



Dated: 23.05.2023

The Head- Listing Compliance

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort Mumbai- 400001

The Head- Listing Compliance

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Mumbai - 400 051

The Head- Listing Compliance

The Calcutta Stock Exchange Ltd.
7, Lyons Range, Murgighata,
BBD Bagh, Kolkata,
West Bengal- 700001

Security Code: 511611

Stock Code: DCMFINSERV

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, May 23, 2023** (commenced at 04:00 P.M. and concluded at 8.45P.M.), have considered and approved, inter-alia, the following business(s):

1. Considered and approved the **Audited Standalone and 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 March 31, 2023. **(Copy Enclosed)**
2. 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, 2023 as placed by the Statutory Auditor of the Company. **(Copy Enclosed)**
3. Statement of Impact of Audit Qualification (for audit report with modified opinion) on Auditor's Report on Annual Standalone & Consolidated Financial Results for the year ended 31st March, 2023. **(Copy Enclosed)**

Kindly take the above information on your records.

For DCM Financial Services Limited

NIDHI
DEVESHWAR
(Nidhi Deveshwar)
Whole time Director
DIN: 09505480

Digitally signed by
NIDHI DEVESHWAR
Date: 2023.05.23
20:47:05 +05'30'

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: 23.05.2023

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BBD Bagh, Kolkata,
West Bengal- 700001

Sub: Declaration on Audit Report for the year ended 31st March, 2023

Dear Sir/Madam,

We hereby declare on behalf of **DCM Financial Services Limited** that Audit report in respect to Annual Standalone & Consolidated Audited Financial Results for the period ended 31st March, 2023 submitted by **M/s. V Sahai Tripathi & Co., Chartered Accountants**, Statutory Auditor of the Company is with **modified opinion** of the Statutory Auditor.

The Statement of Impact of Audit Qualifications (Standalone & Consolidated) is attached alongwith Annual Audited Financial Results.

Kindly take the above information on your records.

For DCM Financial Services Limited

NIDHI
DEVESHWAR

Digitally signed by
NIDHI DEVESHWAR
Date: 2023.05.23
20:38:47 +05'30'

(Nidhi Deveshwar)
Whole time Director
DIN: 09505480

Place: New Delhi

DCM FINANCIAL SERVICES LIMITED

CIN L65921DL1991PLC043087

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Website: www.dfsionline.in

V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

8-E, Hansalaya, 15 Barakhamba Road,
Connaught Place, New Delhi - 110001
Tel. : +91-11-23319596, 23352449,
+91-11-23324045
E-Mail : vst@sahaitripathi.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of
DCM FINANCIAL SERVICES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **M/S DCM FINANCIAL SERVICES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 and Key Audit Matters paragraph**, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, "Ind AS" and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

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 Lakhs are payable to Debenture Holders and Rs 1,448 Lakhs 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 Lakhs 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 Lakhs 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 Lakhs and Net Profit after tax would have been lowered by Rs. 1,340 Lakhs as at 31st March, 2018.

101, IJS Palace, X-320, Delhi Gate Bazar, Asaf Ali Road, New Delhi-110002

Tel. : +91-11- 23288326

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The cumulative net loss as well as Current Liabilities as at 31st March, 2023 would have been higher by Rs 1,340 Lakhs. The same has been explained in **Note 17.2** and **Note 17.3**

**The Hon'ble High Court of Delhi has appointed Mr. Laxmi Kant Gaur, District Judge (Retd.) vide its order dated 29th July 2021, as the One Man Committee in place of Hon'ble Mr. Justice Anil Kumar (in view of his unfortunate demise). The One Man Committee would continue from the stage at which the exercise assigned to the One Man Committee by the High Court stands, at the stage when Hon'ble Mr. Justice Anil Kumar unfortunately expired. The agenda of the One Man Committee would be as per the order dated 3rd September, 2015, read with subsequent orders passed, if any, in that regard.*

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lakhs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lakhs 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.-39)**

(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. 100.00 lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2023.

v(b) There is an award passed by the High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd.

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. 288.29 lacs 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. 288.29 lacs mentioned supra is as follows:

S. No.	Description	Amount (in lacs)
1.	Difference in super area Vs .provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00



7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31, 2021, 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 of position of award is as under:

Party	Amount Claimed (in Lacs)	Awarded (in Lacs)
NBCC Ltd.- Claimant	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97

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.

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2022 have been audited by predecessor auditor who have issued an qualified audit opinion on the financial statements for the year ended March 31, 2022 vide their report dated 27th May, 2022.

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 37** in the financial statements, which indicates that the Company has incurred a net loss of Rs. 484.74 lacs during the year ended March 31, 2023 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 4,514.06 lacs. The accumulated loss as on 31st March, 2023 stands to Rs. 9,023.42 lacs (Previous year Rs. 8,538.68 lacs). As on 31st March, 2023, the Company's total liabilities exceeded to its total assets by Rs. 4,801.20 lacs (Previous year Rs. 4316.48 lacs).
- (ii) As stated in **Note 37**, these events or conditions, along with other matters as set forth in Note 37 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.

- (iii) We draw attention to **Note 27** 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.
- (iv) We draw attention to **Note 33** in the financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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.

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 Board's Report including Annexure to Board's Report, 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.

Management's Responsibilities 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

The Board of Directors is 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 the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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) Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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;
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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".
 - g) 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 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 in this regard.

- h) 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, as amended, 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 litigation on the financial position in its financial statement – Refer Note 29 to the financial statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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 0.05 lacs 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 0.05 lacs and full amount be paid to those who have deposits of Rs. or less than Rs. 0.05 lacs 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 2023. 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 4,410.01 Lakhs and unpaid Matured Debentures of Rs. 1,685.59 Lakhs 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.**

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or

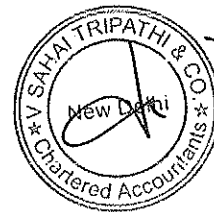


invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has neither declared nor paid any dividend during the year ending March 31, 2023. Also, no dividend has been proposed by the Board for the year ending March 31, 2023. Accordingly, reporting under Rule 11(f) is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



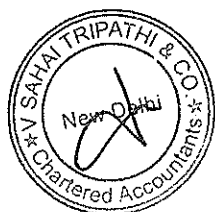
Vishwas Tripathi
(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has no intangible assets. Accordingly, reporting under this clause is not applicable.
- (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 according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
- ii. (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.
- (b) The company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments or granted loans or advances in the nature of loans or provided guarantee or security to other parties, during the year.
- (a) The company has not provided any loans or advances in the nature of loans or provided guarantee or security to any other entities during the year. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The Company has not made any investments or granted loans or advances in the nature of loans or provided guarantee or security to other parties during the year. Accordingly, reporting under clause 3(iii)(b) of the Order is not applicable.
- (c) In respect of loans granted by the Company during earlier years, no information is made available to us regarding the schedule of repayment of principal and payment of interest. Further, as explained to us, the recoverable balances against below mentioned loans are long outstanding and the company had recognised 100 % provision against the said loans. During the current financial year, the company has written off these loans against the 100% provisions.



