Transferee Company are listed.

4.2.2 The aforesaid share exchange ratio i.e. 20 (twenty) equity shares of the Transferee Company to be issued in lieu 77 (seventy-seven) equity shares of the Transferor Company ("**Share Exchange Ratio**"), as described in Clause 4.2.1 herein above, has been arrived as per the valuation report of SSPA & Co., Chartered Accountants, Mumbai dated December 8, 2014 ("**Valuation Report**"). Further, M/s Fortress Capital Management Services Private Limited, Mumbai, a SEBI registered category-I Merchant Banker, has issued a fairness opinion report dated December 8, 2014 ('**Fairness Opinion Report**') expressing fairness of the recommendation in the Valuation Report of SSPA & Co., Chartered Accountants, Mumbai dated December 8, 2014. The Valuation Report and the Fairness Opinion Report has been placed before the Audit Committee of the Transferee Company, wherein the Audit Committee of the Transferee Company has furnished its report recommending the Scheme and the Share Exchange Ratio based on the Valuation Report and Fairness Opinion Report. The aforesaid Share Exchange Ratio has been determined by the Board of Directors of the Transferee Company based on their independent judgment and taking into account the valuation report issued by the SSPA & Co., Chartered Accountants, Mumbai and Fairness Opinion Report issued by M/s Fortress Capital Management Services Private Limited, Mumbai, a SEBI registered category-I Merchant Banker.

The Valuation Report and the Fairness Opinion Report has been placed before the Audit Committee and Board of Directors of the Transferor Company. Board of Directors of the Transferor Company has determined the Share Exchange Ratio based on their independent judgment and taking into account the valuation report issued by the SSPA & Co., Chartered Accountants, Mumbai and Fairness Opinion Report issued by M/s Fortress Capital Management Services Private Limited, Mumbai, a SEBI registered category-I Merchant Banker.

4.2.3 Where New Preference Shares are issued and allotted by the Transferor Company in terms of Clause 3.6.1 (iv) during the pendency of the Scheme and before the Effective date, then to the extent that such New Preference Shares are issued to the Transferee Company (being an existing shareholder of the Transferor Company) such New Preference Shares shall stand cancelled on the effective date. In case of issue and allotment of New Preference Shares to shareholders other than the Transferee Company, such holder of such New Preference Shares of the Transferor Company, if any, whose name shall appear on the Register of Members of the Transferor Company on such Record Date fixed as aforesaid, shall be entitled for same number of New Preference Shares of Transferee Company as held by them in the Transferor Company and on same terms and conditions.

4.2.4 The share capital of the Transferor Company held by the Transferee Company and the investment as shown in the balance sheet of the Transferee Company, being shares held in the Transferor Company, shall stand cancelled.

4.2.5 It is clarified that the Transferee Company shall not be required to pass separate resolutions for the purpose of issuing the shares to the shareholders of the Transferor Company in pursuance to Clause 4.2.1 and Clause 4.2.3 herein above, under Section 62 of the 2013 Act and any other applicable provisions of the Act and it shall be deemed that the shareholders of the Transferor Company and the shareholders of the Transferee Company while according their consent to the Scheme, have consented to the issuance and allotment of shares on the Record Date to the shareholders of the Transferor Company in pursuance to Clause 4.2.1 and Clause 4.2.3 of the Scheme.

4.3 **Accounting Treatment**

4.3.1 The Transferee Company, subject to the provisions of this Scheme, shall follow the method of accounting as prescribed for the pooling of interest method under AS 14 as notified under the Company Accounting Rules, 2006.

4.3.2 The Transferee Company shall, upon the Scheme becoming effective and with effect from the Appointed Date, record all the assets (Tangible and Intangible) and liabilities and reserves of the Transferor Company at their respective book values as appearing in its books of accounts at the close of business on the day preceding the Appointed Date.

4.3.3 The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appear in the financial statements of the Transferor Company, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of the Transferor Company available for distribution as dividend, the same would also be available in the financial statements of the Transferee Company for distribution as dividend pursuant to this Scheme becoming effective.

