



Dated: 29/06/2021

The Head- Listing Compliance BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400001 Security Code: 511611	The Head- Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Mumbai - 400 051 Stock Code: DCMFINSERV	The Manager The Calcutta Stock Exchange Ltd. 7, Lyons Range, Murgighata, BBD Bagh, Kolkata, West Bengal- 700001 Scrip Code: 014032
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Sub: Outcome of Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is to inform you that Board of Directors of the Company in their meeting held today, i.e. **Tuesday, 29th June, 2021** (commenced at **03:00 P.M.** and concluded at 5.00P.M.), have considered and approved, inter-alia, the following business(s):

1. Considered and Approved the **Audited Standalone Financial Results** of the company as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended 31st March, 2021. **(Copy Enclosed)**
2. Considered and Approved the **Audited Consolidated Financial Results** of the company as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended 31st March, 2021. **(Copy Enclosed)**
3. The Board considered and took on record, the **Audit Report** with modified opinion on Standalone & Consolidated Financial Results for the quarter and year ended 31st March, 2021 as placed by the Statutory Auditor of the Company. **(Copy Enclosed)**
4. **Statement of Impact of Audit Qualification** (for audit report with modified opinion) on Auditor's Report on Annual Financial Results for the quarter and year ended 31st March, 2021. **(Copy Enclosed)**
5. The Board took note of **Non-Applicability** of Compliance with Statement of Deviation(s) or Variation(s) as per Regulation 32 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the quarter & year ended 31st March, 2021. **(Copy Enclosed)**
6. The Board had appointed **M/s. Ojha & Associates**, Practicing Company Secretaries, as Secretarial Auditor for the financial year 2020-21.
7. Took note & discussion on notice received from NSE dated April 13, 2021 regarding Board Composition under Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 w.r.t. Corporate Governance Report submitted by the Company to the Exchange for the quarter ended June 30, 2020 and September 30, 2020.

DCM FINANCIAL SERVICES LIMITED

CIN L65921DL1991PLC043087

Regd. Office: D 7/3, Okhla Industrial Area-II, New Delhi-110020

Tel-011-26387750 email ID: info@dfsionline.in

Website: www.dfsionline.in



Director's Comment: The Company has made a fresh application on May 10, 2021 for reconsideration of Waiver of Penalty imposed by the Stock exchange for Non-compliance of Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

8. Took note the Waiver of Fine notice received from NSE dated May 20, 2021 regarding Waiving of Fine imposed for non-compliance with Regulation 23(9) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for half year ended on 30th September, 2020

Director's Comment: The Exchange vide its letter dated May 20, 2021 have considered the request for waiver of fine as favorable and Waived off the Fine levied on the Company. The Board of Directors & management of the company shall take appropriate measures in future in order to comply with the provisions of Regulations on timely basis and take care that further no such delay occurs with respect to compliances.

9. Took note the Waiver of Fine notice received from BSE via Email dated June 25, 2021 regarding Waiving of Fine imposed for non-compliance with Regulation 23(9) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for half year ended on 30th September, 2020.

Director's Comment: The Exchange vide its Email dated June 25, 2021 have considered the request for waiver of fine as favorable and Waived off the Fine levied on the Company. The Board of Directors & management of the company shall take appropriate measures in future in order to comply with the provisions of Regulations on timely basis and take care that further no such delay occurs with respect to compliances.

Kindly take the above information on your records.

Thanking You,

For DCM Financial Services Limited

A handwritten signature in black ink, appearing to read 'Shantanu Deveshwar', is written over a horizontal line.

(Shantanu Deveshwar)

(DIN: 08268523)

Whole Time Director

Place: New-Delhi

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DCM FINANCIAL SERVICES LIMITED

CIN L65921DL1991PLC043087

Regd. Office:- D7/3,(Mezzanine Floor), Okhla Industrial Area, Phase - 2, New Delhi - 110020.

Statement of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2021

(Rupees in Lakhs except per share data)

Particulars	Quarter Ended			Year Ended	
	31st March, 2021	31st Dec, 2020	31st March, 2020	31st March, 2021	31st March, 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	-	-	-	-	-
II. Other Income	52.81	51.12	60.56	202.46	254.18
III. Total Income (I +II)	52.81	51.12	60.56	202.46	254.18
IV. Expenses					
Cost of Material Consumed	-	-	-	-	-
Purchases of Stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	-	-	-	-	-
Employee Benefits Expenses	11.60	12.04	(9.80)	47.59	39.10
Finance Costs	0.27	0.27	24.50	1.09	98.03
Depreciation and amortisation expenses	8.17	8.17	7.15	32.68	28.62
Other Expenses	27.58	31.44	57.11	90.78	166.27
Total Expenses (IV)	47.62	51.92	78.96	172.14	332.02
V. Profit/(Loss) before exceptional items and tax (III- IV)	5.19	(0.80)	(18.40)	30.32	(77.84)
VI. Exceptional items					
VII. Profit/(Loss) before tax (V-VI)	5.19	(0.80)	(18.40)	30.32	(77.84)
VIII. Tax Expense					
(1) Current tax	7.80	-	-	7.80	-
(2) Deferred tax	3.66	0.43	(78.54)	2.89	(74.03)
(3) Previous Year Tax	32.14	0.04	-	32.18	-
(4) Mat Credit Entitlement	-	-	28.52	-	28.52
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	(38.41)	(1.27)	31.62	(12.55)	(32.33)
X. Profit/(Loss) from discontinued operations					
XI. Tax expense of discontinued operations					
XII. Profit/(Loss) from Discontinued operations (after tax) (X-XI)					
XIII. Profit/(Loss) for the period (IX+XII)	(38.41)	(1.27)	31.62	(12.55)	(32.33)
XIV. Other Comprehensive Income					
(A) (i) Items that will not be reclassified to profit or loss	(0.12)	0.08	0.34	0.13	0.34
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.04	(0.02)	-	(0.03)	(0.09)
(B) (i) Items that will be classified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV. Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the Period)	(38.49)	(1.21)	31.96	(12.45)	(32.08)
XVI. Paid up Equity Share Capital (Face Value of Rs. ___ Each)				2212.51	2212.51
XVII. Other Equity				(6576.71)	(6564.24)
XIX. Earnings per equity share (for continuing operation):					
(1) Basic	(0.17)	(0.01)	0.14	(0.06)	(0.14)
(2) Diluted	(0.17)	(0.01)	0.14	(0.06)	(0.14)
XX. Earnings per equity share (for discontinued operation):					
(1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
XXI. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	(0.17)	(0.01)	0.14	(0.06)	(0.14)
(2) Diluted	(0.17)	(0.01)	0.14	(0.06)	(0.14)



Notes:

(1) The above results have been reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on 29th, June 2021. The Statutory Auditors have carried out their audit for the above results.

(2) The above result are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

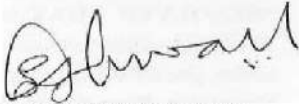
(3) The IND AS compliant corresponding figures for the period as reported above have not been subjected to review. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

(4) The figures for the previous period/year have been regrouped/reclassified, wherever necessary, to conform to the current period/year classification.

(5) As the Company's business activity falls within a single segment, therefore "Segment Reporting" are not applicable.

(6) The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2020 and December 31, 2019, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.

For DCM FINANCIAL SERVICES LIMITED



(SHANTANU DEVESHWAR)
WHOLE TIME DIRECTOR
DIN : 0828523

Date: 29-06-2021
Place : NEW DELHI



DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

Regd. Office:- D7/3,(Mezzanine Floor), Okhla Industrial Area, Phase - 2, New Delhi - 110020.