Name of the entity	Amount Recoverable (In Lacs)
Inca Trading & Fin Serv	2.50
Manjit Overseas Pvt Ltd.	13.90
Perfect Drugs Ltd.	41.55

S Kalara & Co.	21.63
Total	79.58

- (d) The Company has no loans or advances in the nature of loans as at 31st March, 2023. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable. Loans reported under clause 3(iii)(c) above were overdue for more than 90 days. However all these loans were written off against 100 % provisions.
- (e) No loan granted by the Company during earlier years which has fallen due during the current year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.
- iv. The Company has not made any transaction in respect of loans covered under section 185 of the Companies Act 2013. In respect of loans and investments covered under section 186 of the Companies Act, 2013, the provisions of the said section 186 have been duly complied with.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Hence, reporting under clause 3(v) of the Order is not applicable.

However, 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 4,410.01 Lakhs and Unpaid Matured Debentures of Rs.1,685.59 Lakhs standing as at 31st March, 2023 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 0.05 lacs 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 0.05 lacs and full amount be paid to those who have deposits of Rs. or less than Rs.0.05 lacs 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, 2023, 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.

- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.



vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of statutory dues that are in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the record of the company examined by us, there were no disputed statutory dues that are pending before statutory authorities.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. In respect of loans and borrowings:

- (a) The company has defaulted in the repayment of dues to financial institutions, banks, debenture holders and the Inter Corporate Deposits borrowed from other companies as explained in **Note No.-14 and Note No.- 17** 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 0.05 lacs and full amount be paid to those who have deposits of Rs. 0.05 lacs or less than Rs.0.05 lacs in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase I 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, 2023, 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.

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.



- (d) On an overall examination of the financial statements of the Company, no funds have been raised on short term basis by the company during the year. In respect of funds raised by the company during earlier years, the matter is sub-judice with Hon'ble Delhi High Court (refer **Note No.-14 and Note No.- 17** of Notes to Accounts).
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person during the year on account of or to meet the obligations of its subsidiary. In respect of funds borrowed in earlier years, the matter is sub-judice with Hon'ble Delhi High Court (refer **Note No.-14 and Note No.- 17** of Notes to Accounts).
- (f) The company has not raised any loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. In respect of IPO / FPO and Private Placement / Preferential Allotment :
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of fraud and whistle blower complaints:
- (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act 2013, to the extent applicable, with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. In respect of Internal Audit System:
- (a) In our opinion and based on our examination, and according to the explanations 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, though the company has an internal audit system.(Refer Annexure B to this report).
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In respect of registration with RBI and reporting for Core Investment Company:
- (a) Initially the company was an NBFC. However, renewal of application for registration has been rejected by RBI in 2004. In view of rejection of NBFC license, Section 45-IA of Reserve Bank of India Act, 1934 is not applicable on this company. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under



clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has incurred cash losses of Rs. 46.26 lakhs and Rs. 10.13 lakhs during the current financial year and immediately preceding financial year, respectively.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. There has been resignation of the statutory auditors during the year and no objections, issues or concerns have been raised by the outgoing auditors in the no objection certificate and resignation letter, received from the outgoing auditor.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans, payment of borrowings and various other dues sub-judice with Hon'ble Delhi High Court and considering that the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern (refer note 37 of Notes to Accounts).
- xx. In our opinion, section 135 of the Companies Act 2013 is not applicable to the company. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S 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 Over Financial Reporting 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, 2023 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing 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, 2023.

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 V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



—(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To
The Members of
DCM FINANCIAL SERVICES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of M/S DCM FINANCIAL SERVICES LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 and Key Audit Matters paragraph**, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, "Ind AS" and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

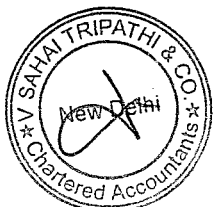
- (i) Justice Anil Kumar* as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one-man 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 Lakhs are payable to Debenture Holders and Rs 1,448 Lakhs 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 Lakhs 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 Lakhs 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 Lakhs and Net Profit after tax would have been lowered by Rs. 1,340 Lakhs as at 31st March, 2018.

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The cumulative net loss as well as Current Liabilities as at 31st March, 2023 would have been higher by Rs 1,340 Lakhs. The same has been explained in **Note 17.2** and **Note 17.3**

**The Hon'ble High Court of Delhi has appointed Mr. Laxmi Kant Gaur, District Judge (Retd.) vide its order dated 29th July 2021, as the One Man Committee in place of Hon'ble Mr. Justice Anil Kumar (in view of his unfortunate demise). The One Man Committee would continue from the stage at which the exercise assigned to the One Man Committee by the High Court stands, at the stage when Hon'ble Mr. Justice Anil Kumar unfortunately expired. The agenda of the One Man Committee would be as per the order dated 3rd September, 2015, read with subsequent orders passed, if any, in that regard.*

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lakhs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lakhs 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.-39)**

(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. 100.00 lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2023.

v(b) There is an award passed by the High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd.

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. 288.29 lacs 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. 288.29 lacs mentioned supra is as follows:

S. No.	Description	Amount (in lacs)
1.	Difference in super area Vs .provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00



7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31, 2021, 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 of position of award is as under:

Party	Amount Claimed (in Lacs)	Awarded (in Lacs)
NBCC Ltd.- Claimant	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97

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.

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2022 have been audited by predecessor auditor who have issued an qualified audit opinion on the financial statements for the year ended March 31, 2022 vide their report dated 27th May, 2022.

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 37** in the financial statements, which indicates that the Company has incurred a net loss of Rs. 484.74 lacs during the year ended March 31, 2023 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 4,514.06 lacs. The accumulated loss as on 31st March, 2023 stands to Rs. 9,023.42 lacs (Previous year Rs. 8,538.68 lacs). As on 31st March, 2023, the Company's total liabilities exceeded to its total assets by Rs. 4,801.20 lacs (Previous year Rs. 4316.48 lacs).
- (ii) As stated in **Note 37**, these events or conditions, along with other matters as set forth in Note 37 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.

- (iii) We draw attention to **Note 27** 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.
- (iv) We draw attention to **Note 33** in the financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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.

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 Board's Report including Annexure to Board's Report, 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.

Management's Responsibilities 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

The Board of Directors is 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 the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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) Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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;
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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".
 - g) 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 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 in this regard.

- h) 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, as amended, 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 litigation on the financial position in its financial statement – Refer Note 29 to the financial statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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 0.05 lacs 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 0.05 lacs and full amount be paid to those who have deposits of Rs. or less than Rs. 0.05 lacs 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 2023. 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 4,410.01 Lakhs and unpaid Matured Debentures of Rs. 1,685.59 Lakhs 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.**

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or

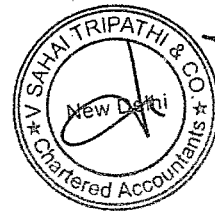


invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has neither declared nor paid any dividend during the year ending March 31, 2023. Also, no dividend has been proposed by the Board for the year ending March 31, 2023. Accordingly, reporting under Rule 11(f) is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has no intangible assets. Accordingly, reporting under this clause is not applicable.
- (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 according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
- ii. (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.
- (b) The company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments or granted loans or advances in the nature of loans or provided guarantee or security to other parties, during the year.
- (a) The company has not provided any loans or advances in the nature of loans or provided guarantee or security to any other entities during the year. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The Company has not made any investments or granted loans or advances in the nature of loans or provided guarantee or security to other parties during the year. Accordingly, reporting under clause 3(iii)(b) of the Order is not applicable.
- (c) In respect of loans granted by the Company during earlier years, no information is made available to us regarding the schedule of repayment of principal and payment of interest. Further, as explained to us, the recoverable balances against below mentioned loans are long outstanding and the company had recognised 100 % provision against the said loans. During the current financial year, the company has written off these loans against the 100% provisions.