4.3.4 The balance of the Profit and Loss Account of the Transferor Company (as appearing in the books of accounts of the Transferor Company at the close of business on the day preceding the Appointed Date) shall be added to or set-off with the corresponding balance appearing in the financial statements of the Transferee Company.

4.3.5 The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to clause 4.2.1 of this Scheme and the aggregate face value of New Preference Shares issued pursuant to clause 4.2.3 of this Scheme, if any.

4.3.6 The equity share capital and / or New Preference Shares directly held by Transferee Company in Transferor Company shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

4.3.7 The difference between the net assets (assets minus liabilities and reserves) of the Transferor Company transferred to the Transferee Company and the face value of equity shares issued and allotted (as detailed in Clause 4.2.1 herein above) and New

Preference Shares issued and allotted (as detailed in Clause 4.2.3 herein above) by the Transferee Company adjusted for cancellation of investment as detailed and referred to in Clause 4.3.6 herein above, shall be adjusted in reserves in accordance with the provisions of Accounting Standard -14 on 'Accounting for Amalgamation'.

4.4 **Change in Object Clause of Transferee Company**

With effect from the Appointed Date and upon the Scheme becoming effective, the Main Object Clause of the Memorandum of Association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Transferor Company, pursuant to the provisions of Sections 13 and 14 of the 2013 Act and other applicable provisions of the Act. Accordingly the Main Object Clause of the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revision in the numbering of the clauses inserted shall be carried out. Clause III (viii) of the Memorandum of Association of the Transferee Company shall be replaced with following clauses and read as under:

(viii) ***To carry on all or any of the business of designing, manufacturing, developing, improving, hiring, repairing, trading, buying, selling dealing in forgings and castings of ferrous and non-ferrous materials and in any weight for any industry whatsoever, including grey iron castings, chilled and malleable castings, Ductile Iron, castling; gunmetal castings, steel castings, gunmetal, copper, brass and aluminum castings and foundry work.***

(viiiA) ***To carry on the business of iron-foundries, Engineering castings, manufacturers of machinery and equipments, tool makers, iron and steel converters, pattern makers, metallurgists, prototype solution provider to all types of engine manufacturing.***

(viiiB) ***To undertake job work of Castings and Engineering, value addition in Grey cast iron by machining, manufacture & supply of machined castings and components such as engine blocks, cylinder heads and other precision machined parts, semi finished or ready to be assembled on the Engine.***

(viiiC) ***To carry on the business of manufacturers, traders, suppliers, sellers of casting of any type, foundry toolings including Patterns, Core Boxes, Jigs and Fixtures etc for all types of castings.***

(viiiD) ***To undertake and execute any contracts for works involving the supply or use of any machinery or components and accessories of machinery of any kind and to carry out any ancillary or other works comprised in such contracts.***

(viiiE) ***To carry on business as manufacturers and dealers in metal, enamel, aluminum, alloys, and any other products, substances, articles, and things and to carry on and conduct workshop and foundries of iron , brass and other metals***

For the purposes of amendment in the Memorandum of Association and Articles of Association of the Transferee Company as provided in this Clause, the consent/approval given by the members of the Transferee Company to this Scheme pursuant to Section 391 of the 1956 Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of the Transferee Company as required under the provisions of Sections 13 and 14 of the 2013 Act and any other applicable provisions of the Act shall be required to be passed for making such change/amendment in the Memorandum of Association and Articles of Association of the Transferee Company and filing of the certified copy of this Scheme as sanctioned by the High Court, in terms of Section 391/394 of the 1956 Act and any other applicable provisions of the Act, together with the Order of the Court and a printed copy of the Memorandum of Association for the purposes of the said Sections 13, 14 of the 2013 Act and all other applicable provisions of the Act and the Registrar of Companies, NCT of Delhi and Haryana at New Delhi shall register the same and make the necessary alteration in the Memorandum of Association and Articles of Association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the provisions of Sections 13 and 14 of the 2013 Act and any other provisions of the Act.

The Transferee Company shall file with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi all requisite forms and complete the compliance and procedural requirements under the Act, if any.