Statement of Audited Standalone Assets and Liabilities

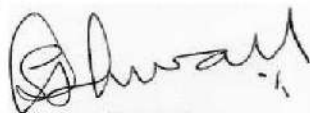
(Rupees in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	(Audited)	(Audited)
ASSETS		
Non current assets		
(a) Property, Plant and Equipment	1165.13	1193.72
(b) Right to use asset	8.10	-
(c) Capital Work in Progress	-	-
(d) Investment Property	-	-
(e) Goodwill	-	-
(f) Other Intangible Assets	-	-
(g) Intangible assets under development	-	-
(h) Biological Assets other than bearer plants	-	-
(i) Financials Assets-	-	-
(i) Investments	-	-
(ii) Trade Receivables	-	-
(iii) Loans	-	-
(iv) Other(to be specified)	1753.00	1712.76
(j) Deferred tax assets (net)	370.38	373.32
(j) Other non-current assets	175.82	220.80
Current Assets		
(a) Inventories		
(b) Financials Assets		
(i) Investments	81.12	64.06
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	27.47	11.31
(iv) Bank Balance other than (iii) above	296.00	278.82
(v) Loans	-	-
(vi) Otheres (Interest accrued but not due on Fixed Deposits)	15.18	112.61
(c) Current tax Assets		
(d) Other current Assets	1.09	
TOTAL ASSETS	3893.29	3967.40



EQUITY AND LIABILITIES		
Equity-		
(a) Equity Share Capital	2212.51	2212.51
(b) Other Equity	-6576.71	-6564.24
Liabilities		
Non -Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	207.70	207.70
(ii) Lease Liability	4.40	
(iii) Trade Payable	-	
(iv) Other Financial liabilities (other than specified in item (b) to be specified	-	
(b) Provisions	7.20	5.72
(c) Deffered Tax Liabilites (net)	0.00	
(d) Other Non-Current Liabilities	-	-
Current Liabilities		
(a) Financials Liabilities		
(i) Borrowings	-	-
(ii) Lease Liability	4.04	
(iii) Trade Payables	-	-
(iv) Other Financial liabilities (other than specified in item (c) to be specified	8022.09	8080.66
(b) Other current liabilities	10.91	24.54
(c) Provisions	1.15	0.51
(d) Current Tax Liabilities	-	-
TOTAL EQUITY AND LIABILITIES	3893.29	3967.40

For DCM FINANCIAL SERVICES LIMITED



(SHANTANU DEVESHWAR)
WHOLE TIME DIRECTOR
DIN : 0828523

Date:29-06-2021

Place : NEW DELHI



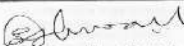
DCM FINANCIAL SERVICES LIMITED		
AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021		
Particulars	Amount in Lakhs	
	Year ended March 31, 2021 (01.04.2020 to 31.03.2021) (Audited)	Year ended March 31, 2020 (01.04.2019 to 31.03.2020) (Audited)
Cash flow from Operating Activities		
Profit Before Tax	30.31	(77.85)
Adjustments for		
Adjustments for finance costs		98.03
Adjustments for decrease (increase) in inventories	-	
Adjustments for decrease (increase) in trade receivables, current	-	
Adjustments for decrease (increase) in trade receivables, non-current	-	
Adjustments for decrease (increase) in other current assets	(1.08)	
Adjustments for other financial assets, non-current		
Adjustments for other financial assets, current	97.43	(95.12)
Adjustments for other bank balances	(57.43)	1,092.92
Adjustments for increase (decrease) in trade payables, current	-	
Adjustments for increase (decrease) in trade payables, non-current	-	
Adjustments for increase (decrease) in other current liabilities	(13.62)	(6.10)
Adjustments for increase (decrease) in other non-current liabilities	-	
Adjustments for depreciation and amortisation expense	32.68	28.62
Adjustments for impairment loss reversal of impairment loss recognised in profit or loss	(0.04)	0.05
Adjustments for provisions, current	0.64	(16.72)
Adjustments for provisions, non-current	1.47	(2.55)
Adjustments for other financial liabilities, current	6.71	19.57
Adjustments for other financial liabilities, non-current	-	
Adjustments for unrealised foreign exchange losses/gains	-	
Adjustments for dividend income	(0.25)	(0.45)
Adjustments for interest income	(162.76)	(180.73)
Adjustments for share-based payments	-	
Adjustments for fair value losses (gains)	(20.91)	52.06
Adjustments for undistributed profits of associates	-	
Other adjustments for which cash effects are investing or financing cash flow	(18.13)	
Other adjustments to reconcile profit (loss)		(72.98)
Other adjustments for non-cash items		(72.98)
Share of profit and loss from partnership firm or association of persons or limited liability partnerships	0.13	0.34
Total adjustments for reconcile profit (loss)	(135.15)	916.93
Net cash flows from (used in) operations	(104.84)	839.09
Dividends received	-	
Interest paid	-	
Interest received	-	
Income taxes paid (refund)	5.95	(18.05)
Other inflows (outflows) of cash		
Net cash flows from (used in) operating activities	(98.89)	821.03
Cash flows from used in investing activities		
Cash flows from losing control of subsidiaries or other businesses	-	
Cash flows used in obtaining control of subsidiaries or other businesses	-	
Other cash receipts from sales of equity or debt instruments of other entities	22.17	4.73
Other cash payments to acquire equity or debt instruments of other entities	-	
Other cash receipts from sales of interests in joint ventures	-	
Other cash payments to acquire interests in joint ventures	-	
Cash receipts from share of profits of partnership firm or association of persons or limited liability partnerships	-	
Cash payment for investment in partnership firm or association of persons or limited liability partnerships	-	
Proceeds from sales of property, plant and equipment		
Purchase of property, plant and equipment	(0.05)	
Proceeds from sales of investment property		
Purchase of investment property		
Proceeds from sales of intangible assets		
Purchase of intangible assets		
Proceeds from sales of intangible assets under development		
Purchase of intangible assets under development		
Proceeds from sales of goodwill		
Purchase of goodwill		
Proceeds from biological assets other than bearer plants		
Purchase of biological assets other than bearer plants		
Proceeds from government grants		
Proceeds from sales of other long-term assets		
Cash receipts from repayment of advances and loans made to other parties		



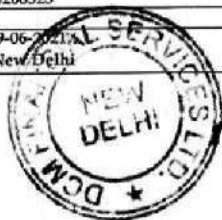
Cash payments for future contracts, forward contracts, option contracts and swapcontracts		
Cash receipts from future contracts, forward contracts, option contracts and swapcontracts		
Dividends received	0.25	0.45
Interest received	162.76	180.73
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) investing activities	185.13	185.91
Cash flows from used in financing activities		
Proceeds from changes in ownership interests in subsidiaries		
Payments from changes in ownership interests in subsidiaries		
Proceeds from issuing shares		
Proceeds from issuing other equity instruments		
Payments to acquire or redeem entity's shares		
Payments of other equity instruments		
Proceeds from exercise of stock options		
Proceeds from issuing debentures notes bonds etc	(6.93)	(173.41)
Proceeds from borrowings		
Repayments of borrowings	(58.35)	(844.65)
Payments of finance lease liabilities		
Payments of lease liabilities	(4.80)	
Dividends paid		
Interest Paid		
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) financing activities	(70.08)	(1,018.06)
Net increase (decrease) in cash and cash equivalents before effect of exchange ratechanges	16.16	(11.11)
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	16.16	(11.11)
Cash and cash equivalents cash flow statement at beginning of period	11.31	22.42
Cash and cash equivalents cash flow statement at end of period	27.47	11.31
Notes		

The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meeting held on 29th June 2021. The Statutory auditors have conducted the audit of the above financial results and have expressed an unmodified report on the same.