Name of the entity	Amount Recoverable (In Lacs)
Inca Trading & Fin Serv	2.50
Manjit Overseas Pvt Ltd.	13.90
Perfect Drugs Ltd.	41.55

S Kalara & Co.	21.63
Total	79.58

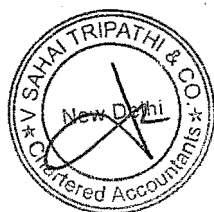
- (d) The Company has no loans or advances in the nature of loans as at 31st March, 2023. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable. Loans reported under clause 3(iii)(c) above were overdue for more than 90 days. However all these loans were written off against 100 % provisions.
- (e) No loan granted by the Company during earlier years which has fallen due during the current year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.
- iv. The Company has not made any transaction in respect of loans covered under section 185 of the Companies Act 2013. In respect of loans and investments covered under section 186 of the Companies Act, 2013, the provisions of the said section 186 have been duly complied with.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Hence, reporting under clause 3(v) of the Order is not applicable.

However, 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 4,410.01 Lakhs and Unpaid Matured Debentures of Rs.1,685.59 Lakhs standing as at 31st March, 2023 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 0.05 lacs 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 0.05 lacs and full amount be paid to those who have deposits of Rs. or less than Rs.0.05 lacs in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase I 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, 2023, 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.

- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.



vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of statutory dues that are in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the record of the company examined by us, there were no disputed statutory dues that are pending before statutory authorities.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. In respect of loans and borrowings:

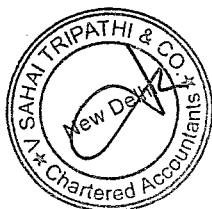
- (a) The company has defaulted in the repayment of dues to financial institutions, banks, debenture holders and the Inter Corporate Deposits borrowed from other companies as explained in **Note No.-14 and Note No.- 17** of Notes to Accounts.

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 0.05 lacs and full amount be paid to those who have deposits of Rs. 0.05 lacs or less than Rs.0.05 lacs 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, 2023, 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.

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.



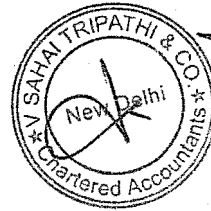
- (d) On an overall examination of the financial statements of the Company, no funds have been raised on short term basis by the company during the year. In respect of funds raised by the company during earlier years, the matter is sub-judice with Hon'ble Delhi High Court (refer **Note No.-14 and Note No.- 17** of Notes to Accounts).
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person during the year on account of or to meet the obligations of its subsidiary. In respect of funds borrowed in earlier years, the matter is sub-judice with Hon'ble Delhi High Court (refer **Note No.-14 and Note No.- 17** of Notes to Accounts).
- (f) The company has not raised any loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. In respect of IPO / FPO and Private Placement / Preferential Allotment :
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of fraud and whistle blower complaints:
- (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act 2013, to the extent applicable, with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. In respect of Internal Audit System:
- (a) In our opinion and based on our examination, and according to the explanations 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, though the company has an internal audit system.(Refer Annexure B to this report).
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In respect of registration with RBI and reporting for Core Investment Company:
- (a) Initially the company was an NBFC. However, renewal of application for registration has been rejected by RBI in 2004. In view of rejection of NBFC license, Section 45-IA of Reserve Bank of India Act, 1934 is not applicable on this company. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under



clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has incurred cash losses of Rs. 46.26 lakhs and Rs. 10.13 lakhs during the current financial year and immediately preceding financial year, respectively.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. There has been resignation of the statutory auditors during the year and no objections, issues or concerns have been raised by the outgoing auditors in the no objection certificate and resignation letter, received from the outgoing auditor.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans, payment of borrowings and various other dues sub-judice with Hon'ble Delhi High Court and considering that the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern (refer note 37 of Notes to Accounts).
- xx. In our opinion, section 135 of the Companies Act 2013 is not applicable to the company. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S 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 Over Financial Reporting 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, 2023 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing 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

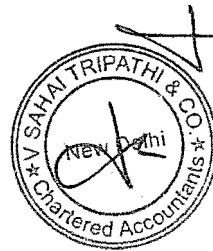
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2023.

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 V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



-(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

UDIN:23086897BGXRWZ6569

DCM FINANCIAL SERVICES LIMITED		
AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023		
<i>Particulars</i>	Amount in Lakhs	
	Year ended March 31, 2023 (01.04.2022 to 31.03.2023) (Audited)	Year ended March 31, 2022 (01.04.2021 to 31.03.2022) (Audited)
Cash flow from Operating Activities		
Profit Before Tax	(90.46)	87.82
Adjustments for		
Adjustments for finance costs	0.42	0.94
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	(0.91)	(0.27)
Adjustments for other financial assets, non-current	(5.25)	
Adjustments for other financial assets, current	(26.02)	0.94
Adjustments for other bank balances	497.24	135.31
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	0.13	5.74
Adjustments for increase (decrease) in other non-current liabilities		
Adjustments for depreciation and amortisation expense	28.67	31.94
Adjustments for impairment loss reversal of impairment loss recognised in profit or loss		(15.66)
Adjustments for provisions, current	4.80	(0.92)
Adjustments for provisions, non-current	2.72	3.50
Adjustments for other financial liabilities, current	0.00	(51.63)
Adjustments for other financial liabilities, non-current		
Adjustments for unrealised foreign exchange losses gains		
Adjustments for dividend income	(0.37)	(0.31)
Adjustments for interest income	(101.60)	(116.99)
Adjustments for share-based payments		
Adjustments for fair value losses (gains)	5.02	(61.29)
Adjustments for Loss on sale of Investment	18.80	
Other adjustments for which cash effects are investing or financing cash flow		
Other adjustments to reconcile profit (loss)		
Other adjustments for non-cash items		(0.97)
Share of profit and loss from partnership firm or association of persons or limited liability partnerships		
Total adjustments for reconcile profit (loss)	423.65	(69.67)
Net cash flows from (used in) operations	333.19	18.15
Dividends received		
Interest paid		
Interest received		
Income taxes paid (refund)	4.52	8.86
Other inflows (outflows) of cash		
Net cash flows from (used in) operating activities	337.71	27.01
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		
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		
Proceeds from sales of investment property	11.98	
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	0.37	0.31
Interest received	101.60	116.99
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) investing activities	113.95	117.30
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		(56.69)
Proceeds from borrowings		
Repayments of borrowings	(445.32)	(93.44)
Payments of finance lease liabilities	(0.35)	
Payments of lease liabilities		(3.84)
Dividends paid		
Interest Paid	(0.42)	(0.94)
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) financing activities	(446.09)	(154.91)
Net increase (decrease) in cash and cash equivalents before effect of exchange ratechanges	5.58	(10.60)
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	5.58	(10.60)
Cash and cash equivalents cash flow statement at beginning of period	16.87	27.47
Cash and cash equivalents cash flow statement at end of period	22.45	16.87

Note: Previous year figures have been regrouped and rearranged to make them comparable with the current year figures

For DCM Financial Services Ltd

NIDHI
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 DEVESHWAR
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 (Nidhi Deveshwar)
 (Nidhi Deveshwar)
 Whole Time Director

