



Dated: 13/11/2019

The Head- Listing Compliance

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

**Security Code: 511611**

The Head- Listing Compliance

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

**Stock Code: DCMFINSERV**

The Head- Listing Compliance

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

**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. **Wednesday, 13<sup>th</sup> November, 2019** (commenced at 04:00 P.M. and concluded at 6.30 P.M.), have considered and approved, inter-alia, the following business(s):

1. Considered and Approved the **Unaudited 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 half year ended 30<sup>th</sup> September, 2019. **(Copy Enclosed)**
2. The Board considered and took on record, the **Limited Review Report** on Standalone and Consolidated Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2019 as placed by the Statutory Auditor of the Company. **(Copy Enclosed)**
3. Taking note of the **Cash Flow Statement** as per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for quarter and half year ended on 30<sup>th</sup> September, 2019.
4. The Board took note of **Statement of Investor Complaints/Grievances** given Under Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the quarter ended 30<sup>th</sup> September, 2019.

**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](mailto:info@dfsionline.com)

Website: [www.dfsionline.com](http://www.dfsionline.com)



Kindly take the above information on your records.

**For DCM Financial Services Limited**

A handwritten signature in black ink, appearing to read 'Shantanu Deveshwar', is written over a faint, illegible background.

**(Shantanu Deveshwar)**  
**DIN: 08268523**  
**Whole Time Director**

**Encl: As stated above**

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**MUKESH AGGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

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

**LIMITED REVIEW REPORT**

1. We have reviewed the accompanying statement of unaudited 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 September 30, 2019. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our Responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the statement 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 financial Statements are free of material misstatement. 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.
3. 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 accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of *Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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 30<sup>th</sup> September, 2019: -



- (a) Interest on debentures @ 10% as per offer letter on 19.5% Debentures amounting to approx. Rs. 47.47 lacs.
- (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 128.94 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 30<sup>th</sup> September 2019 is understated by Rs. 177.09 lacs.

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

- (i) Justice Anil Kumar as one man committee was appointed vide order dated: - 3<sup>rd</sup> 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 22<sup>nd</sup> April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10<sup>th</sup> 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 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2018. The cumulative net loss as well as Current Liabilities as at 31<sup>st</sup> March, 2019 would have been higher by Rs 1,340 Lacs.
- (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.



- (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.
- (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 financials and the amount referred as payable in the financials can differ.
- (v) The subsidiary company namely, Global IT Options Limited has from 1<sup>st</sup> June 2014 to 31<sup>st</sup> 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 31<sup>st</sup> 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 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 FY 2015-16 considering that the same will be paid in FY 2019-20
- (vi) 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 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 financial year ending 31<sup>st</sup> March 2019. In addition to, non-current loans and advances would have been lowered by Rs 28.52 Lacs after considering the tax effects.

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

vii(a) During the year ended 30<sup>th</sup> June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31<sup>st</sup> March, 2019.

vii(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 31<sup>st</sup> March 2019.

vii(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 Company before Hon'ble Delhi High Court.

vii(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/-
<b>TOTAL</b>		<b>28,829,634/-</b>

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



**(Rishi Mittal)**

**Partner**

**Membership No. 521860**

**Place: New Delhi**

**Dated: 13-November-2019**



UDIN No 19521860AAAABI4125

# DCM FINANCIAL SERVICES LTD.

CIN I.65921DL1991PLC043087

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

## STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Lakh)

	Particulars	Half Year Ended 30.09.2019 (Unaudited)	Year Ended 31.03.2019 (Audited)
1	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	1,208.03	1,222.34
	(b) Financial Assets		-
	(i) Investments	-	-
	(ii) Trade Receivable		-
	(iii) Other Financial Assets	1,921.31	2,200.00
	(c) Deferred Tax Assets (Net) Including MAT	322.82	327.89
	(d) Other Non-Current Assets	211.51	202.75
			-
			-
2	<b>Current assets</b>		
	(a) Financial Assets		
	(i) Investments	92.52	120.90
	(ii) Trade Receivable	-	-
	(iii) Cash and cash equivalents	34.09	22.42
	(iv) Other Bank Balance	290.11	884.50
	(v) Other Financial Assets	43.87	17.49
	(b) Other Current Assets	6.57	-
			-
	<b>TOTAL ASSETS</b>	<b>4,130.83</b>	<b>4,998.29</b>
II	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity Share Capital	2,212.51	2,212.51
	(b) Other Equity	(6,585.82)	(6,532.16)
			-
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1,234.43	1,425.26
	(ii) Other Financial Liabilities	-	-
	(b) Other Non Current Liabilities	36.47	72.98
	(c) Provisions	8.28	8.28
	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Other Financial Liabilities	7,173.12	7,763.56
	(b) Other current liabilities	30.23	30.63
	(c) Provisions	21.61	17.23
			-
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,130.83</b>	<b>4,998.29</b>