For DCM Financial Services Ltd


(Shantanu Deveshwar)
Whole Time Director
DIN: 08268523

Date: 29-06-2021
Place: New Delhi



DCM FINANCIAL SERVICES LIMITED

CIN L65921DL1991PLC043087

Regd. Office:- D7/3,(Mezzanine Floor), Okhla Industrial Area, Phase - 2, New Delhi - 110020.
Statement of Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2021

(Rupees in Lakhs except per share data)

Particulars	Quarter Ended			Year Ended	
	31st March, 2021	31st Dec, 2020	31st March, 2020	31st March, 2021	31st March, 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	-	-	-	-	-
II. Other Income	53.17	51.48	61.84	203.51	255.09
III. Total Income (I +II)	53.17	51.48	61.84	203.51	255.09
IV. Expenses					
Cost of Material Consumed	-	-	-	-	-
Purchases of Stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	-	-	-	-	-
Employee Benefits Expenses	11.60	12.04	-9.80	47.59	39.10
Depreciation and amortisation expenses	8.36	8.36	7.44	33.45	29.42
Finance Costs	0.27	0.27	25.54	1.09	95.95
Other Expenses	28.03	31.33	57.18	91.48	167.21
Total Expenses (IV)	48.26	52.00	80.36	173.61	331.68
V. Profit/(Loss) before exceptional items and tax (III- IV)	4.91	-0.52	-18.52	29.90	-76.59
VI. Exceptional items	-	-	-	-	-
VII. Profit/(Loss) before tax (V-VI)	4.91	-0.52	-18.52	29.90	-76.59
VIII. Tax Expense					
(1) Current tax	7.80	-	-0.25	7.80	-
(2) Deferred tax	3.67	0.43	-77.91	2.86	-73.65
(3) Previous Year Tax	32.14	0.04	-	32.18	-
(4) Mat Credit Entitlement	-	-	28.52	-	28.52
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	-38.70	-0.99	31.12	-12.94	-31.46
X. Profit/(Loss) from discontinued operations	-	-	-	-	-
XI. Tax expense of discontinued operations	-	-	-	-	-
XII. Profit/(Loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII. Profit/(Loss) for the period (IX+XII)	-38.70	-0.99	31.12	-12.94	-31.46
XIV. Other Comprehensive Income					
(A) (i) Items that will not be reclassified to profit or loss	-0.12	0.08	0.34	0.13	0.34
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.04	-0.02	-0.09	-0.03	-0.09
(B) (i) Items that will be classified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV. Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the Period)	-38.78	-0.93	31.37	-12.84	-31.21
XVI. Profit for the period attributable to:					
Owners of the Company	-38.68	-0.98	31.18	-12.90	-31.55



Non-controlling interests	-0.03	-0.01	-0.06	-0.04	0.09
XVII. Other Comprehensive Income attributable to:					
Owners of the Company	-0.08	0.06	0.25	0.10	0.25
Non-controlling interests	0.00	0.00	0.00	0.00	0.00
XVIII. Total Comprehensive Income attributable to:					
Owners of the Company	-38.76	-0.92	31.43	-12.80	-31.30
Non-controlling interests	-0.03	-0.01	-0.06	-0.04	0.09
XIX. Paid up Equity Share Capital (Face Value of Rs. ___ Each)				2212.51	2212.51
XX. Other Equity				-6554.24	-6541.40
XXI. Earnings per equity share (for continuing operation):					
(1) Basic	-0.18	0.00	0.14	-0.06	-0.14
(2) Diluted	-0.18	0.00	0.14	-0.06	-0.14
XXII. Earnings per equity share (for discontinued operation):					
(1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
XXIII. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	-0.18	0.00	0.14	-0.06	-0.14
(2) Diluted	-0.18	0.00	0.14	-0.06	-0.14

Notes:

- (1) The above results have been reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on 29th June 2021. The Statutory Auditors have carried out their audit for the above results.
- (2) The above result are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- (3) The IND AS compliant corresponding figures for the period as reported above have not been subjected to review. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- (4) The figures for the previous period/year have been regrouped/reclassified, wherever necessary, to conform to the current period/year classification
- (5) As the Company's business activity falls within a single segment, therefore "Segment Reporting" are not applicable.
- (6) The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2020 and December 31, 2019, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.

For DCM FINANCIAL SERVICES LIMITED



**(SHANTANU DEVESHWAR)
WHOLE TIME DIRECTOR**

DIN : 0828523

**Date: 29-06-2021
Place : NEW DELHI**



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CIN L65921DL1991PLC043087

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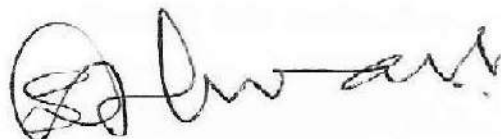
Statement of Audited Consolidated Assets and Liabilities

Particulars	(Rupees in Lakh)	
	As at 31st March, 2021 (Audited)	As at 31st March, 2020 (Audited)
ASSETS		
Non current assets		
(a) Property, Plant and Equipment	1165.64	1194.99
(b) Right to use asset	8.10	
(c) Capital Work in Progress	-	-
(d) Investment Property	-	-
(e) Goodwill	-	-
(f) Other Intangible Assets	-	-
(g) Intangible assets under development	-	-
(h) Biological Assets other than bearer plants	-	-
(i) Financials Assets-	-	-
(i) Investments	0.50	0.21
(ii) Trade Receivables	-	-
(iii) Loans	-	-
(iv) Other(to be specified)	1753.00	1712.76
(i) Deferred tax assets (net)	370.67	373.56
(j) Other non-current assets	175.98	220.90
Current Assets		
(a) Inventories		
(b) Financials Assets		
(i) Investments	81.12	64.06
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	29.54	35.06
(iv) Bank Balance other than (iii) above	315.00	278.82
(v) Loans	-	-
(vi) Others (Interest accrued but not due on Fixed Deposits)	15.88	112.61
(c) Current tax Assets		
(d) Other current Assets	1.11	0.03
TOTAL ASSETS	3916.54	3993.00



EQUITY AND LIABILITIES		
Equity-		
(a) Equity Share Capital	2212.51	2212.51
(b) Other Equity	-6554.24	-6541.40
Liabilities		
Non -Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	207.70	207.70
(ii) Lease Liability	4.40	-
(iii) Trade Payable	-	-
(iv) Other Financial liabilities (other than specified in item (b) to be specified	-	-
(b) Provisions	7.20	5.72
(c) Deffered Tax Liabilites (net)	-	-
(d) Other Non-Current Liabilities	-	-
Current Liabilities		
(a) Financials Liabilities		
(i) Borrowings	-	-
(ii) Lease Liability	4.04	-
(iii) Trade Payables	-	-
(iv) Other Financial liabilities (other than specified in item (c) to be specified	8022.86	8083.42
(b) Other current liabilities	10.92	24.54
(c) provisions	1.15	0.51
(d) Current Tax Liabilities		
TOTAL EQUITY AND LIABILITIES	3916.54	3993.00

For.DCM FINANCIAL SERVICES LIMITED



(SHANTANU DEVESHWAR)

WHOLE TIME DIRECTOR

DIN : 0828523

Date: 29-06-2021

Place : NEW DELHI



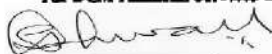
DCM FINANCIAL SERVICES LIMITED		
AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021		
Particulars	Amount in Lakhs	
	Year ended March 31, 2021 (01.04.2020 to 31.03.2021) (Audited)	Year ended March 31, 2020 (01.04.2019 to 31.03.2020) (Audited)
Cash flow from Operating Activities		
Profit Before Tax	29.90	(76.55)
Adjustments for		
Adjustments for finance costs		55.55
Adjustments for decrease (increase) in inventories		
Adjustments for decrease (increase) in trade receivables, current		
Adjustments for decrease (increase) in trade receivables, non-current		
Adjustments for decrease (increase) in other current assets		
Adjustments for other financial assets, non-current	(1.08)	0.00
Adjustments for other financial assets, current	96.73	(95.12)
Adjustments for other bank balances	(76.43)	1,092.92
Adjustments for increase (decrease) in trade payables, current		
Adjustments for increase (decrease) in trade payables, non-current		
Adjustments for increase (decrease) in other current liabilities	(12.85)	(6.10)
Adjustments for increase (decrease) in other non-current liabilities		
Adjustments for depreciation and amortisation expense	33.45	29.42
Adjustments for impairment loss reversal of impairment loss recognised in profit or loss	(0.94)	0.05
Adjustments for provisions, current	0.64	(16.72)
Adjustments for provisions, non-current	1.47	(2.55)
Adjustments for other financial liabilities, current	3.95	20.25
Adjustments for other financial liabilities, non-current		
Adjustments for unrealised foreign exchange losses/gains		
Adjustments for dividend income	(0.25)	(0.46)
Adjustments for interest income	(163.53)	(180.73)
Adjustments for share-based payments		
Adjustments for fair value losses (gains)	(21.20)	57.31
Adjustments for undistributed profits of associates		
Other adjustments for which cash effects are investing or financing cash flow	(18.13)	
Other adjustments to reconcile profit (loss)		
Other adjustments for non-cash items		(72.98)
Share of profit and loss from partnership firm or association of persons or limited liability partnerships	0.13	0.34
Total adjustments for reconcile profit (loss)	(157.14)	916.58
Net cash flows from (used in) operations	(127.24)	839.99
Dividends received		
Interest paid		
Interest received		
Income taxes paid (refund)	5.89	(18.05)
Other inflows (outflows) of cash		
Net cash flows from (used in) operating activities	(121.35)	821.93
Cash flows from used in investing activities		
Cash flows from losing control of subsidiaries or other businesses		
Cash flows used in obtaining control of subsidiaries or other businesses		
Other cash receipts from sales of equity or debt instruments of other entities	22.17	4.73
Other cash payments to acquire equity or debt instruments of other entities		
Other cash receipts from sales of interests in joint ventures		
Other cash payments to acquire interests in joint ventures		
Cash receipts from share of profits of partnership firm or association of persons or limited liability partnerships		
Cash payment for investment in partnership firm or association of persons or limited liability partnerships		
Proceeds from sales of property, plant and equipment		
Purchase of property, plant and equipment	(0.05)	(0.37)
Proceeds from sales of investment property		
Purchase of investment property		
Proceeds from sales of intangible assets		
Purchase of intangible assets		
Proceeds from sales of intangible assets under development		
Purchase of intangible assets under development		
Proceeds from sales of goodwill		
Purchase of goodwill		
Proceeds from biological assets other than bearer plants		
Purchase of biological assets other than bearer plants		
Proceeds from government grants		
Proceeds from sales of other long-term assets		
Cash receipts from repayment of advances and loans made to other parties		
Cash payments for future contracts, forward contracts, option contracts and swap contracts		