Date: 23rd May 2023

Place: Delhi



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, 2023

Particulars	(Rupees in Lakhs except per share data)				
	Quarter Ended			Year Ended	
	31st March, 2023	31st Dec, 2022	31st March, 2022	31st March, 2023	31st March, 2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	-	-	-	-	-
II. Other Income	29.04	22.03	248.61	103.12	353.41
III. Total Income (I +II)	29.04	22.03	248.61	103.12	353.41
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	25.36	13.19	12.68	64.96	54.86
Finance Costs	0.12	0.10	0.19	0.42	0.94
Depreciation and amortisation expenses	8.18	8.18	7.98	32.72	31.94
Other Expenses	24.17	37.21	133.92	95.48	177.85
Total Expenses (IV)	57.83	58.68	154.77	193.58	265.59
V. Profit/(Loss) before exceptional items and tax (III- IV)	(28.79)	(36.65)	93.84	(90.46)	87.82
VI. Exceptional items	-	-	-	-	-
VII. Profit/(Loss) before tax (V-VI)	(28.79)	(36.65)	93.84	(90.46)	87.82
VIII. Tax Expense					
(1) Current tax	-	-	(1.31)	-	-
(2) Deferred tax	410.73	(10.84)	39.48	398.59	37.90
(3) Previous Year Tax	0.00	-	-	(4.81)	1.50
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	(439.52)	(25.81)	55.67	(484.24)	48.42
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)	(439.52)	(25.81)	55.67	(484.24)	48.42
XIV. Other Comprehensive Income					
(A) (i) Items that will not be reclassified to profit or loss	0.43	(0.24)	(0.97)	(0.29)	(0.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	0.07	0.29	(0.21)	0.29
(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)	(439.24)	(25.98)	54.99	(484.74)	47.74
(Comprising Profit (Loss) and Other Comprehensive Income for the Period)					
XVI. Paid up Equity Share Capital (Face Value of Rs.10/-Each)	-	-	-	2212.51	2212.51
XVII. Other Equity	-	-	-	(7013.71)	(6528.97)
XIX. Earnings per equity share (for continuing operation):					
(1) Basic	(1.99)	(0.12)	0.25	(2.19)	0.22
(2) Diluted	(1.99)	(0.12)	0.25	(2.19)	0.22
XX. Earnings per equity share (for discontinued operation):					
(1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
XXI. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	(1.99)	(0.12)	0.25	(2.19)	0.22
(2) Diluted	(1.99)	(0.12)	0.25	(2.19)	0.22



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 23rd May, 2023. The Statutory Auditors have carried out their audit for the above results.

(2) The above result results 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 as amended.

(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, 2023 and March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2022 and December 31, 2021, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.

(7) Previous year figures have been regrouped and rearranged to make them comparable with the current year figures

For DCM Financial Services Ltd

NIDHI

DEVESHWAR

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NIDHI DEVESHWAR
Date: 2023.05.23
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(Nidhi Deveshwar)

Whole Time Director

DIN : 09505480

Date: 23rd May 2023

Place : Delhi



DCM FINANCIAL SERVICES LTD.

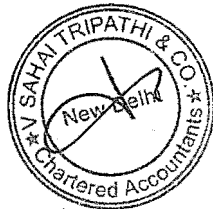
CIN L65921DL1991PLC043087

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

Statement of Audited Standalone Assets and Liabilities

(Rupees in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	(Audited)	(Audited)
ASSETS		
Non current assets		
(a) Property, Plant and Equipment	1108.58	1137.25
(b) Right to use asset	-	4.05
(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) Others	332.37	318.37
(i) Deferred tax assets (net)	-	332.78
(j) Other non-current assets	158.79	160.69
Current Assets		
(a) Inventories	-	-
(b) Financials Assets		
(i) Investments	106.60	142.40
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	22.44	16.88
(iv) Bank Balance other than (iii) above	1104.65	1601.89
(v) Loans	-	-
(vi) Others	21.38	14.23
(c) Current tax Assets	-	-
(d) Other current Assets	2.26	1.35
TOTAL ASSETS	2857.07	3729.89



EQUITY AND LIABILITIES		
Equity-		
(a) Equity Share Capital	2212.51	2212.51
(b) Other Equity	(7,013.71)	(6528.97)
Liabilities		
Non -Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	207.70	207.70
(ii) Trade Payable	-	-
(iii) Other Financial liabilities	-	-
(b) Provisions	13.42	10.70
(c) Deffered Tax Liabilities (net)	66.02	
(d) Other Non-Current Liabilities	-	-
Current Liabilities		
(a) Financials Liabilities		
(i) Borrowings	7168.01	7613.33
(ii) Lease Liability	-	4.40
(iii) Trade Payables	-	-
(iv) Other Financial liabilities	181.30	193.32
(b) Other current liabilities	16.78	16.65
(c) provisions	5.04	0.24
(d) Current Tax Liabilities		-
TOTAL EQUITY AND LIABILITIES	2857.07	3729.88

Note: Previous year figures have been regrouped and rearranged to make them comparable with the current year figures

For DCM FINANCIAL SERVICES LIMITED

NIDHI
DEVEISHWAR

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NIDHI DEVEISHWAR
Date: 2023.05.23
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(Nidhi Deveshwar)
Whole Time Director
DIN : 09505480

Date: 23rd May 2023
Place : Delhi

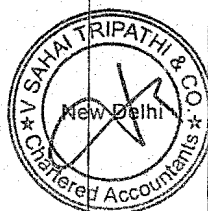


DCM FINANCIAL SERVICES LIMITED

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 31,2023 [See Regulation 33/ 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amt. in lakhs, except EPS)	Adjusted Figures (audited figures after adjusting for qualifications) (Amt. in lakhs, except EPS)
	1.	Turnover / Total income	103.12	103.12
	2.	Total Expenditure	587.86	1927.86
	3.	Net Profit/(Loss)	(484.74)	(1824.74)
	4.	Earnings Per Share(in Rs.)	(2.19)	(8.25)
	5.	Total Assets	2857.06	2857.06
	6.	Total Liabilities	2857.06	2857.06
	7.	Net Worth	(4801.20)	(6141.20)
	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, 2023 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-39

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. 100.00 Lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2023

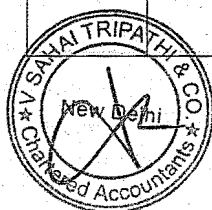
v(b) The High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd.

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. 288.24 Lacs 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. 288,24 Lacs mentioned supra is as follows:

S. No.	Description	Amount in lacs
1.	Difference in super area Vs. provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00
7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31,2021, 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 lacs.)	Awarded (in lacs)
NBCC Ltd.- Claimant	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97



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 37 in the financial statements, which indicates that the Company has incurred a net loss of Rs. 484.74 lacs during the year ended March 31, 2023 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 4,514.06 lacs. The accumulated loss as on 31st March, 2023 stands to Rs. 9,023.42 lacs (Previous year Rs. 8,538.68 lacs). As on 31st March, 2023, the Company's total liabilities exceeded to its total assets by Rs. 4,801.20 lacs (Previous year Rs. 4316.48 lacs).

As stated in Note 37, these events or conditions, along with other matters as set forth in Note 37 which are as under:-

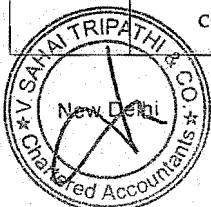
The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company 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 27 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.