  
 For DCM Financials Services Ltd  
 (Shantanu Deveshwar)  
 Director

Place : Delhi  
 Dated : 13th November, 2019





# DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

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

## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(Rupees in Lakhs except per share data)

S. No.	Particulars	Quarter ended			Half-Year ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from Operations					-	-
II	Other Income	64.05	68.11	105.84	132.16	162.90	299.37
III	<b>Total Revenue (I + II)</b>	<b>64.05</b>	<b>68.11</b>	<b>105.84</b>	<b>132.16</b>	<b>162.90</b>	<b>299.37</b>
IV	<b>Expenses:</b>						
	Cost of materials consumed	-	-	-	-	-	-
	Purchases of stock in trade	-	-	-	-	-	-
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-	-	-	-	-
	Employee Benefits Expense	22.02	13.68	10.01	35.70	20.34	59.35
	Finance Costs	24.51	24.51	55.50	49.02	55.50	110.73
	Depreciation and Amortization Expense	7.16	7.16	7.83	14.31	15.66	31.32
	Other Expenses	39.07	42.64	46.28	81.72	95.68	148.86
	<b>Total Expenses (IV)</b>	<b>92.76</b>	<b>87.99</b>	<b>119.62</b>	<b>180.75</b>	<b>187.18</b>	<b>350.25</b>
V	<b>Profit before exceptional items and tax (III - IV)</b>	<b>(28.71)</b>	<b>(19.88)</b>	<b>(13.78)</b>	<b>(48.59)</b>	<b>(24.28)</b>	<b>(50.88)</b>
VI	Exceptional Item						-
VII	<b>Profit before tax (V - VI)</b>	<b>(28.71)</b>	<b>(19.88)</b>	<b>(13.78)</b>	<b>(48.59)</b>	<b>(24.28)</b>	<b>(50.88)</b>
VIII	<b>Tax expense:</b>						
	(1) Current tax			6.63		11.69	-
	(2) Deferred tax	3.56	1.52	301.16	5.07	(20.88)	43.41
	(3) Previous Year Tax						0.19
IX	<b>Profit/(Loss) for the period</b>	<b>(32.27)</b>	<b>(21.40)</b>	<b>(321.57)</b>	<b>(53.66)</b>	<b>(15.10)</b>	<b>(94.48)</b>
X	<b>Other Comprehensive Income</b>						
	A (i) Items that will not be reclassified to profit or loss	-	-	(0.85)	-	(1.71)	-
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	1.12	-	0.45	0.88
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Other Comprehensive Income (A+B)</b>	<b>-</b>	<b>-</b>	<b>0.27</b>	<b>-</b>	<b>(1.25)</b>	<b>0.88</b>
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>(32.27)</b>	<b>(21.40)</b>	<b>(321.30)</b>	<b>(53.66)</b>	<b>(16.35)</b>	<b>(93.60)</b>
XII	<b>Earning per Equity Share (Face Value of Rs. 10/- each)</b>						
	- Basic	(0.15)	(0.10)	(1.45)	(0.24)	(0.07)	(0.42)
	- Diluted	(0.15)	(0.10)	(1.45)	(0.24)	(0.07)	(0.42)

### NOTES:

- The above unaudited Financial Results for the half year ended 30.09.2019 have been reviewed/recommended by the Audit Committee and approved and taken on record by the Board of Directors in their respective meetings held on 13.11.2019.
- The Statutory Auditors have carried out limited review of the above financial results for the half year ended 30.09.2019.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- The figures of the previous period/year have been regrouped/recast, wherever considered necessary, to conform to the current year's classification.
- As the companies business activity falls within a single segment, therefore Segment Reporting are not applicable.

For DCM financials services Ltd.

Shantanu Deveshwar  
(Whole Time Director)

New Delhi  
13th November 2019



DCM FINANCIAL SERVICES LTD.