Cash receipts from future contracts, forward contracts, option contracts and swapcontracts		
Dividends received	0.25	0.45
Interest received	163.53	160.73
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) investing activities	163.90	165.54
Cash flows from used in financing activities		
Proceeds from changes in ownership interests in subsidiaries		
Payments from changes in ownership interests in subsidiaries		
Proceeds from issuing shares		
Proceeds from issuing other equity instruments		
Payments to acquire or redeem entity's shares		
Payments of other equity instruments		
Proceeds from exercise of stock options		
Proceeds from issuing debentures notes bonds etc	(6.93)	(173.41)
Proceeds from borrowings		
Repayments of borrowings	(58.35)	(821.81)
Payments of finance lease liabilities		
Payments of lease liabilities	(4.80)	
Dividends paid		
Interest Paid		
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) financing activities	(70.08)	(995.22)
Net increase (decrease) in cash and cash equivalents before effect of exchange ratechanges	(5.53)	12.26
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	(5.53)	12.26
Cash and cash equivalents cash flow statement at beginning of period	35.06	22.80
Cash and cash equivalents cash flow statement at end of period	29.54	35.06
Notes		

The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meeting held on 29th June 2021. The Statutory auditors have conducted the audit of the above financial results and have expressed an unmodified report on the same.

For DCM Financial Services Ltd



(Shantanu Deveshwar)
Whole Time Director

Date: 29-06-2021

Place: New Delhi

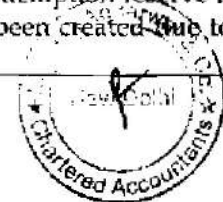


DCM FINANCIAL SERVICES LIMITED

ANNEXURE I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along -
with Annual Audited Financial Results - (Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2021				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations,2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	2,02,45,906	2,02,45,906
	2.	Total Expenditure	2,14,92,831	15,54,92,832
	3.	Net Profit/(Loss)	(12,46,925)	(13,52,46,926)
	4.	Earnings Per Share	(0.06)	(6.11)
	5.	Total Assets	38,93,29,244	38,93,29,244
	6.	Total Liabilities	38,93,29,244	38,93,29,244
	7.	Net Worth	(43,64,20,657)	(57,04,20,657)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
i	<p>Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one-man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one-man committee enumerated in the report. Under Scheme of One-Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholders' creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the financial statements on the outstanding amount of Debentures and Fixed Deposits. Had interest of Rs. 1,683 Lacs been provided for in the financial statements of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2021 would have been higher by Rs 1,340 Lacs. The same has been explained in Note 17.2 and Note 17.3</p>			
ii	<p>For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in Note 17.2.</p>			



iii The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in Note 17.2

iv Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation, the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer Note No-38

v **Contingent liabilities and Other Commitments**

v(a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2021

v(b) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court

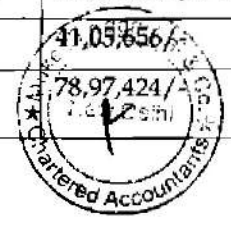
v(c) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
TOTAL		28,829,634/-

In current year, the award was given in respect of dispute that has arisen between NBCC Ltd. (Claimant) and DCM Financial Services Limited (Respondent) in relation to sale of Commercial Space-Upper Ground Floor NBCC Place, Pragati Vihar, New Delhi by the Claimant to the respondent.

The summary position of award is as under:

Party	Amount Claimed (in Rs.)	Awarded (in Rs.)
NBCC Ltd.- Claimant	4,34,95,374/-	41,05,656/-
DCM Financial Services Limited - Counter Claimant/Respondent	32,69,49,945/-	78,97,424/-



In addition to the above, Interest @ 10% is payable by both the parties on their respective amounts.
 That whereas NBCC has filed objections to the award in Delhi High Court in December 2020 and the same appears to be lying in objections.
 That DCM has also filed objection in Delhi High Court and the same has not being listed so far.

Key Audit Matters

i) We draw attention to Note 36 in the financial statements, which indicates that the Company incurred a net loss of Rs. 12,46,925 during the year ended March 31, 2021 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 41,44,90,516. The accumulated loss as on 31st March, 2021 stands to Rs. 85,86,42,383/- (Previous year Rs. 85,73,95,457/-). As on 31st March, 2021, the Company's total liabilities exceeded to its total assets by Rs. 43,64,20,657/- (Previous year Rs. 43,51,73,731/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under:-

The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court. It indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ii) We draw attention to Note 26 in the financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments described under Phase-I and Phase-II, but also realisability of funds from the disposal of Fixed Assets especially Building which is under dispute with Tenant as well as NBCC.

iii) We draw attention to Note 32 in the financial statements on the deposit Rs. 195,000,000 with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court. The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order DCM Services Limited deposited Rs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company till 31st March, 2021 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited by company or there would be no liability on the Company to either to pay the said amount or issue any shares in lieu of that. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

b. **Type of Audit Qualification:** Qualified Opinion i, ii, iii, iv and v

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing



	<p>i Repetitive since Sept 30th, 1999</p> <p>ii Repetitive since Sept,30th 1999</p> <p>iii Repetitive since Sept,30th 1999</p> <p>iv Repetitive since June,30th 1998</p> <p>v.a Repetitive since 31st March,2011-Tenant Claim</p> <p>v b Repetitive since 30th June,2012-MS Shoes</p> <p>v.c Repetitive since 30th June,2010-NBCC</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
i	<p>Provision of interest on certain liabilities covered under Para i and under notes 17.2. & 17.3 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court. Further, the quantum of interest, if any will be decided by the High Court of Delhi upon completion of phase II payments and sale of assets. Since, Management contends that no interest will be payable as per restructuring scheme no provision of interest is required to be made.</p>
ii	<p>Non-creation of debenture redemption reserve. The same cannot be created due to insufficient profits in the past against the redemption of debenture. This has no impact on financial results of the company as redemption reserve is to be created out of Reserve and Surplus available with the company. Company has commenced repayments in the earlier years as well as in the current Year as per directions of the Hon'ble High Court of Delhi vide order dated 10th Aug,2017 and recommendations of One Man Committee. Company is still not creating Debenture redemption Reserve for the same reason that it has no sufficient profits to do so.</p>
v	<p>(a) There are certain disputes with the tenant and the claim of tenant is contested in the suit for recovery filed by the Company and the same is pending arbitration. Company is hopeful of winning the Arbitration matter, so no provision of liability is made in this regard.</p>
	<p>(b) Company has preferred an appeal before Hon'ble High Court of Delhi in the MS Shoes East Limited matter against the arbitration order and the same pending adjudication. Company is hopeful of winning the Arbitration case, so no provision of liability is made in this regard.</p>
	<p>(c) Company has received a favorable award but the same has been challenged by both parties in High Court, so no provision of liability is made in this regard is made.</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>Management's estimation on the impact of audit qualification:</p>
Qualification (iii)	<p>Depletion in the value of Assets charged to Banks/Institution and Debentures in Para iii and covered under note relates to 17.2 ascertainment of Security against Debentures and Bank Loan, which could not be ascertained. Management is of the view that Repayment to Banks/ Institution and Debenture holders is being made as per Restructuring scheme and company has already made payments to Banks and Institution under Phase I and Phase II so the matter of depletion of security will not affect the repayment to them under the scheme.</p>
Qualification (iv)	<p>In view of litigation with creditors as mentioned in the iii above, it is not possible to obtain the balance confirmations from all creditors.</p> <p>Similarly, the company is in litigation with various lease and hire purchase customers also and the matters are sub-judice, hence confirmations and acknowledgements are not feasible from them also.</p>