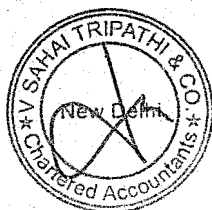
iii) (iv) We draw attention to Note 33 in the financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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><i>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.</i></p>
ii	<p><i>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.</i></p>
v	<p><i>(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.</i></p>
	<p><i>(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.</i></p>
	<p><i>(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.</i></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><i>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.</i></p>
iv	<p><i>In view of litigation with creditors as mentioned in the iii above, it is not possible to obtain the balance confirmations from all creditors.</i></p> <p><i>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.</i></p>



	<p>Key Audit Matters Item (i) Management View :</p> <p><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.</i></p> <p>Item ii <i>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.</i></p> <p>Item iii <i>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.</i></p>
	<p>ii) If management is unable to estimate the impact, reasons for the same:</p>
iii	<p><i>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.</i></p>
iv	<p><i>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.</i></p>
Key Audit Matters	<p><i>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.</i> <i>ii) The scheme has been examined by a Committee appointed by the Hon'ble High Court of Delhi and it's under implementation under the supervision of Court. In view of this management is unable to estimate any financial impact,</i> <i>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.</i></p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p>
	<p>Qualification (iii)</p> <p><i>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 ascertain 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.</i></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 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.

III.	<u>Signatories:</u>	<i>Mishra</i> <i>Tripathi</i>
	<ul style="list-style-type: none">• CEO/Managing Director	
	<ul style="list-style-type: none">• CFO	
	<ul style="list-style-type: none">• Audit Committee Chairman	
	<ul style="list-style-type: none">• Statutory Auditor	
	Place: New Delhi	
	Date: 23 rd May, 2023	



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, 2023 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amt. in lakhs, except EPS)	Adjusted Figures (audited figures after adjusting for qualifications) (Amt. in lakhs, except EPS)
	1.	Turnover / Total income	103.12	103.12
	2.	Total Expenditure	587.86	1927.86
	3.	Net Profit/(Loss)	(484.74)	(1824.74)
	4.	Earnings Per Share(in Rs.)	(2.19)	(8.25)
	5.	Total Assets	2857.06	2857.06
	6.	Total Liabilities	2857.06	2857.06
	7.	Net Worth	(4801.20)	(6141.20)
	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, 2023 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-39

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. 100.00 Lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2023

v(b) The High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd.

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. 288.24 Lacs 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. 288,24 Lacs mentioned supra is as follows:

S. No.	Description	Amount in lacs
1.	Difference in super area Vs. provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00
7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31,2021, 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 lacs.)	Awarded (in lacs)
NBCC Ltd.- Claimant	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97



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 37 in the financial statements, which indicates that the Company has incurred a net loss of Rs. 484.74 lacs during the year ended March 31,2023 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 4,514.06 lacs. The accumulated loss as on 31st March, 2023 stands to Rs. 9,023.42 lacs(Previous year Rs. 8,538.68 lacs). As on 31st March, 2023, the Company's total liabilities exceeded to its total assets by Rs. 4,801.20 lacs (Previous year Rs. 4316.48lacs).

As stated in Note 37, these events or conditions, along with other matters as set forth in Note 37 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 27 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) (iv) We draw attention to Note 33 in the financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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><i>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.</i></p>
ii	<p><i>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.</i></p>
v	<p><i>(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.</i></p>
	<p><i>(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.</i></p>
	<p><i>(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.</i></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><i>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.</i></p>
iv	<p><i>In view of litigation with creditors as mentioned in the iii above, it is not possible to obtain the balance confirmations from all creditors.</i></p> <p><i>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.</i></p>




	<p>Key Audit Matters Item (i) Management View :</p> <p><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.</i></p> <p>Item ii <i>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.</i></p> <p>Item iii <i>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.</i></p>
	<p>ii) If management is unable to estimate the impact, reasons for the same:</p>
iii	<p><i>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.</i></p>
iv	<p><i>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.</i></p>
Key Audit Matters	<p><i>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.</i> <i>ii) The scheme has been examined by a Committee appointed by the Hon'ble High Court of Delhi and it's under implementation under the supervision of Court. In view of this management is unable to estimate any financial impact,</i> <i>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.</i></p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p>
	<p>Qualification (iii)</p> <p><i>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 ascertain 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.</i></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 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.

III.	Signatories:	 <i>Udhu</i> <i>Somati, Twari</i> <i>Richa Kalsy</i> <i>Tripathi</i>
	<ul style="list-style-type: none">CEO/Managing Director	
	<ul style="list-style-type: none">CFO	
	<ul style="list-style-type: none">Audit Committee Chairman	
	<ul style="list-style-type: none">Statutory Auditor	
	Place: New Delhi	
	Date: 23 rd May, 2023	



V SAHAI TRIPATHI & CO

CHARTERED ACCOUNTANTS

8-E, Hansalaya, 15 Barakhamba Road,
Connaught Place, New Delhi - 110001
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Independent Auditors' Report

To the Members of
DCM FINANCIAL SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of DCM FINANCIAL SERVICES LIMITED ("the Company") and its subsidiary (the Company and its subsidiary together referred to as the 'Group') which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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 and Key Audit Matters paragraph**, the aforesaid 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, of the Consolidated State of Affairs of the Group as at March 31, 2023; and their consolidated loss, their consolidated total comprehensive loss, their consolidated Cash Flow Statement and their Consolidated Statement of changes in equity for the year ended on that date.

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 Lakhs are payable to Debenture Holders and Rs 1,448 Lakhs 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 Lakhs as laid down under 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 Lakhs 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 Lakhs and Net Profit after tax would have been lowered by Rs. 1,340 Lakhs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2023 would have been higher by Rs 1,340 Lakhs. The same has been explained in **Note 17.2 and Note 17.3**

**The Hon'ble High Court of Delhi has appointed Mr. Laxmi Kant Gaur, District Judge (Retd.) vide its order dated 29th July 2021, as the One Man Committee in place of Hon'ble Mr. Justice Anil Kumar (in view of his unfortunate demise). The One Man Committee would continue from the stage at which the exercise assigned to the One Man Committee by the High Court stands, at the stage when Hon'ble Mr. Justice Anil Kumar unfortunately expired. The agenda of the One Man Committee would be as per the order dated 3rd September, 2015, read with subsequent orders passed, if any, in that regard.*

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lakhs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lakhs 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-39**
- (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. 100.00 lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2023.
 - v(b) There is an award passed by the High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for



an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd.

- 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. 288.29 lacs 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. 288.29 lacs mentioned supra is as follows:

S. No.	Description	Amount (in lacs)
1.	Difference in super area Vs. provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00
7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31, 2021, 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 lacs)	Awarded (in lacs)
NBCC Ltd.- Claimant	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97

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.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matter

The consolidated financial statements for the year ended March 31, 2022 have been audited by predecessor auditor who have issued an qualified audit opinion on the consolidated financial statements for the year ended March 31, 2022 vide their report dated 27th May, 2022.

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 37** in the consolidated financial statements, which indicates that the Group incurred a net loss of Rs. 485.43 lacs during the year ended March 31, 2023 and, as of that date, the group's current liabilities exceeded its total assets by Rs. 4,493.52 lacs. The accumulated loss as on 31st March, 2023 stands to Rs.9,005.66 lacs (Previous year Rs. 8,520.23 lacs). As on 31st March, 2023, the Group's total liabilities exceeded to its total assets by Rs. 4,780.38 lacs (Previous year Rs. 4,294.95 lacs).

