

A. F. FERGUSON & CO.
CHARTERED ACCOUNTANTS
9, SCINDIA HOUSE,
KASTURBA GANDHI MARG,
NEW DELHI - 110001.

AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
DCM LIMITED**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **DCM LIMITED** ("the Company") for the three months ended June 30, 2011 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. The Company's "Scheme of Restructuring and Arrangement", sanctioned by the High Court of Delhi and further modified vide its order dated April 28, 2011 (hereinafter referred to as SORA), provides that it is required to be implemented as a whole and in totality. The effect of the financial and business restructuring, as envisaged in the above scheme, has already been considered in preparing the accounts by the Company during the previous years except for the sale of rights in the Company's land development project, which, as per SORA, is subject to certain definitive agreements. Although the Company has entered into the definitive agreements during the previous years, one of such agreements, viz., "leasehold definitive agreement", has not become effective pending compliance with certain conditions contained therein and, therefore, the corresponding transaction has not been effected in the accounts. The management has confirmed to us that the conditions contained in the leasehold definitive agreement would be complied with and would not result into any adverse impact on the financials of the Company or on the successful implementation of the SORA.
4. Various matters arisen/arising out of reorganisation arrangement will be settled and accounted for as and when the liabilities/benefits are finally determined as stated in note 3. The effect of these on the financial results for the quarter ended June 30, 2011 is not ascertainable at this stage.



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For **DCM LIMITED**

5. Based on our review conducted as stated above, except for the matter referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholdings and the number as well as the percentage of pledged/encumbered shares and non-encumbered shares of promoter and promoter group shareholder's in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrar.

For A.F. Ferguson & Co.
Chartered Accountants
(Registration No. 112066W)



Jaideep Bhargava
Partner
(Membership No. 090295)

Place: New Delhi
Date : -5 AUG 2011



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For DCM LIMITED

Company Secretary