

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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**The Board of Directors
The Dharamsi Morarji Chemical Co. Ltd.
Prospect Chambers,
317/21, Dr. D.N. Road
Mumbai 400 001.**

Dear Sirs,

**Re: Limited Review of the Unaudited Financial Results for the Quarter
ended September 30, 2011.**

1. We have reviewed the accompanying statement of unaudited financial results of The Dharamsi Morarji Chemical Co. Ltd ("The Company") for the quarter ended on September 30th, 2011 except for the disclosures regarding public shareholding and Promoter and Promoter Group shareholding which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors on 4th November, 2011.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 Lacs till 31st March, 2009 considering unabsorbed loss up to 31st March, 2008 and unabsorbed depreciation up to 31st March, 2009. For the subsequent financial period, further net deferred tax asset has not been recognized in view of management's perceptions and reason detailed in Note No.7a annexed to the unaudited financial results. We are not in a position to opine on the net deferred tax asset recognized till date as regards its ultimate realization since the virtual certainty of the available sufficient future taxable income, as required by Accounting Standard 22 i.e. 'Accounting for taxes on income' notified pursuant to Companies (Accounting Standards) Rules, 2006, could not be substantiated.




Offices also at
Chennai Kolkata Goa
Bangalore Coimbatore

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3. We draw your attention to Note No.8 annexed to the unaudited financial results regarding preparation of accounts on a 'Going Concern' basis despite continued accumulated losses and erosion of total net worth of the Company in view of the management's perceptions and reasons detailed therein.

Based on our review as aforesaid, subject to the effects of paragraph 3 above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results referred to in paragraph 1 and notes thereon prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed or that it contains any material misstatement.

**For K. S. Aiyar & Co.
Chartered Accountants
FRN:100186W**


**RAJESH S. JOSHI
Partner
Membership No. 38526**

Mumbai: 4th November, 2011.