CIN I65921DL1991PLC043087

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

CASH FLOW STATEMENT

Particulars	30.09.19	31.03.2019
<b>(A) Cash flow from Operating Activities</b>		
Profit Before Tax	(47.43)	(51.10)
<b>Add:</b>		
Depreciation	14.66	31.99
Interest Paid	48.49	108.80
Balances written off	-	-
Loss on sale of FA	0.43	-
Provision for Impairment of Investment	-	17.10
Unrealised loss on account of fair valuation of Investments	23.68	14.33
<b>Less:</b>		
Remeasurement of post employment defined benefit plans	-	-
Interest on Fixed Deposits	(95.64)	(208.86)
Deferred Income	(37.01)	(85.80)
Dividend Income	(0.00)	(0.26)
Gain on sale of Fixed Assets	-	-
Unrealised gain on account of fair valuation of Investments	-	(0.01)
<b>Operating Profits before working Capital changes</b>	<b>(92.82)</b>	<b>(173.81)</b>
Adjustment for:		
Change in Other Current Assets	(6.53)	0.03
Change in Other Non Current Assets	0.00	3.39
Change in Other Financial Current Assets	(26.38)	171.02
Change in Current Liabilities	(0.41)	(2.57)
Change in Other Current Financial Liabilities	13.42	6.29
Change in Other Non Current Financial Liabilities	-	-
Change in Provisions	4.38	8.75
	-	-
Cash generation from Operating Activities	(108.34)	13.10
<b>Less: Income Tax paid</b>	<b>8.98</b>	<b>24.59</b>
	<b>(117.32)</b>	<b>(11.49)</b>
<b>(B) Cash Flow from Investing Activities</b>		
Interest Income	95.64	208.86
Dividend Income	0.00	0.26
Redemption/(Purchase) of FD	873.08	276.05
Purchase of Fixed Assets	-	(0.07)
Sale of Fixed Assets	4.30	-
	<b>973.02</b>	<b>485.10</b>
<b>(C) Cash Flow from Financing Activities</b>		
Repayment to Debenture Holders	(160.94)	(351.95)
Repayment to SIDBI	(10.89)	-
Repayment of Bank Loan - PSB	(241.02)	-
Repayment of Loan to Fixed Depositors	(190.79)	(212.46)
Repayment of Loan to Related Parties	(240.09)	-
	<b>(843.73)</b>	<b>(564.41)</b>
Net increase decrease in cash & cash equivalents	11.97	(90.80)
Cash and Cash equivalents (Opening Balance)	22.80	113.59
		-
<b>Cash and Cash equivalents (Closing Balance)</b>	<b>34.77</b>	<b>22.79</b>

For DCM Financials Services Ltd  
(Shantanu Deveshwar)  
Director



Place : Delhi  
Dated : 13th November, 2019





**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 accompanying Statement of consolidated unaudited 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 "Parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") for the quarter ended September 30, 2019, and the period from 1<sup>st</sup> April 2019 to 30<sup>th</sup> September 2019 ("the statement"), being submitted by the parent pursuant to the requirement of *Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended*. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ending 30<sup>th</sup> September, 2019 and the corresponding period from 1<sup>st</sup> April, 2019 to 30<sup>th</sup> September 2019, as reported in these financial results have been approved by the parent Board of Directors, but have not been subjected to review.
2. The Statement which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 "Interim Financial Reporting" ("IND AS 34") prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the subsidiary Global IT Options Limited



which has been considered in the consolidation.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above **subject to the notes and audit qualifications and consequential effects thereto not considered by Parent as referred in notes attached as per annexure 'A'**, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 30<sup>th</sup> September, 2019: -

- (a) Interest on debentures @ 10% as per offer letter on 19.5% Debentures amounting to approx. Rs. 47.47 lacs.
- (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 128.94 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 30<sup>th</sup> September, 2019 is understated by Rs. 177.09 lacs.

