



Dated: 12/08/2019

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. **Monday, 12th August, 2019** (commenced at 04:30 P.M. and concluded at 06:30 P.M.), have considered and approved, inter-alia, the following business(s):

1. Considered and Approved the **Unaudited Consolidated Financial Results** of the company as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30th June, 2019. **(Copy Enclosed)**
2. The Board considered and took on record, the **Limited Review Report** on Unaudited Consolidated Financial Results for the quarter ended 30th June, 2019 as placed by the Statutory Auditor of the Company. **(Copy Enclosed)**

Kindly take the above information on your records.

For DCM Financial Services Limited

(Shantanu Deveshwar)
DIN: 08268523
Whole Time Director

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.com

Website: www.dfsionline.com



MUKESH AGGARWAL & CO. CHARTERED ACCOUNTANTS

102-103, IJS Palace, X-320, Delhi Gate Bazar,
Asaf Ali Road, New Delhi- 110002
Tel : 011- 43028025

LIMITED REVIEW REPORT

1. We have reviewed the unaudited consolidated financial results of *DCM Financial Services Limited* having its registered office at D-7/3, (Mezzanine Floor), Okhla Industrial Area, Phase-2, New Delhi-110020 (the "Company") for the quarter ended June 30, 2019, which are included in the accompanying 'Statement of unaudited consolidated financial results for the quarter ended June 30, 2019' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to *Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015")*, which has been initialed by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accompanying policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited consolidated Balance Sheet as at April 1, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. Our responsibility is to issue a report on statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above subject to the notes and audit qualifications and consequential effects thereto not considered by company as referred in notes attached as per annexure 'A', nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with IND AS and other recognized accounting practices and policies, and has not disclosed the information



required to be disclosed in terms of *Regulation 33 of the Listing Regulations, 2015* including the manner in which it is to be disclosed, or that it contains any material misstatement

ANNEXURE 'A'

NOTES TO LIMITED REVIEW REPORT

1. **NON PROVISION OF INTEREST ON SECURED/UNSECURED LOANS**
The Company has not provided the interest on the following liabilities for the quarter ended 30th June, 2019:-
- (a) Interest on debentures @ 10% as per offer letter on 19.5% Debentures amounting to approx. Rs. 51.09 lacs.
 - (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 130.17 lacs.
 - (c) Interest of Inter Corporate deposits amounting to approx. Rs. 0.68 lacs.

To the extent of non-provision of interests as stated above the Loss of the Company for quarter ending 30th June 2019 is understated by Rs. 181.94 lacs.

2. **OTHER MAJOR AUDIT OBSERVATIONS AS PER THE CONSOLIDATED AUDITED FINANCIALS 31st MARCH, 2019 WHICH NEED TO BE READ WITH THIS REPORT**

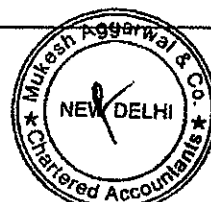
- (i) Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. Under Scheme of One Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholder creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the scheme towards Interest on Debentures



and Fixed Deposits, have been provided in the consolidated financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the consolidated financial statements of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2019 would have been higher by Rs. 1,340 Lacs. The same has been explained in Note 17.1 and Note 17.4

- (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 17.1.
- (iii) The value of assets charged as security in favour 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 17.1, 17.2 and 17.3.
- (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, balance of ex-employees, margin against L/C, loans from institutions, banks, 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 consolidated financials and the amount referred as payable in the financials can differ. Please refer Note No-38
- (v) The subsidiary company namely, Global IT Options Limited has from 1st June 2014 to 31st March, 2018 incurred expenditure of Rs 22.84 Lacs for & on behalf of its Holding Company (i.e. DCM Financial Services Limited) and the same balance is outstanding as on 31st March 2019 also. It comes under the category of short term funding which is in-fact Inter-Corporate Deposit. In case of Inter-Corporate Deposit, Section 186 of Companies Act, 2013 stipulates to charge interest at a rate not less than the bank declared by Reserve Bank of India. No Interest has not been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options



Limited with effect from 1-June-2014. It is a non compliance of Section 186 of the Companies Act, 2013, which could attract penalties. We have discounted this liability considering the borrowing with interest @10% p.a in F.Y 2015-16 considering that the same will be paid in FY 2019-20

- (vi) Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees. However during the year ended March 31st, 2017, the Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Company has made relevant disclosures in the Board of Directors meeting regarding this issue.

However during the year ended March 31st, 2018, the Company has appointed Whole Time Company Secretary with effect from 22nd April, 2017.

Regarding non appointment of Whole Time Company Secretary till 22nd April, 2017, it is non compliance of Section 203 of Companies Act, 2013, which could attract penalties. Presently it is not feasible to determine the financial impact on the financial.