PART-V

5 **GENERAL TERMS AND CONDITIONS**

5.1 Upon this scheme becoming effective, the accounts of the Transferee Company as on the Appointed Date shall be reconstructed in accordance with the terms of this scheme.

5.2 Upon the sanction of the Scheme and after the Scheme has become effective, with effect from the Appointed Date, the amalgamation of the Transferor Company with the Transferee Company shall be deemed to have occurred in compliance with Section 2(1B) of the Income Tax Act, 1961, in accordance with the Scheme.

5.2.1 The Transferee Company shall be entitled to revise its income tax returns, TDS Certificates, TDS returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, VAT, excise duties, etc, and shall have the right to claim refunds, advance tax credits, credit of tax under section 115JB, credit of tax deducted at source, credit of foreign taxes paid/withheld etc, if any, as may be required consequent to implementation of the Scheme.

5.3 The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make respective applications to the High Court, under Sections 391 to 394 of the 1956 Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning the Scheme with such modifications, as may be approved by the High Court.

5.4 Upon the Scheme being approved by the requisite majority of the members and creditors of the Transferee Company and by the respective members and creditors (wherever required) of the Transferor Company, the Transferee Company and the Transferor Company shall, with all reasonable dispatch, file respective petitions before the High Court for sanction of the Scheme under Sections 391 to 394 of the 1956 Act and other applicable provisions of the Act, and for such other order or orders, as the High Court may deem fit for carrying the Scheme into effect. Upon the Scheme becoming effective, the members of both the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in the Scheme.

5.5 The Scheme is conditional upon and subject to the following:

(a) the Scheme being approved by the requisite majority in number and value of the members and creditors of the Transferor Company and the Transferee Company as required under Applicable Laws and as may be directed by the High Court or any other authority as may be prescribed or notified;

(b) The approval of the public shareholders of the Transferee Company shall be obtained through postal ballot and e-voting. The scheme of amalgamation shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required under the Securities and Exchange Board of India Circular the circulars CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by the Securities and Exchange Board of India.

(c) the Scheme being sanctioned by the Hon'ble High Court of Delhi under Sections 391 to 394 of the 1956 Act and any other applicable provisions of the Act and the necessary orders being obtained in respect of the same;

(d) such other sanctions and approvals including sanctions of any governmental or regulatory authority as may be required by law or contract in respect of the Scheme being obtained; and

(e) the certified copies of the orders of the Hon'ble High Court of Delhi referred to in this Scheme being filed with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi by the Transferee Company and the Transferor Company.

5.6 Upon the sanction of the Scheme and upon the Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

(a) amalgamation of Transferor Company into the Transferee company in accordance with Part III of the Scheme; and

(b) consolidation of the authorised share capital of the Transferor Company to the Transferee Company as provided in Clause 4.1.1, and consequential modification in the authorised share capital of the Transferee Company as provided in Clause 4.1.2;

(c) amendment of the Objects clause of the memorandum of Association of the Transferee Company in terms of clause 4.4 of the Scheme; and

(d) issue and allotment of fully paid-up equity and / or Preferene shares of the Transferee Company to the shareholders of Transferor Company in terms of Clause 4.2 of the Scheme;

5.7 Upon the Scheme becoming effective, the Board of Directors of the Transferee Company shall determine the record date ("Record Date"), for issue and allotment of fully paid-up equity shares in the Transferee Company to the shareholders of the Transferor Company in terms of Clause 4.2.1 hereof. On determination of such Record Date, the Transferor Company shall provide to the Transferee Company, the list of its equity shareholders as on such Record Date who are entitled to receive the fully paid-up equity shares in the Transferee Company, in terms of this Scheme in order to enable the Transferee Company to issue and allot such fully paid-up equity shares to such shareholders.

5.8 The Transferee Company and the Transferor Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to the Scheme, which the High Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. The Transferee Company and the Transferor Company (acting through

their respective Boards of Directors) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to the Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of the Scheme and/or any matters concerning or connected therewith.