	<p>Key Audit Matters Management View :</p> <p>Item (i) In light of fresh scheme of arrangement is pending before the Hon'ble High Court of Delhi and a part of the same is being implemented through the One Man Committee, the Company has plans for future business and income generation. Accordingly, it is not only prudent but also imperative to draw the financial statements based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity So the accounts are drawn on the basis that company is a Going Concern.</p> <p>Item ii Company is hopeful that scheme will be implemented successfully, and funds will be realized from disposal of fixed Assets including NBCC Building. As per the scheme sufficient funds will be available to pay all its debts.</p> <p>Item iii Company contends that funds which are deposited with Hon'ble High Court will be either used to pay off debts of the company or will be refunded to the promoter company, so the financial entry of such amount is not required in books of accounts.</p>
	<p>ii) If management is unable to estimate the impact, reasons for the same:</p>
Qualification (iii)	<p>Due to charge created earlier on assets against dues to the banks, and debenture holders these have been shown as secured and there is no financial impact.</p>
Qualification (iv)	<p>As mentioned in the qualification related to balance confirmation that it's not feasible to get the confirmation from Creditors as well as from debtors and receivable due to various cases against them. Management cannot determine the impact due to non confirmation of balances. However Wherever, necessary provision for NPAs have already been created in accordance with RBI guidelines and no further financial impact can be estimated.</p>
Key Audit Matters	<p>i) As explained earlier the accounts have been prepared on the basis of going concern basis on account of pending restructuring scheme and hence the management is unable to estimate the impact.</p> <p>ii) The scheme has been examined by a Committee appointed by the Hon'ble High Court of Delhi and its under implementation under the supervision of Court. In view of this management is unable to estimate any financial impact.</p> <p>iii) At present the funds are deposited with the Court by the promoter and as the same are to be utilized in the implementation of the scheme. The funds once released to Company will be utilized as per directions of the Court and as such no impact has been taken in books of account.</p>
	<p>(iii) Auditors' Comments on above:</p>
	<p>Qualification (iii)</p> <p>The value of assets charged as security in favor of banks, debenture holders & financial institutions have depleted over a period of time. This qualification has bearing on disclosure of liabilities as Secured Vs Unsecured. The depletion has not yet been ascertained by the Company. It needs to be ascertained for appropriate disclosure as per Schedule III of Companies Act 2013. Accordingly, to the extent shortfall, if any, the liability is unsecured, the same has been shown as secured which is incorrect disclosure. The same is read as per audit report.</p>



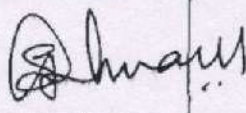

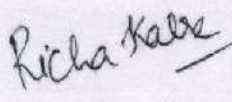


Qualification (iv)

Balance confirmations are essential component of auditing. Third Party confirmations confirms the management point of view and balances considered by it for financial statements. If third party does not agree with the balance then it is necessary to prepare reconciliation and examine whether any claim of income or charge skipped to be recorded. In the absence of such confirmations it was not feasible for us to determine any financial impact which could be there. The balances considered by it are the initial balances in 1998 and adjusted thereafter if any payment has been made. The qualifications has been determined by considering the claims lodged initially by such parties. Fresh Restructuring scheme submitted in the year 2004 with Hon'ble Delhi High Court and no attempt has been made by the management to get the confirmation of balances of bills receivable and payable, advances, receivables and payables relating to lease and hire purchase, lease security deposit, confirmation of inter-corporate deposits, balance of ex-employees, margin against I/C loans from institutions, banks and other receivables and payable. Accordingly it is not feasible for us ascertain whether any claim or income or charge has been skipped to be recorded which could have financial impact. The same is read as per audit report.

Key Audit matters:

- (i) Same as explained above
- (ii) Same as explained above
- (iii) Same as explained above



III.	Signatories:	
	• CEO/Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	 
	Place: New Delhi	
	Date: 29 th June 2021	

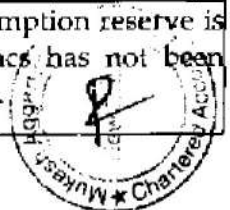


DCM FINANCIAL SERVICES LIMITED

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along - with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	2,03,51,369	2,03,51,369
	2.	Total Expenditure	2,16,35,831	15,56,35,831
	3.	Net Profit/(Loss)	(12,84,461)	(13,52,84,461)
	4.	Earnings Per Share	(0.06)	(6.11)
	5.	Total Assets	39,16,53,868	39,16,53,868
	6.	Total Liabilities	39,16,53,868	39,16,53,868
	7.	Net Worth	(43,41,73,153)	(56,81,73,153)
	8.	Any other financial item(s) (as felt appropriate by the management)		
ii.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
i	<p>Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one-man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one-man committee enumerated in the report. Under Scheme of One-Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholders' creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the financial statements on the outstanding amount of Debentures and Fixed Deposits.</p> <p>Had interest of Rs. 1,683 Lacs been provided for in the financial statements of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2021 would have been higher by Rs 1,340 Lacs. The same has been explained in Note 17.2 and Note 17.3</p>			
ii	<p>For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in Note 17.2.</p>			



iii	The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in Note 17.2.
iv	Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation, the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ.
v	Contingent liabilities and Other Commitments
	v(a) During the year ended 30 th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31 st March, 2021
	v(b) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court



v(c) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
TOTAL		28,829,634/-

In current year, the award was given in respect of dispute that has arisen between NBCC Ltd. (Claimant) and DCM Financial Services Limited (Respondent) in relation to sale of Commercial Space-Upper Ground Floor NBCC Place, Pragati Vihar, New Delhi by the Claimant to the respondent.

The summary position of award is as under:

Party	Amount Claimed (in Rs.)	Awarded (in Rs.)
NBCC Ltd.- Claimant	4,34,95,374/-	41,05,656/-
DCM Financial Services Limited - Counter Claimant/Respondent	32,69,49,945/-	78,97,424/-

In addition to the above, Interest @ 10% is payable by both the parties on their respective amounts.

That whereas NBCC has filed objections to the award in Delhi High Court in Dec 2020 and the same appears to be lying in objections.

That DCM has also filed objection in Delhi High Court and the same has not being listed so far.



Key Audit Matters

i) We draw attention to **Note 36** in the financial statements, which indicates that the Company incurred a net loss of Rs. 12,46,925 during the year ended March 31, 2021 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 41,44,90,516. The accumulated loss as on 31st March, 2021 stands to Rs. 85,86,42,383/- (Previous year Rs. 85,73,95,457/-). As on 31st March, 2021, the Company's total liabilities exceeded to its total assets by Rs. 43,64,20,657/- (Previous year Rs. 43,51,73,731/-).