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

- (i) Justice Anil Kumar as one-man committee was appointed vide order dated: - 3<sup>rd</sup> 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 22<sup>nd</sup> April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10<sup>th</sup> 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 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2018. The cumulative net loss as well as Current / Non-Current Liabilities as at 31<sup>st</sup> 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 1<sup>st</sup> June 2014 to 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup>, 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 31<sup>st</sup>, 2018, the Company has appointed Whole Time Company Secretary with effect from 22<sup>nd</sup> April, 2017.
- Regarding non appointment of Whole Time Company Secretary till 22<sup>nd</sup> April, 2017, it is noncompliance 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 31<sup>st</sup>, 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 30<sup>th</sup> 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. 5<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31<sup>st</sup> 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 31<sup>st</sup> 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/-
<b>TOTAL</b>		<b>28,829,634/-</b>

6. The consolidated unaudited financial results includes the interim financial statements/ financial information/ financial results of one subsidiary which have not been reviewed/audited by their auditors, whose interim financial statements/ financial information/ financial results reflect total assets of Rs. 24.67 Lakhs as at 30<sup>th</sup> September, 2019 and total revenue of Rs.0.77 Lakhs and Rs.2.23 and total net profit/(loss) after tax of Rs. 0.18 and Rs. 0.39 and total comprehensive income / loss of Rs. 0.18 and Rs. 0.39 for the quarter ended 30<sup>th</sup> September, 2019 and for the period from 1<sup>st</sup> April, 2019 to 30<sup>th</sup> September 2019 , respectively, and cash flows (net) of Rs. 0.30 for the period from 1<sup>st</sup> April,2019 to 30<sup>th</sup> September, 2019, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group.





Our conclusion on the Statement is not modified in respect of the above matter.

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



**(Rishi Mittal)**  
**Partner**  
Membership No. 521860  
Place: New Delhi  
Dated: 13<sup>th</sup> November, 2019

UDIN 19521860AAAABJ5530

# DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

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

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Lakh)

	Particulars	Half Year Ended 30.09.2019 (Unaudited)	Year Ended 31.03.2019 (Audited)
I	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	1,209.37	1,224.04
	(b) Financial Assets		
	(i) Investments	0.43	0.46
	(ii) Trade Receivable		
	(iii) Other Financial Assets	1,921.31	2,200.00
	(c) Deferred Tax Assets (Net) Including MAT	322.90	328.51
	(d) Other Non-Current Assets	211.61	202.85
2	<b>Current assets</b>		
	(a) Financial Assets		
	(i) Investments	92.52	120.90
	(ii) Trade Receivable		
	(iii) Cash and cash equivalents	34.77	22.80
	(iv) Other Bank Balance	290.11	884.50
	(v) Other Financial Assets	43.87	17.49
	(b) Other Current Assets	6.57	0.04
	<b>TOTAL ASSETS</b>	<b>4,133.46</b>	<b>5,001.59</b>
II	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity Share Capital	2,212.51	2,212.51
	(b) Other Equity		
	Attributable to owners of the Parent	(6,566.57)	(6,513.26)
	Non Controlling interest	3.11	3.07
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1,212.38	1,404.50
	(ii) Other Financial Liabilities		
	(b) Other Non Current Liabilities	36.49	72.98
	(c) Provisions	8.28	8.28
	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Other Financial Liabilities	7,175.42	7,765.64
	(b) Other current liabilities	30.23	30.64
	(c) Provisions	21.61	17.23
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,133.46</b>	<b>5,001.59</b>