5.9 The Transferee Company and the Transferor Company shall be at liberty to withdraw from the Scheme in case any condition or alteration imposed by the High Court or any other authority is not on terms acceptable to them.

5.10 All costs, expenses, charges, fees, taxes, duties, levies and all incidental expenses arising out of or incurred in carrying out and implementing the terms and conditions or provisions of the Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

5.11 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company, and/or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.

5.12 If any part of the Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part. Requisite powers to decide could be given to the Board of the Transferor Company and / or the Transferee Company.

5.13 The transfer of properties and liabilities to, and the continuance of proceedings by or against the Transferee Company, as envisaged in Part-III above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

Annexure - 2

SSPA & CO.
Chartered Accountants
1st Floor, "Arjun", Plot No. 6A,
V. P. Road, Andheri (W),
Mumbai-400 058. INDIA
Tel. : 91 (22) 2670 4376
2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

December 08, 2014

To,

The Board of Directors
DCM Limited
Vikrant Tower, 4,
Rajendra Place,
New Delhi – 110 008.

The Board of Directors
DCM Engineering Limited
Vikrant Tower, 4,
Rajendra Place,
New Delhi - 110 008.

Re: Recommendation of Fair Share Exchange Ratio for the purpose of proposed amalgamation of DCM Engineering Limited with DCM Limited.

Dear Sir(s),

As requested by the Management of DCM Limited and DCM Engineering Limited (hereinafter collectively referred to as the "Management"), we have carried out fair valuation of equity shares of DCM Limited (hereinafter referred to as "DCM") and DCM Engineering Limited (hereinafter referred to as "DEL") to recommend fair share exchange ratio for the proposed amalgamation of DEL into DCM (hereinafter collectively referred to as the "Companies").

1. PURPOSE OF VALUATION

1.1 We have been informed that the management of the Companies is considering a proposal for the amalgamation of DEL into DCM (hereinafter referred to as "amalgamation") pursuant to the provisions of Sections 391 to 394 read with Section 100 to 103 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "Scheme"). Subject to necessary approvals, DEL would be merged into DCM, with effect from Appointed Date of April 1, 2014. In consideration for the amalgamation, equity shares of DCM would be issued to the shareholders of DEL.

SSPA & CO. MUMBAI CHARTERED ACCOUNTANTS

1.2 In this connection, SSPA & Co., Chartered Accountants (SSPA) has been appointed to carry out the relative valuation of equity shares of DCM and DEL to recommend the fair share exchange ratio.

2. BRIEF BACKGROUND OF THE COMPANIES

2.1 DCM LIMITED

2.1.1 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").

2.1.2 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.

2.1.3 The shares of DCM are listed on The National Stock Exchange of India Limited and BSE Limited.

2.2 DCM ENGINEERING LIMITED

2.2.1 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.

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2.2.2 DEL is a subsidiary company of DCM, holding ~75.06% of the equity share capital of DEL.

3. EXCLUSIONS AND LIMITATIONS

3.1 Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

3.2 No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

3.3 Our work does not constitute certification of the historical financial statements 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. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

3.4 A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the Companies have drawn our attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of shares of the Companies for the purpose of the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the report date. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

3.5 During the course of work, we have relied upon assumptions and projections made by the management of the Companies. These assumptions require the exercise of

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judgment and are subject to uncertainties. There can be no assurance that the assumptions are accurate. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections. Since the estimates/projections relate to the future, actual results may be different from estimated/projected results because events and circumstances do not occur as expected, and differences may be material.

3.6 In the course of the valuation, we were provided with both written and verbal information. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

3.7 Our report 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 from such proposed amalgamation.

3.8 This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.

3.9 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.

3.10 SSPA, nor its partners, 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, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

4. SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management.

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(a) Audited financial statements of DCM and its subsidiaries/associates including DEL for the financial year ended March 31, 2014.

(b) Financial Projections of DCM and DEL comprising of Profit & Loss and Balance Sheet for financial years (FY) 2014-15 to 2016-17.

(c) Draft Scheme of Amalgamation u/s 391 to 394 read with Section 100 to 103 and other applicable provisions of the Companies Act, 1956.