- (vii) Pursuant to section 149 of Companies Act, 2013 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 every listed company is required to appoint at least one Woman Director. During the year ended March 31st, 2016, the Holding Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non compliance which are Rs. 50,000 from 1-April-2015 to 30th June, 2015 and thereafter Rs. 1,000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5,000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y RS.16.85 Lacs) till date of appointment of women director (i.e. 5th October, 2016). No provision of Rs 16.85 Lacs has made in the books of accounts. Had provision been provided for in the consolidated financial statements, the net profit before tax for the year ended 31st March, 2018 would have been lower by Rs 16.85 Lacs and net profit after tax would have been lowered by Rs. 13.45 Lacs. The cumulative net loss as well as Current/ Non Current Liability/ Provisions as at 31st March, 2019 would have been higher by Rs.13.40 Lacs.

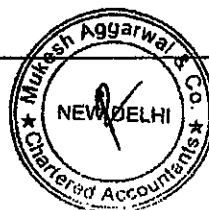


- (viii) As per the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax, MAT Credit is an asset to be recognized in the consolidated Financial Statement when it is 'Probable' that the future economic benefits associated with it will flow to the enterprise and asset has a cost or value that can be measured reliably. In the previous periods, the company has already recorded MAT Credit Entitlement of Rs 28.52 Lacs in the books of accounts. Considering that the matter is Scheme of One Man Committee is still under process and Hon'ble Delhi High Court has held that the revival of Company will be decided later-on depending on the successful Implementation of scheme of One Man Committee, there is no virtual certainty that future economic benefit would flow to company. Considering this, we are of opinion that such MAT Credit Entitlement of Rs 28.52 Lacs needs to be derecognized.

Had MAT Credit of Rs 28.52 Lacs had been reversed in financial statements in previous years, the net profit after tax would have been lower by Rs 28.52 Lacs and net profit after tax would have been lowered by Rs. 28.52 Lacs in respective previous years and consequently the net cumulative loss would have been higher by Rs 28.52 Lacs for the year ending 31st March 2019. In addition to, non-current loans and advances would have been lowered by Rs 28.52 Lacs after considering the tax effects.

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

- ix(a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2019.
- ix(b) There is a demand of Rs. 3,458,902 raised by Income Tax Department for the Assessment Year 2006-07 and Rs. 357,542 for the Assessment year 2012-13 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities as on 31st March 2019.
- ix(c) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Holding Company before Hon'ble Delhi High Court.



ix(d)

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

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

For Mukesh Aggarwal & Co.
Chartered Accountants
Firm Regn. No. 000393N


(Rishi Mittal)

Partner

Membership No. 521860

Place : New Delhi

Dated : 12-August-2019



UDIN 19521860 AAAAA N4395

DCM FINANCIAL SERVICES LTD

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

Website: www.dfslonline.com, Phone: 011-26387750, Email: info@dfslonline.com

CIN: 65921DL1991PLC043087

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2019

Amt. (In Lacs)

Particulars	Quarter Ended			Year Ended
	30th June, 2019	31st March, 2019	30th June, 2018	31st March, 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
I. Revenue from Operations		-	-	-
II. Other Income	69.04	56.17	57.06	299.63
III. Total Income (I +II)	69.04	56.17	57.06	299.63
IV. Expenses				
Cost of Material Consumed	-	-	-	-
Purchases of Stock-in-trade	-	-	-	-
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	-	25.32	-	-
Employee Benefits Expenses	13.68	19.07	10.33	59.35
Finance Costs	23.99	24.05	-	108.84
Depreciation and amortisation expenses	7.34	8.33	7.83	31.99
Other Expenses	42.96	24.29	49.87	150.55
Total Expenses (IV)	87.97	101.06	68.03	350.73
V. Profit/(Loss) before exceptional items and tax (III- IV)	(18.93)	(44.89)	(10.97)	(51.10)
VI. Exceptional items	-	-	-	-
VII. Profit/(Loss) before tax (V-VI)	(18.93)	(44.89)	(10.97)	(51.10)
VIII. Tax Expense				
(1) Current tax	0.19	(12.81)	5.06	-
(2) Deferred tax	1.64	43.83	(322.03)	43.83
(3) Previous Year Tax	-	0.77	-	0.77
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	(20.76)	(76.67)	306.00	(95.69)
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)	(20.76)	(76.67)	306.00	(95.69)
XIV. Other Comprehensive Income	-	0.88	-	0.88
(A) (i) Items that will not be reclassified to profit or loss	-	-	(0.85)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.88	(0.67)	0.88
(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)	(20.76)	(75.79)	304.48	(94.81)
XVI. Earnings per equity share (for continuing operation):	-	-	-	-
(1) Basic	(0.09)	(0.34)	1.38	(0.43)
(2) Diluted	(0.09)	(0.34)	1.38	(0.43)
XVII. Earnings per equity share (for discontinued operation):	-	-	-	-
(1) Basic	-	-	-	-
(2) Diluted	-	-	-	-
XVIII. Earnings per equity share (for discontinued & continuing operations)	-	-	-	-
(1) Basic	(0.09)	(0.34)	1.38	(0.43)
(2) Diluted	(0.09)	(0.34)	1.38	(0.43)

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 12.08.2019. The Statutory Auditors have carried out their review for the above results.
- (2) The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS), prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- (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.

For DCM Financial Services Ltd

Shantanu Deveshwar
Whole Time Director
DIN : 08268523



Date: 12.08.2019
Place : New Delhi