As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under:-

The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court. It indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ii) We draw attention to **Note 26** in the financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments described under Phase-I and Phase-II, but also realisability of funds from the disposal of Fixed Assets especially Building which is under dispute with Tenant as well as NBCC.

iii) We draw attention to **Note 32** in the financial statements on the deposit Rs. 195,000,000 with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court. The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order DCM Services Limited deposited Rs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company till 31st March, 2021 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited by company or there would be no liability on the Company to either to pay the said amount or issue any shares in lieu of that. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

b. **Type of Audit Qualification :** Qualified Opinion i,ii,iii,iv and v

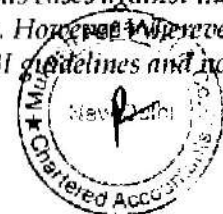



Anurag Aggarwal
Chartered Accountant

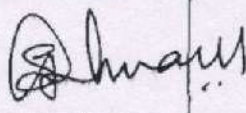

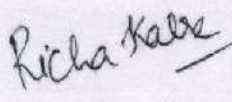


	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p>
	<p>i Repetitive since Sept 30th, 1999 ii Repetitive since Sept,30th 1999 iii Repetitive since Sept,30th 1999 iv Repetitive since June,30th 1998 v.a Repetitive since 31st March,2011-Tenant Claim v b Repetitive since 30th June,2012-MS Shoes v.c Repetitive since 30th June,2010-NBCC</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
i	<p>Provision of interest on certain liabilities covered under Para i and under notes 17.1. & 17.4 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court. Further, the quantum of interest, if any will be decided by the High Court of Delhi upon completion of phase II payments and sale of assets. Since, Management contends that no interest will be payable as per restructuring scheme no provision of interest is required to be made.</p>
ii	<p>Non-creation of debenture redemption reserve. The same cannot be created due to insufficient profits in the past against the redemption of debenture. This has no impact on financial results of the company as redemption reserve is to be created out of Reserve and Surplus available with the company. Company has commenced repayments in the earlier years as well as in the current Year as per directions of the Hon'ble High Court of Delhi vide order dated 10th Aug,2017 and recommendations of One Man Committee. Company is still not creating Debenture redemption Reserve for the same reason that it has no sufficient profits to do so.</p>
iii	<p>Depletion in the value of Assets charged to Banks/Institution and Debentures in Para iii and covered under Note 17.2. relates to ascertainment of Security against Debentures and Bank Loans, which could not be ascertained since the Company is in litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence Confirmations and acknowledgements are not feasible.</p>
iv	<p>In view of litigation with creditors as mentioned in the Para iii, its not possible to obtain the balance confirmations</p>
v	<p>(a) There are certain disputes with the tenant and the claim of tenant is contested in the suit for recovery filed by the Company and the same is pending arbitration. Company is hopeful of winning the Arbitration matter, so no provision of liability is made in this regard.</p>
	<p>(b) Company has preferred an appeal before Hon'ble High Court of Delhi in the MS Shoes East Limited matter against the arbitration order and the same pending adjudication. Company is hopeful of winning the Arbitration case, so no provision of liability is made in this regard.</p>
	<p>(c) Company has received a favorable award but the same has been challenged by both parties in High Court, so no provision of liability is made in this regard is made.</p>



	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>Management's estimation on the impact of audit qualification:</p>
iii	<p>Depletion in the value of Assets charged to Banks/Institution and Debentures in Para iii and covered under note relates to 17.2 ascertainment of Security against Debentures and Bank Loan, which could not be ascertained. Management is of the view that Repayment to Banks/ Institution and Debenture holders is being made as per Restructuring scheme and company has already made payments to Banks and Institution under Phase I and Phase II so the matter of depletion of security will not affect the repayment to them under the scheme.</p>
iv	<p>in view of litigation with creditors as mentioned in the iii above , it is not possible to obtain the balance confirmations from all creditors.</p> <p>Similarly, the company is in litigation with various lease and hire purchase customers also and the matters are sub-judice, hence confirmations and acknowledgements are not feasible from them also.</p>
	<p>Key Audit Matters Management View :</p> <p>Item i) In light of fresh scheme of arrangement is pending before the Hon'ble High Court of Delhi and a part of the same is being implemented through the One Man Committee, the Company has plans for future business and income generation. Accordingly, it is not only prudent but also imperative to draw the financial statements based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity So the accounts are drawn on the basis that company is a Going Concern.</p> <p>Item ii Company is hopeful that scheme will be implemented successfully, and funds will be realized from disposal of fixed Assets including NBCC Building. As per the scheme sufficient funds will be available to pay all its debts.</p> <p>Item iii Company contends that funds which are deposited with Hon'ble High Court will be either used to pay off debts of the company or will be refunded to the promoter company, so the financial entry of such amount is not required in books of accounts.</p>
	<p>If management is unable to estimate the impact, reasons for the same:</p>
Qualification (iii)	<p>Due to charge created earlier on assets against dues to the banks, and debenture holders these have been shown as secured and there is no financial impact.</p>
Qualification (iv)	<p>As mentioned in the qualification related to balance confirmation that it's not feasible to get the confirmation from Creditors as well as from debtors and receivable due to various cases against them. Management cannot determine the impact due to non confirmation of balances. However, wherever necessary provision for NPAs have already been created in accordance with RBI guidelines and no further financial impact can be estimated.</p>



Key Audit Matters	<p>i) As explained earlier the accounts have been prepared on the basis of going concern basis on account of pending restructuring scheme and hence the management is unable to estimate the impact.</p> <p>ii) The scheme has been examined by a Committee appointed by the Hon'ble High Court of Delhi and its under implementation under the supervision of Court.</p> <p>iii) At present the funds are deposited with the Court by the promoter and as the same are to be utilized in the implementation of the scheme. The funds once released to Company will be utilized as per directions of the Court and as such no impact has been taken in books of account.</p>
	<p>Auditors' Comments above:</p>
	<p>Qualification (iii) The value of assets charged as security in favor of banks, debenture holders & financial institutions have depleted over a period of time. This qualification has bearing on disclosure of liabilities as Secured Vs Unsecured. The depletion has not yet been ascertained by the Company. It needs to be ascertained for appropriate disclosure as per Schedule III of Companies Act 2013. Accordingly, to the extent shortfall, if any, the liability is unsecured, the same has been shown as secured which is incorrect disclosure. The same is read as per audit report.</p>
	<p>Qualification (iv) Balance confirmations are essential component of auditing. Third Party confirmations confirm the management point of view and balances considered by it for financial statements. If third party does not agree with the balance then it is necessary to prepare reconciliation and examine whether any claim of income or charge skipped to be recorded. In the absence of such confirmations it was not feasible for us to determine any financial impact which could be there. The balances considered by it are the initial balances in 1998 and adjusted thereafter if any payment has been made. The qualifications has been determined by considering the claims lodged initially by such parties. Fresh Restructuring scheme submitted in the year 2004 with Hon'ble Delhi High Court and no attempt has been made by the management to get the confirmation of balances of bills receivable and payable, advances, receivables and payables relating to lease and hire purchase, lease security deposit, confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C loans from institutions, banks and other receivables and payable. Accordingly it is not feasible for us ascertain whether any claim or income or charge has been skipped to be recorded which could have financial impact. The same is read as per audit report.</p>
	<p>Key Audit matters:</p> <p>(i) Same as explained above</p> <p>(ii) Same as explained above</p> <p>(iii) Same as explained above</p> <div style="text-align: right; margin-top: 20px;">  </div>

III.	Signatories:	
	• CEO/Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	 
	Place: New Delhi	
	Date: 29 th June 2021	





Date: 29.06.2021

The Head- Listing Compliance BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400001 Scrip Code: 511611	The Head- Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Mumbai - 400 051 Stock Code: DCMFINSERV	The Manager The Calcutta Stock Exchange Ltd. 7, Lyons Range, Murgighata, BBD Bagh, Kolkata, West Bengal- 700001 Scrip Code: 014032
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Sub: Declaration on Audit Report for the year ended 31st March, 2021

Dear Sir/Madam,

We hereby declare, on behalf of **DCM Financial Services Limited** that Audit report in respect to Annual Audited financial Results for the period ended 31st March, 2021 submitted by **Mukesh Aggarwal & Co.,** Statutory Auditor of the Company is with **modified opinion** of the Statutory Auditor.

Kindly take the same in your records.