(d) 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.

(e) Such other information and explanations as we required and which have been provided by the management of the Companies.

5. VALUATION APPROACH

For the purpose of valuation for amalgamation, generally the following approaches are adopted:

(a) the "Underlying Asset" approach;

(b) the "Income" approach; and

(c) the "Market Price" approach;

5.1 Since DEL is an unlisted entity and this being a relative valuation for amalgamation, we have thought fit to ignore the "Market Price" approach in case of DCM for current valuation exercise.

5.2 UNDERLYING ASSET APPROACH

5.2.1 In case of the "Underlying Asset" approach, the value per share is determined by dividing the net assets of the company by the number of shares. Valuation of net assets is calculated with reference to the historical cost of the assets owned by the company. Such value usually represents the minimum value or a support value of a going concern.

5.2.2 Since the shares are valued on a "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to

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determine the realizable or replacement value of the assets. The operating assets have therefore been considered at their book values.

5.2.3 To the value so arrived, adjustments are made for appreciation in value of investment & surplus assets and contingent liabilities adjusted for probability of devolvement after considering the tax impact wherever applicable.

5.2.4 The value for equity shareholders as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

5.3 **INCOME APPROACH**

5.3.1 Under the Income Approach, we have considered the Comparable Companies Multiple (CCM) Method of valuation. The Comparable Companies Multiple Method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used.

5.3.2 To the value so arrived, appreciation in value of investment & surplus assets, contingent liabilities adjusted for probability of devolvement, loan funds and cash & cash equivalents and other adjustments after making adjustment of tax wherever applicable.

5.3.3 The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

6. **RECOMMENDATION OF FAIR EXCHANGE RATIO**

6.1 The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single

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value for the shares of each company. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

Considering the fact that, after the amalgamation, the business of the Companies is intended to be continued on a "going concern" basis, to arrive at relative value of DCM and DEL, we have considered it appropriate to give a weight of "1" to the value determined under the "Underlying Asset" approach and "2" to the value determined under the "Income" approach.

6.2 The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

6.3 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the

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company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

6.4 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, a fair ratio of exchange in the event of amalgamation of DEL with DCM would be:

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.

Thanking you,
Yours faithfully,

SSPA & Co

SSPA & CO. MUMBAI CHARTERED ACCOUNTANTS

SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Place: New Delhi

Annexure - 3

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 F: +91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

BSE EXPERIENCE THE NEW

DCS/AMAL/CS/24(f)/90/2015-16

July 7, 2015

DCM LIMITED 10 JUL 2015 NEW DELHI

The Company Secretary,
DCM Limited
6th Floor, 4, Vikrant Tower,
Rajendra Place,
New Delhi- 110 008,
Delhi.

Sub: Observation letter regardi[illegible]ving amalgamation of DCM Engineering Limited with DCM Limited.

We are in receipt of Draft Scheme of Arrangement involving amalgamation of DCM Engineering Limited with DCM Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter July 6, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company to ensure that the pre and post shareholding pattern submitted by DCM vide letter dated June 15, 2015 is displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the circulars."***

- ***"Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- The Company shall ensure the compliance of the requirement as stated above.
- The Company shall duly comply with provisions of Circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

Lalit Phatak
Asst. Manager

SENSEX India's index the world tracks

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50
Stock of the nation

Ref: NSE/LIST/32888

July 07, 2015

The Chairman & Managing Director
DCM Limited
Vikrant Tower,
4 Rajendra Place, 6th floor,
New Delhi - 110008

Kind Attn.: Mr. Jitendra Tuli

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation of DCM Engineering Limited into and with DCM Limited

This has reference to draft Scheme of Amalgamation of DCM Engineering Limited ("Transferor Company") into and with DCM Limited ("Transferee Company") under sections 391 to 394 of the Companies Act, 1956 and any other applicable provisions of the Act submitted to NSE vide your letter dated January 30, 2015.