As stated in **Note 37**, these events or conditions, along with other matters as set forth in **Note 37** 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. 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 27** 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 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 33** in the consolidated financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs. 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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.

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 Board's Report including Annexure to Board's Report 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 consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other 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 respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



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 and its subsidiary 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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports of the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report following qualifications in the CARO report of the Company.

Name of the Company(Holding Company)	Paragraph numbers of the CARO report containing the qualifications
DCM FINANCIAL SERVICES LIMITED	3(iii)(c),3(iii)(d),3(v),3(ix)(a),3(ix)(d),3(ix)(e),3(xiv)(a),3(xvii) and 3(xix) of the Order

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 so far as it appears from our examination of those books;
 - c. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, 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;
 - e. On the basis of the representations received from the directors as on 31st March 2023 taken on the record by the Board of Directors of the Company and its subsidiary



company, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'** which is based on the auditors' reports of the Company and its subsidiary company.
- g. 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 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 to the directors of the Company. No further order has been passed in this regard.
- h. 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, as amended, 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 29 to the consolidated financial statements;
 - ii. The Group has made provisions as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. The Company has 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 0.05 lacs 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 0.05



lacs and full amount be paid to those who have deposits of Rs. or less than Rs.0.05 lacs in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase I 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 2023. 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 4,410.01 Lakhs and Unpaid Matured Debentures of Rs. 1,685.59 Lakhs 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.

- iv. (a) The respective Management of the company and its subsidiary has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b) The respective Management of the company and its subsidiary has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has neither declared nor paid any dividend during the year ending March 31, 2023. Also, no dividend has been proposed by the Board for the year ending March 31, 2023. Accordingly, reporting under Rule 11(f) is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



Vishwas Tripathi
(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

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, 2023 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, 2023.

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 consolidated financial statements of the company.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi

Date: 23rd May, 2023

Independent Auditors' Report

To the Members of
DCM FINANCIAL SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **DCM FINANCIAL SERVICES LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as the 'Group') which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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 and Key Audit Matters paragraph**, the aforesaid 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, of the Consolidated State of Affairs of the Group as at March 31, 2023; and their consolidated loss, their consolidated total comprehensive loss, their consolidated Cash Flow Statement and their Consolidated Statement of changes in equity for the year ended on that date.

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 Lakhs are payable to Debenture Holders and Rs 1,448 Lakhs 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 Lakhs as laid down under 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 Lakhs 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 Lakhs and Net Profit after tax would have been lowered by Rs. 1,340 Lakhs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2023 would have been higher by Rs 1,340 Lakhs. The same has been explained in **Note 17.2 and Note 17.3**

**The Hon'ble High Court of Delhi has appointed Mr. Laxmi Kant Gaur, District Judge (Retd.) vide its order dated 29th July 2021, as the One Man Committee in place of Hon'ble Mr. Justice Anil Kumar (in view of his unfortunate demise). The One Man Committee would continue from the stage at which the exercise assigned to the One Man Committee by the High Court stands, at the stage when Hon'ble Mr. Justice Anil Kumar unfortunately expired. The agenda of the One Man Committee would be as per the order dated 3rd September, 2015, read with subsequent orders passed, if any, in that regard.*

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lakhs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lakhs 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-39**
- (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. 100.00 lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2023.
 - v(b) There is an award passed by the High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for



an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd.

- 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. 288.29 lacs 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. 288.29 lacs mentioned supra is as follows:

S. No.	Description	Amount (in lacs)
1.	Difference in super area Vs. provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00
7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31, 2021, 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 lacs)	Awarded (in lacs)
NBCC Ltd.- Claimant	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97

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.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matter

The consolidated financial statements for the year ended March 31, 2022 have been audited by predecessor auditor who have issued an qualified audit opinion on the consolidated financial statements for the year ended March 31, 2022 vide their report dated 27th May, 2022.

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 37** in the consolidated financial statements, which indicates that the Group incurred a net loss of Rs. 485.43 lacs during the year ended March 31, 2023 and, as of that date, the group's current liabilities exceeded its total assets by Rs. 4,493.52 lacs. The accumulated loss as on 31st March, 2023 stands to Rs.9,005.66 lacs (Previous year Rs. 8,520.23 lacs). As on 31st March, 2023, the Group's total liabilities exceeded to its total assets by Rs. 4,780.38 lacs (Previous year Rs. 4,294.95 lacs).

As stated in **Note 37**, these events or conditions, along with other matters as set forth in **Note 37** 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. 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 27** 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 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 33** in the consolidated financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs. 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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.

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 Board's Report including Annexure to Board's Report 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 consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other 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 respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



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 and its subsidiary 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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports of the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report following qualifications in the CARO report of the Company.

Name of the Company(Holding Company)	Paragraph numbers of the CARO report containing the qualifications
DCM FINANCIAL SERVICES LIMITED	3(iii)(c),3(iii)(d),3(v),3(ix)(a),3(ix)(d),3(ix)(e),3(xiv)(a),3(xvii) and 3(xix) of the Order

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 so far as it appears from our examination of those books;
 - c. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, 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;
 - e. On the basis of the representations received from the directors as on 31st March 2023 taken on the record by the Board of Directors of the Company and its subsidiary



company, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'** which is based on the auditors' reports of the Company and its subsidiary company.

g. 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 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 to the directors of the Company. No further order has been passed in this regard.

h. 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, as amended, 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 29** to the consolidated financial statements;

ii. The Group has made provisions as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. The Company has 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 0.05 lacs 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 0.05



lacs and full amount be paid to those who have deposits of Rs. or less than Rs.0.05 lacs 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 2023. 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 4,410.01 Lakhs and Unpaid Matured Debentures of Rs. 1,685.59 Lakhs 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.

- iv. (a) The respective Management of the company and its subsidiary has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b)The respective Management of the company and its subsidiary has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has neither declared nor paid any dividend during the year ending March 31, 2023. Also, no dividend has been proposed by the Board for the year ending March 31, 2023. Accordingly, reporting under Rule 11(f) is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



Vishwas Tripathi
(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi
Date: 23rd May, 2023

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, 2023 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, 2023.