Thanking You

For DCM Financial Services Limited

Shantanu Deveshwar
Whole Time Director
DIN: 08268523

Place: New Delhi

DCM FINANCIAL SERVICES LIMITED

CIN: L65921DL1991PLC043087
Regd. Office: D 7/3, Okhla Industrial Area-II, New Delhi-110020
Tel-011-26387750
email ID: info@dfsionline.in
Website: www.dfsionline.in



Date: 29.06.2021

The Head- Listing Compliance BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, FortMumbai- 400001 Scrip Code: 511611	The Head- Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Mumbai - 400 051 Stock Code: DCMFINSERV	The Manager The Calcutta Stock Exchange Ltd. 7, Lyons Range, Murgighata, BBD Bagh, Kolkata, West Bengal- 700001 Scrip Code: 014032
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Subject: Non Applicability of Compliance with Statement of Deviation(s) or Variation(s) as per Regulation 32 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015- For the quarter and year ended March 31, 2021

Sir/Madam,

With reference to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the disclosure of Statement of Deviation(s) or Variation(s) under the said regulation is not applicable to the Company.

Kindly take the same in your records.

For DCM Financial Services Limited

Shantanu Deveshwar
Whole Time Director
DIN: 08268523

Place: New Delhi

DCM FINANCIAL SERVICES LIMITED

CIN: L65921DL1991PLC043087
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MUKESH AGGARWAL & CO.
CHARTERED ACCOUNTANTS

102-103, IJS Palace, X-320, Delhi Gate Bazar,
Asaf Ali Road, New Delhi-110002
Tel : 011-4302 8025

Independent Auditors' Report

To the Members of
DCM FINANCIAL SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **DCM FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion paragraph**, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2021; and
- (b) In the case of Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2021.
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on date March 31, 2021.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2021.

Basis for Qualified Opinion

- (i) Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one-man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one-man committee enumerated in the report. Under Scheme of One-Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed

Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholders' creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the financial statements of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2021 would have been higher by Rs 1,340 Lacs. The same has been explained in Note 17.2 and Note 17.3

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in Note 17.2.
- (iii) The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in Note 17.2.
- (iv) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation, the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer Note No-38
- (v) **Contingent liabilities and Other Commitments**
 - v(a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages



suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2021.

- v(b) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.
- v(c) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S. No.	Description	Amount
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In current year, the award was given in respect of dispute that has arisen between NBCC Ltd. (Claimant) and DCM Financial Services Limited (Respondent) in relation to sale of Commercial Space-Upper Ground Floor NBCC Place, Pragati Vihar, New Delhi by the Claimant to the respondent.

The summary position of award is as under:

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That whereas NBCC has filed objections to the award in Delhi High Court in Dec 2020 and the same appears to be lying in objections.

That DCM has also filed objection in Delhi High Court and the same has not being listed so far.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report: -

- (i) We draw attention to **Note 36** in the financial statements, which indicates that the Company incurred a net loss of Rs. 12,46,925 during the year ended March 31, 2021 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 41,44,90,516. The accumulated loss as on 31st March, 2021 stands to Rs. 85,86,42,383/- (Previous year Rs. 85,73,95,457/-). As on 31st March, 2021, the Company's total liabilities exceeded to its total assets by Rs. 43,64,20,657/- (Previous year Rs. 43,51,73,731/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under:-

The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court. It indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

- (ii) We draw attention to **Note 26** in the financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments described under Phase-I and Phase-II, but also realisability of funds from the disposal of Fixed Assets especially Building which is under dispute with Tenant as well as NBCC.
- (iii) We draw attention to **Note 32** in the financial statements on the deposit Rs. 195,000,000 with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court. The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and



pursuant to the court order DCM Services Limited deposited Rs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company till 31st March, 2021 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited by company or there would be no liability on the Company to either to pay the said amount or issue any shares in lieu of that. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

Other Matter

We draw attention to **Note 40** to the financial statements, regarding management's assessment of Covid-19 impact on the future performance of the company. Our report is not modified in respect of the matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Report on Corporate Governance and General Shareholders Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the



accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,



to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - a. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matter described in the Basis for Qualified Opinion and Key Audit Matters paragraph above, in our opinion, may have a qualified effect on the functioning of the Company.
- f. On the basis of the representations received from the directors as on 31st March 2021 taken on the record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'** ; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements;
 - ii. The Company has made necessary provision in its financial statements under the applicable law or Indian accounting standards, wherever required;
 - iii. The company moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule for fixed depositors, debenture-holders and other creditors of the Company. The company filed a Fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the



"Fresh Restructuring Scheme" before the Hon'ble Delhi High Court on 24th September 2004 mentioning therein repayment schedule.

Justice Anil Kumar as one-man committee was appointed vide order dated: - 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one-man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one-man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I and the company is still in continuation of making payments as per Phase I for the year ended 31st March 2021. Also the company has started making payments as per Phase II simultaneously during the current financial year.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors in full who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them. Also company has also started paying balance 30% to creditors to whom 70% has already been paid previously. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

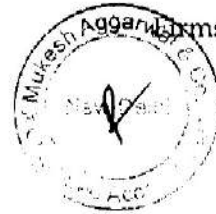
The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court.



All the unpaid matured Public Fixed Deposits of Rs 4849.31 Lacs Unpaid Matured Debentures of Rs. 1841.74 Lacs which was more than seven year old. Accordingly except the matter stated above, there has been no delay in transferring amounts or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. **Refer Note No 17.2 and 17.3.**

For Mukesh Aggarwal & Co.

Chartered Accountants



Firms Registration No. 011393N

(Handwritten Signature)
(Rishi Mittal)

Partner

Membership No. 521860

Place: Delhi

Date: 29th June 2021

Annexure 'A' to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with such program, the management has physically verified its fixed assets during the year and no material discrepancies were noticed by them.
- (c) The title deeds of immovable properties are held in the name of the company.
2. The company does not hold any inventory as on 31st March 2021
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Consequently, sub-clauses 3 (a), (b) & (c) of this clause are not applicable.
4. The Company has not made any transaction in respect of loans covered under section 185 of the Companies Act 2013. In respect of loans, investments, guarantees and security covered under section 186 of the Companies Act, 2013, the provisions of the said section 186 have been duly complied except a case mentioned in our Basis of Opinion Para(v).
5. The Company has not accepted any deposits from the public during the year. The directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Companies Act 2013 are not applicable on all the unpaid matured public Fixed Deposits of Rs 4849.31 Lacs. Unpaid Matured Debentures of Rs. 1841.74 Lacs standing as at 31st March, 2021 which were accepted in prior periods in view of filing of Fresh Restructuring Scheme filed with Hon'ble Delhi High Court on 25th September, 2004.

Justice Anil Kumar as one-man committee was appointed vide order dated: - 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one-man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one-man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having



deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2021, Company is in continuation of paying the amount as per Phase-I and company has started making payments as per Phase II simultaneously during the current financial year.

The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court. The company contends that the aforesaid Public Deposits and payment to Debenture-holders shall be settled as per schedule laid down by the implementation of One-Man Committee outcome of Fresh Restructuring Scheme.

6. In accordance with the information given by the management the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, duty of customs, cess and any other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, there was no undisputed amounts payable in respect of the above dues which were outstanding as at 31st March, 2021 for a period of more than six months from the date of their becoming payable.
- (c) According to the information and explanations given to us and the records of company produced before us, there was no disputed Statutory Dues pending before appropriate authorities.



8. The company had defaulted in the repayment of dues to financial institutions, banks and debenture holders.

Although the company is continuing its default in the repayment of dues to debenture holders as explained in **Note No-17.2** of Notes to Accounts.

The matter is sub-judice with Hon'ble Delhi High Court as the company had filed a Fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. 5000 or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2021, Company is paying the amount as per Phase-I and has simultaneously started making payments under Phase-II during the current financial year.

The matter regarding payment to aforesaid Financial Institution Parties are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court. The company contends that the payment to aforesaid Financial Institution Parties shall be settled as per schedule laid down by the implementation of One Man Committee outcome of Fresh Restructuring Scheme.

9. According to the information and explanations given to us, during the year the Company has not raised money by way of initial public offer and term loans.