Based on our letter reference no Ref: NSE/LIST/17949 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated July 06, 2015, has given following comments on the draft Scheme of Amalgamation:

"a) The Company to ensure that the pre and post shareholding pattern submitted by DCM Limited vide letter dated June 15, 2015 is displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the Circulars.

b) The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

The validity of this "Observation Letter" shall be six months from July 07, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Patel Kamlesh
Date: Tue, Jul 7, 2015 18:05:29 GMT+05:30
Location: NSE

NSE

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DCM ENGINEERING LIMITED

Registered Office: Vikrant Tower, 4, Rajendra Place, New Delhi - 110008
CIN: U74999DL1990PLC041398
e-mail: investors@dcmengg.co.in, website: www.dcmengg.com
Ph: 011-25719967, Fax: 011-25765214

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORDINARY ORIGINAL COMPANY JURISDICTION)
COMPANY APPLICATION (M) No. 130 of 2015

In the matter of:
The Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of DCM Engineering Limited ('Transferor Company') into and with DCM Limited ('Transferee Company') and their respective Shareholders and Creditors

DCM Engineering Limited, a company incorporated under the Indian Companies Act, 1956 and having its registered office at Vikrant Tower, 4, Rajendra Place, New Delhi – 110008

…Transferor Company / Applicant Company

FORM OF PROXY

I/ We, ... the undersigned, as an Unsecured Creditor of Transferor Company, hereby appoint ..... resident of ....., and failing him/her ..... resident of ....., as my/our proxy, to attend and vote (on a poll) for me/ us and on my / our behalf at the Court Convened Meeting of the Unsecured Creditors of the Transferor Company, to be held on Saturday, October 17, 2015 at 2.00 P.M. at Ghalib Auditorium, Aiwan-E-Ghalib, Mata Sundari Lane, New Delhi-110002, and at any adjournment thereof in respect of following:

Sr. No.	Particulars	Vote (Optional see Note 3)	
		For	Against
1	To consider and if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation of DCM Engineering Limited ('**Transferor Company**') into and with DCM Limited ('**Transferee Company**') and their respective shareholders and creditors (the "Scheme").		

Signed this .....day of 2015

Name of Unsecured Creditor: .....

Address of Unsecured Creditor:.....

Due Amount: ..... .

Revenue Stamp

(Signature of Unsecured Creditor)

.....
Signature of the first -proxy holder

.....
Signature of the second proxy holder

Notes:

1. This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be an Unsecured Creditor of the Company.
3. It is optional to indicate your preference. Please put (✓) in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against the resolution, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. Appointing a proxy does not prevent a Unsecured Creditor from attending the meeting in person if he/she so wishes.
5. Alterations, if any, made in the Form of Proxy should be initialed.
6. In case of multiple proxies, the proxy later in time shall be accepted.

DCM ENGINEERING LIMITED

Registered Office: Vikrant Tower, 4, Rajendra Place, New Delhi - 110008
CIN: U74999DL1990PLC041398
e-mail: investors@dcmengg.co.in, website: www.dcmengg.com
Ph: 011-25719967, Fax: 011-25765214

ATTENDANCE SLIP

UNSECURED CREDITORS ATTENDTING THE MEETING IN PERSON OR BY PROXY ARE REQUESTED TO COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of Unsecured Creditor	
Address of Unsecured Creditor	
Name of the Proxy (in Block Letters)	
Address of Proxy	
Amount of Debt	
Signature of Unsecured Creditor / Proxy	

I/We, hereby record my/our presence at the meeting of the Unsecured Creditors of DCM Engineering Limited, convened pursuant to Order dated September 1, 2015 of the Hon'ble High Court of Delhi at Ghalib Auditorium, Aiwan-E-Ghalib, Mata Sundari Lane, New Delhi-110002 on Saturday, October 17, 2015 at 2.00 P.M. to consider and if thought fit, approve with or without modifications, the proposed Scheme of Amalgamation of DCM Engineering Limited ('**Transferor Company**') into and with DCM Limited ('**Transferee Company**') and their respective shareholders and creditors (the "Scheme").

Note: Unsecured Creditor/Proxy holder/Authorised Representative wishing to attend the meeting must bring the Attendance Slip to the meeting.