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 consolidated financial statements of the company.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
(Firm's Registration No. 000262N)



(Vishwas Tripathi)
Partner
M. No. 086897

Place: Delhi

Date: 23rd May, 2023

UDIN23086897BGXRWY8223

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, 2023

(Rupees in Lakhs except per share data)

Particulars	Quarter Ended			Year Ended	
	31st March, 2023	31st Dec, 2022	31st March, 2022	31st March, 2023	31st March, 2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	-	-	-	-	-
II. Other Income	29.15	22.27	248.64	103.81	354.46
III. Total Income (I + II)	29.15	22.27	248.64	103.81	354.46
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	25.36	13.19	12.68	64.96	54.86
Depreciation and amortisation expenses	8.42	8.41	8.29	33.65	32.67
Finance Costs	0.12	0.10	0.19	0.42	0.94
Other Expenses	24.50	37.52	134.19	96.02	179.05
Total Expenses (IV)	58.40	59.22	155.35	195.05	267.52
V. Profit/(Loss) before exceptional items and tax (III- IV)	(29.25)	(36.95)	93.29	(91.24)	86.94
VI. Exceptional items	-	-	-	-	-
VII. Profit/(Loss) before tax (V-VI)	(29.25)	(36.95)	93.29	(91.24)	86.94
VIII. Tax Expense					
(1) Current tax	-	0.00	(1.31)	-	-
(2) Deferred tax	410.58	(10.79)	39.47	398.50	37.98
(3) Previous Year Tax	-	0.00	0.00	(4.81)	1.50
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	(439.84)	(26.15)	55.13	(484.93)	47.46
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)	(439.84)	(26.16)	55.13	(484.93)	47.46
XIV. Other Comprehensive Income					
(A) (i) Items that will not be reclassified to profit or loss	0.43	-0.24	(1.44)	(0.29)	-0.97
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	0.07	0.38	(0.21)	0.29
(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)	(439.55)	(26.33)	54.07	(485.43)	46.78
XVI. Profit for the period attributable to:					
Owners of the Company	(439.73)	(26.16)	55.19	(484.86)	47.56
Non-controlling interests	(0.07)	0.00	(0.06)	(0.07)	(0.10)
XVII. Other Comprehensive Income attributable to:					
Owners of the Company	0.28	-0.17	-1.06	(0.50)	-0.68
Non-controlling interests	-	-	-	-	-
XVIII. Total Comprehensive Income attributable to:					
Owners of the Company	(439.48)	(26.33)	54.12	(485.36)	46.88
Non-controlling interests	(0.07)	(0.00)	(0.06)	(0.07)	(0.10)
XIX. Paid up Equity Share Capital (Face Value of Rs. 10 Each)				2212.51	2212.51
XX. Other Equity				(6995.83)	(6510.47)
XXI. Earnings per equity share (for continuing operation):					



(1) Basic	(2.00)	(0.11)	0.24	(2.21)	0.21
(2) Diluted	(2.00)	(0.11)	0.24	(2.21)	0.21
XXII. Earnings per equity share (for discontinued operation):					
(1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
XXIII. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	(2.00)	(0.11)	0.24	(2.21)	0.21
(2) Diluted	(2.00)	(0.11)	0.24	(2.21)	0.21

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 23rd, May 2023. The Statutory Auditors have carried out their audit for the above results.

(2) The above result results 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 as amended.

(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, 2023 and March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2022 and December 31, 2021, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.

(7) Previous year figures have been regrouped and rearranged to make them comparable with the current year figures

For DCM Financial Services Ltd

NIDHI
DEVESHWAR
(Nidhi Deveshwar)
Whole Time Director
DIN : 09505480

Digitally signed by
NIDHI DEVESHWAR
Date: 2023.05.23
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Date: 23.05.2023

Place : Delhi

DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

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

Statement of Audited Consolidated Assets and Liabilities		
(Rupees in Lakh)		
Particulars	As at 31st March, 2023	As at 31st March, 2022
	(Audited)	(Audited)
ASSETS		
Non current assets		
(a) Property, Plant and Equipment	1,115.06	1,144.31
(b) Right to use asset	-	4.05
(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	0.73	0.73
(ii) Trade Receivables	-	-
(iii) Loans	-	-
(iv) Other(to be specified)	332.47	318.47
(i) Deferred tax assets (net)	-	332.97
(j) Other non-current assets	158.89	160.86
Current Assets		
(a) Inventories	-	-
(b) Financials Assets		
(i) Investments	106.60	142.40
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	23.02	18.08
(iv) Bank Balance other than (iii) above	1,117.65	1614.28
(v) Loans	-	-
(vi) Others (Interest accrued but not due on Fixed Deposits)	21.39	14.25
(c) Current tax Assets	-	-
(d) Other current Assets	2.46	1.56
TOTAL ASSETS	2,878.27	3,751.96



EQUITY AND LIABILITES		
Equity-		
(a) Equity Share Capital	2,212.51	2,212.51
(b) Other Equity	(6995.83)	(6510.47)
Non - Controlling Interest	2.95	3.02
Liabilities		
Non -Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	207.70	207.70
(ii) Lease Liability	-	-
(iii) Trade Payable	-	-
(iv) Other Financial liabilities (other than specified in item (b) to be specified	-	-
(b) Provisions	13.42	10.70
(c) Deffered Tax Liabilites (net)	65.74	-
(d) Other Non-Current Liabilities	-	-
Current Liabilities		
(a) Financials Liabilities		
(i) Borrowings	7168.01	7613.33
(ii) Lease Liability	-	4.40
(iii) Trade Payables	-	-
(iv) Other Financial liabilities (other than specified in item (c) to be specified	181.95	193.90
(b) Other current liabilities	16.78	16.63
(c) provisions	5.04	0.24
(d) Current Tax Liabilities	-	-
TOTAL EQUITY AND LIABILITES	2878.27	3751.96

Note: Previous year figures have been regrouped and rearranged to make them comparable with the current year figures

For DCM FINANCIAL SERVICES LIMITED

NIDHI

DEVESHW

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(Nidhi Deveshwar)

Whole Time Director

DIN : 09505480

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NIDHI DEVESHWAR
Date: 2023.05.23
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Date: 23rd May 2023

Place : Delhi



DCM FINANCIAL SERVICES LIMITED		
AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023		
	Amount in Lakhs	
<i>Particulars</i>	Year ended March 31, 2023 (01.04.2022 to 31.03.2023) (Audited)	Year ended March 31, 2022 (01.04.2021 to 31.03.2022) (Audited)
Cash flow from Operating Activities		
Profit Before Tax	(91.24)	86.94
Adjustments for		
Adjustments for finance costs		
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	(0.90)	(0.45)
Adjustments for other financial assets, non-current	(12.03)	
Adjustments for other financial assets, current	(7.14)	1.63
Adjustments for other bank balances	496.64	141.91
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	0.15	5.74
Adjustments for increase (decrease) in other non-current liabilities		(13.65)
Adjustments for depreciation and amortisation expense	33.65	32.67
Adjustments for impairment loss reversal of impairment loss recognised in profit or loss		(2.00)
Adjustments for provisions, current	4.80	(0.92)
Adjustments for provisions, non-current	2.72	3.50
Adjustments for other financial liabilities, current	(11.97)	(51.83)
Adjustments for other financial liabilities, non-current		
Adjustments for unrealised foreign exchange losses/gains		
Adjustments for dividend income	(0.38)	(0.32)
Adjustments for interest income	(102.28)	(117.80)
Adjustments for share-based payments		
Adjustments for fair value losses (gains)	5.02	(61.52)
Adjustments for loss on sale of investment	18.80	
Other adjustments for which cash effects are investing or financing cash flow		
Other adjustments to reconcile profit (loss)		
Other adjustments for non-cash items		(0.97)
Share of profit and loss from partnership firm or association of persons or limited liability partnerships		
Total adjustments for reconcile profit (loss)	427.08	(64.01)
Net cash flows from (used in) operations	335.83	22.93
Dividends received		
Interest paid		
Interest received		
Income taxes paid (refund)		8.76
Other inflows (outflows) of cash		
Net cash flows from (used in) operating activities	335.83	31.69
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		
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	(0.35)	(7.29)
Proceeds from sales of investment property		
sale of investment	11.98	