10. According to the information and explanations given to us, no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
 11. The company has paid managerial remuneration as per provisions of section 197 read with Schedule V to the Companies Act, 2013 and on the basis of approval received from Central Government on 1st May, 2017 which contains payment of managerial remuneration of not more than Rs 3.99 Lac per annum. No further order has been passed. However, the company has made payment of Rs. 3,75,648 during the current financial year.
 12. The company is not a Nidhi Company and hence clause 3 (xii) is not applicable.
 13. The transactions with the related parties made by the Company are in compliance with sections 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Indian Accounting Standards.
 14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause 3 (xiv) is not applicable.
 15. During the year, the company has not entered into any non- cash transactions with directors or persons connected with him and hence provision of section 192 of Companies Act 2013 is not applicable.
 16. Initially the company was NBFC. However, renewal of application for registration has been rejected by RBI in 2004. In view of rejection of NBFC license, Section 45-1A of Reserve Bank of India Act, 1934 is not applicable on this company.
-

For Mukesh Aggarwal & Co.

Chartered Accountants

Firms Registration No. 011393N



(Handwritten signature of Rishi Mittal)

(Rishi Mittal)

Partner

Membership No. 521860

Place: Delhi

Date: 29th June 2021

Annexure 'B' to Independent Auditors' Report

Referred to in Paragraph 2 (f) under the heading of "report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DCM FINANCIAL SERVICES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal policies & procedures, accounting records and essential components on the internal control over financial reporting criteria established by the Company as per Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.

We have considered the disclaimer reported above in determining the nature, volume of transactions, materiality, timing, and extent of audit test applied in our audit of the standalone financial statement of the company and the disclaimer does not affect our opinion on the standalone financial statements of the company.

For Mukesh Aggarwal & Co.

Chartered Accountants

Firms Registration No. 011393N



(Rishi Mittal)

Partner

Membership No. 521860

Place: Delhi

Date: 29th June 2021

UDIN 21521860AAAABG9568



MUKESH AGGARWAL & CO.
CHARTERED ACCOUNTANTS

102-103, IJS Palace, X-320, Delhi Gate Bazar,
Asaf Ali Road, New Delhi-110002
Tel : 011-4302 8025

Independent Auditors' Report

To the Members of
DCM FINANCIAL SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

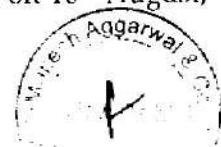
We have audited the accompanying consolidated financial statements of DCM FINANCIAL SERVICES LIMITED ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as the 'Group') which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion paragraph**, the aforesaid standalone Ind AS consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the Company as at March 31, 2021; and
- (b) In the case of Consolidated Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2021.
- (c) In the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on date March 31, 2021.
- (d) In the case of Consolidated Statement of changes in equity for the year ended on date March 31, 2021.

Basis for Qualified Opinion

- (i) Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August,



2017 accepted the recommendation of one man committee enumerated in the report. Under Scheme of One Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholder creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the consolidated financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the consolidated financial statements of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2021 would have been higher by Rs 1,340 Lacs. The same has been explained in **Note 17.2 and Note 17.3**

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in **Note 17.2**.
- (iii) The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in **Note 17.2**
- (iv) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation, the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer **Note No-38**



(v) **Contingent liabilities and Other Commitments**

- v(a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the holding company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2021.
- v(b) There is an award passed by the arbitrator against the holding company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the holding company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the holding company. The total financial impact comes to Rs. 36,358,448 which has been contested by Holding Company before Hon'ble Delhi High Court.
- v(c) Due to dispute with the builder namely M/s NBCC Ltd. from which the holding company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
TOTAL		28,829,634/-

In current year, the award was given in respect of dispute that has arisen between NBCC Ltd. (Claimant) and DCM Financial Services Limited (Respondent) in relation to sale of Commercial Space-Upper Ground Floor NBCC Place, Pragati Vihar, New Delhi by the Claimant to the respondent.

The summary position of award is as under:

Party	Amount Claimed (in Rs.)	Awarded (in Rs.)
NBCC Ltd.- Claimant	4,34,95,374/-	41,05,656/-



DCM Financial Services Limited - Counter Claimant/ Respondent	32,69,49,945/-	78,97,424/-
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In addition to the above, Interest @ 10% is payable by both the parties on their respective amounts.

That whereas NBCC has filed objections to the award in Delhi High Court in Dec 2020 and the same appears to be lying in objections.

That DCM has also filed objection in Delhi High Court and the same has not been listed so far.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:-

- (i) We draw attention to **Note 36** in the consolidated financial statements, which indicates that the Company incurred a net loss of Rs. 12,84,461 during the year ended March 31, 2021 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 41,22,43,012. The accumulated loss as on 31st March, 2021 stands to Rs. 85,67,02,303/- (Previous year Rs. 85,54,17,842/-). As on 31st March, 2021, the Company's total liabilities exceeded its total assets by Rs. 43,41,73,153/- (Previous year Rs. 43,28,88,693/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under:-

The Holding Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing, would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

- (ii) We draw attention to **Note 26** in the consolidated financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments described under Phase-I and Phase-II, but also realisation of funds from the disposal of Fixed Assets especially Building which is under dispute with Tenant as well as NBCC.



- (iii) We draw attention to **Note 32** in the consolidated financial statements on the deposit Rs. 195,000,000 with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court. The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order DCM Services Limited deposited Rs. 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company till 31st March, 2021 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited by company or there would be no liability on the Company to either to pay the said amount or issue any shares in lieu of that. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

Other Matter

We draw attention to **Note 40** to the financial statements, regarding management's assessment of Covid-19 impact on the future performance of the company. Our report is not modified in respect of the matter.

Information Other than the consolidated financial statements and Auditor's Report Thereon

The Board of Directors of Group is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Report on Corporate Governance and General Shareholders Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

The Board of Directors of Company is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether



the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - a. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, in our opinion proper books of account as required by law have been kept by so far as it appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. Except for the matters described in the Basis for Qualified Opinion and Other Key Matters paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e. The matter described in the Basis for Qualified Opinion and Other Key Matters paragraph above, in our opinion, may have a qualified effect on the functioning of the Group.
 - f. On the basis of the representations received from the directors as on 31st March 2021 taken on the record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act..
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A' ; and
 - h. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer **Note 28** to the consolidated financial statements;
- ii. The Group has made necessary provision in its consolidated financial statements under the applicable law or Indian accounting standards, wherever required;
- iii. The Company moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule for fixed depositors, debenture-holders and other creditors of the Company. The company filed a Fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "**Fresh Restructuring Scheme**" before the Hon'ble Delhi High Court on 24th September 2004 mentioning therein repayment schedule.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2018, During the year ended 31st March, 2018, Company started paying the amount as per Phase-I and the company is still in continuation of making payments as per Phase I for the year ended




31st March 2021. Also the company has started making payments as per Phase II simultaneously during the current financial year. The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors in full who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them. Also company has also started paying balance 30% to creditors to whom 70% has already been paid previously. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

All the unpaid matured Public Fixed Deposits of Rs 4849.31 Lacs Unpaid Matured Debentures of Rs. 1841.74 Lacs which was more than seven year old. Accordingly except the matter stated above, there has been no delay in transferring amounts or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note No 17.2 and 17.3.

There is no outstanding amounts in Subsidiary Company which are required to be transferred to the Investor Education and Protection Fund.

For Mukesh Aggarwal & Co.
Chartered Accountants

Registration No. 011393N

(Rishi Mittal)

Partner

Membership No. 521860

Place: Delhi

Date: 29th June 2021

Annexure 'A' to Independent Auditors' Report

Referred to in Paragraph 2 (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DCM FINANCIAL SERVICES LIMITED ("herein referred as the Company") and its subsidiary company as of March 31, 2021 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of Company and its subsidiary company is responsible for establishing and maintaining internal financial controls based on internal policies & procedures, accounting records and essential components on the internal control over financial reporting criteria established by the respective Company as per Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend



on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the Company and its subsidiary has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.

We have considered the disclaimer reported above in determining the nature, volume of transactions, materiality, timing, and extent of audit test applied in our audit of the financial statement of the company and the disclaimer does not affect our opinion on the financial statements of the company.



Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary, is based on solely on the corresponding reports of the auditors of such company incorporated in India.

For Mukesh Aggarwal & Co.
Chartered Accountants
Firms Registration No. 011393N



(Rishi Mittal)

Partner

Membership No. 521860

Place: Delhi
Date: 29th June 2021

UDIN: 21521860AAAABH6320