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	0.38	0.32
Interest received	102.28	117.79
Income taxes paid (refund)	0.13	
Other inflows (outflows) of cash		
Net cash flows from (used in) investing activities	114.42	110.82
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		(56.69)
Proceeds from borrowings		
Repayments of borrowings	(445.32)	(93.44)
Payments of finance lease liabilities		
Payments of lease liabilities		(3.84)
Dividends paid		
Interest Paid		
Income taxes paid (refund)		
Other inflows (outflows) of cash		
Net cash flows from (used in) financing activities	(445.32)	(153.97)
Net increase (decrease) in cash and cash equivalents before effect of exchange ratechanges	4.94	(11.46)
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	4.94	(11.46)
Cash and cash equivalents cash flow statement at beginning of period	18.08	29.54
Cash and cash equivalents cash flow statement at end of period	23.02	18.08

Note: Previous year figures have been regrouped and rearranged to make them comparable with the current year figures

For DCM Financial Services Ltd

(Nidhi Deveshwar)
Whole Time Director

NIDHI
DEVESHWAR

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NIDHI DEVESHWAR
Date: 2023.05.23
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Date: 23rd May 2023

Place: 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 - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023				
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amt. in lakhs, except EPS)	Adjusted Figures (audited figures after adjusting for qualifications) (Amt. in lakhs, except EPS)
	1.	Turnover / Total income	103.81	103.81
	2.	Total Expenditure	589.24	1929.24
	3.	Net Profit/(Loss)	(485.43)	(1825.43)
	4.	Earnings Per Share	(2.19)	(8.25)
	5.	Total Assets	2,878.27	2,878.27
	6.	Total Liabilities	2,878.27	2,878.27
	7.	Net Worth	(4,780.37)	(6,120.37)
	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, 2023 would have been higher by Rs 1,340 Lacs. The same has been explained in Note 17.2 and Note 17.3</p>			



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-39
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. 100.00 lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31 st March, 2023
	V(b) There is an award passed by the High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for an underwriting given by the company in the year 1995 for the public issue of MS Shoes East Ltd..



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. 288.29 lacs 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. 288.29 lacs mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00
7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31,2021, 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	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97

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 37 in the consolidated financial statements, which indicates that the Group (the company and its subsidiary together referred to as the "Group") incurred a net loss of Rs. 485.43 lacs during the year ended March 31, 2023 and, as of that date, the Group's current liabilities exceeded its total assets by Rs. 4,493.52 lacs. The accumulated loss as on 31st March, 2023 stands to Rs.9,005.66 lacs (Previous year Rs. 8,520.23 lacs). As on 31st March, 2023, the Group's total liabilities exceeded to its total assets by Rs. 4,780.38 lacs (Previous year Rs. 4,294.95 lacs)

As stated in Note 37, these events or conditions, along with other matters as set forth in Note 37 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.

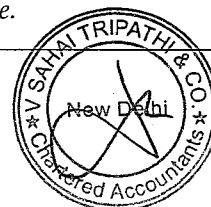
ii) We draw attention to Note 27 in the financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments described under Phase-I and 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 33 in the consolidated financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs. 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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
	<ul style="list-style-type: none"> 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
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
I	<i>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.</i>
ii	<i>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.</i>
iii	<i>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.</i>
Iv	<i>In view of litigation with creditors as mentioned in the Para iii, its not possible to obtain the balance confirmations</i>
V	<i>(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.</i>
	<i>(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.</i>
	<i>(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.</i>



	<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>
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>
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>
	(iii) Auditors' Comments on (i) or (ii) above:
	<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>
	<p>Qualification (iv)</p> <p>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 have 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 to 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>



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, 2023 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amt. in lakhs, except EPS)	Adjusted Figures (audited figures after adjusting for qualifications) (Amt. in lakhs, except EPS)
	1.	Turnover / Total income	103.81	103.81
	2.	Total Expenditure	589.24	1929.24
	3.	Net Profit/(Loss)	(485.43)	(1825.43)
	4.	Earnings Per Share	(2.19)	(8.25)
	5.	Total Assets	2,878.27	2,878.27
	6.	Total Liabilities	2,878.27	2,878.27
	7.	Net Worth	(4,780.37)	(6,120.37)
	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, 2023 would have been higher by Rs 1,340 Lacs. The same has been explained in Note 17.2 and Note 17.3</p>			



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-39
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. 100.00 lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31 st March, 2023
	V(b) There is an award passed by the High Court vide its judgment dated April 27, 2022 against the company in the matter of MS Shoes East Limited for Rs. 12.82 lacs i.e. the claim amount, along with interest of Rs. 8.97 lacs for an underwriting given by the company in the year 1995 for the public issue of MS Shoes East Ltd..



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. 288.29 lacs 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. 288.29 lacs mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	229.28
2.	Claim of property tax	3.19
3.	Claim of ground rent	21.67
4.	Allied charges	7.82
5.	Augmentation of Electric sub station	1.33
6.	Loss of profit	20.00
7.	Arbitration cost	5.00
TOTAL		288.29

During the financial year ending March 31,2021, 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	434.95	41.06
DCM Financial Services Limited - Counter Claimant/Respondent	3,269.50	78.97

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 37 in the consolidated financial statements, which indicates that the Group (the company and its subsidiary together referred to as the "Group") incurred a net loss of Rs. 485.43 lacs during the year ended March 31, 2023 and, as of that date, the Group's current liabilities exceeded its total assets by Rs. 4,493.52 lacs. The accumulated loss as on 31st March, 2023 stands to Rs.9,005.66 lacs (Previous year Rs. 8,520.23 lacs). As on 31st March, 2023, the Group's total liabilities exceeded to its total assets by Rs. 4,780.38 lacs (Previous year Rs. 4,294.95 lacs)

As stated in Note 37, these events or conditions, along with other matters as set forth in Note 37 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 27 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 33 in the consolidated financial statements on the deposit Rs. 1,950.00 lacs with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs. 1,950.00 lacs 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. 1,950.00 lacs with the Court and pursuant to the court order DCM Services Limited deposited Rs. 500.00 lacs on 16.07.2010, Rs 670.00 lacs on 18.11.2010, Rs. 390.00 lacs on 21.04.2011 & Rs. 390.00 lacs on 27.04.2012 aggregating to Rs. 1,950.00 lacs 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, 2023 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



	<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><i>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.</i></p>
ii	<p><i>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.</i></p>
iii	<p><i>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.</i></p>
iv	<p><i>In view of litigation with creditors as mentioned in the Para iii, its not possible to obtain the balance confirmations</i></p>
V	<p><i>(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.</i></p>
	<p><i>(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.</i></p>
	<p><i>(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.</i></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><i>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.</i></p>
Iv	<p><i>in view of litigation with creditors as mentioned in the iii above , it is not possible to obtain the balance confirmations from all creditors.</i></p> <p><i>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.</i></p>
	<p>Key Audit Matters Management View :</p> <p>Item i) <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.</i></p> <p>Item ii <i>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.</i></p> <p>Item iii <i>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.</i></p>
	<p>If management is unable to estimate the impact, reasons for the same:</p>
iii	<p><i>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.</i></p>
Iv	<p><i>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.</i></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>(iii) Auditors' Comments on (i) or (ii) 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>
	<p>Qualification (iv)</p> <p>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 have 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 to 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>



III.	Signatories:	 <i>Richa</i> <i>Somali Tiwari</i> <i>Richa Kalya</i> <i>Tripathi</i>
	• CEO/Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	
Place: New Delhi		
Date: 23rd May 2023		