*(Signature)*

For DCM Financials Services Ltd  
(Shantanu Deveshwar)  
Director

Place : Delhi  
Dated : 13th November, 2019



# DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

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

## CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(Rupees in Lakhs except per share data)

S. No.	Particulars	Quarter ended			Half-Year ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from Operations						
II	Other Income	64.30	69.04	106.32	133.34	163.85	299.63
III	<b>Total Revenue (I + II)</b>	<b>64.30</b>	<b>69.04</b>	<b>106.32</b>	<b>133.34</b>	<b>163.85</b>	<b>299.63</b>
IV	<b>Expenses:</b>						
	Cost of materials consumed	-	-	-	-	-	-
	Purchases of stock in trade	-	-	-	-	-	-
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-	-	-	-	-
	Employee Benefits Expense	22.02	13.68	10.01	35.70	20.34	59.35
	Finance Costs	23.99	23.99	55.03	47.98	54.56	108.84
	Depreciation and Amortization Expense	7.32	7.34	8.00	14.66	16.00	31.99
	Other Expenses	39.48	42.96	46.68	82.44	96.68	150.55
	<b>Total Expenses (IV)</b>	<b>92.81</b>	<b>87.97</b>	<b>119.72</b>	<b>180.78</b>	<b>187.58</b>	<b>350.73</b>
V	<b>Profit before exceptional items and tax (III - IV)</b>	<b>(28.51)</b>	<b>(18.93)</b>	<b>(13.40)</b>	<b>(47.44)</b>	<b>(23.73)</b>	<b>(51.10)</b>
VI	Exceptional Item						
VII	<b>Profit before tax (V - VI)</b>	<b>(28.51)</b>	<b>(18.93)</b>	<b>(13.40)</b>	<b>(47.44)</b>	<b>(23.73)</b>	<b>(51.10)</b>
VIII	<b>Tax expense:</b>						
	(1) Current tax	0.03	0.19	6.63	0.22	11.69	
	(2) Deferred tax	3.54	1.64	301.26	5.18	(20.67)	43.83
	(3) Previous Year Tax				-		0.77
IX	<b>Profit/(Loss) for the period</b>	<b>(32.08)</b>	<b>(20.76)</b>	<b>(321.29)</b>	<b>(52.84)</b>	<b>(14.75)</b>	<b>(95.70)</b>
X	<b>Other Comprehensive Income</b>						
	<b>A (i) Items that will not be reclassified to profit or loss</b>			(0.85)		(1.71)	
	<b>(ii) Income Tax relating to items that will not be reclassified to profit or loss</b>			1.12		0.45	0.88
	<b>B (i) Items that will be reclassified to profit or loss</b>						
	<b>(ii) Income Tax relating to items that will be reclassified to profit or loss</b>						
	<b>Other Comprehensive Income (A+B)</b>	-	-	0.27	-	(1.26)	0.88
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>(32.08)</b>	<b>(20.76)</b>	<b>(321.02)</b>	<b>(52.84)</b>	<b>(16.01)</b>	<b>(94.82)</b>
XII	<b>Earning per Equity Share (Face Value of Rs. 10/- each)</b>						
	- Basic	(0.15)	(0.09)	(1.45)	(0.24)	(0.07)	(0.43)
	- Diluted	(0.15)	(0.09)	(1.45)	(0.24)	(0.07)	(0.43)

### NOTES:

- The above unaudited consolidated Financial Results for the half year ended 30.09.2019 have been reviewed/recommended by the Audit Committee and approved and taken on record by the Board of Directors in their respective meetings held on 13.11.2019.
- The Statutory Auditors have carried out limited review of the above financial results for the half year ended 30.09.2019.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- The figures of the previous period/year have been regrouped/recast, wherever considered necessary, to conform to the current year's classification.
- As the companies business activity falls within a single segment, therefore Segment Reporting are not applicable.

For DCM financials services Ltd.



Shantanu Deveshwar  
(Whole Time Director)

New Delhi  
13th November 2019

DCM FINANCIAL SERVICES LTD.  
CIN L65921DL1991PLC043087

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

CONSOLIDATED CASH FLOW STATEMENT

Particulars	30.09.2019	31.03.2019
<b>(A) Cash flow from Operating Activities</b>		
Profit Before Tax	(47.43)	(51.10)
<b>Add:</b>		
Depreciation	14.66	31.99
Interest Paid	48.49	108.80
Balances written off	-	-
Loss on sale of FA	0.43	-
Provision for Impairment of Investment	-	17.10
Unrealised loss on account of fair valuation of Investments	23.68	14.33
<b>Less:</b>		
Remeasurement of post employment defined benefit plans	-	-
Interest on Fixed Deposits	(95.64)	(208.86)
Deferred Income	(37.01)	(85.80)
Dividend Income	(0.00)	(0.26)
Gain on sale of Fixed Assets	-	-
Unrealised gain on account of fair valuation of Investments	-	(0.01)
<b>Operating Profits before working Capital changes</b>	<b>(92.82)</b>	<b>(173.81)</b>
Adjustment for:		
Change in Other Current Assets	(6.53)	0.03
Change in Other Non Current Assets	0.00	3.39
Change in Other Financial Current Assets	(26.38)	171.02
Change in Current Liabilities	(0.41)	(2.57)
Change in Other Current Financial Liabilities	13.42	6.29
Change in Other Non Current Financial Liabilities	-	-
Change in Provisions	4.38	8.75
<b>Cash generation from Operating Activities</b>	<b>(108.34)</b>	<b>13.10</b>
<b>Less: Income Tax paid</b>	<b>8.98</b>	<b>24.59</b>
	<b>(117.33)</b>	<b>(11.49)</b>
<b>(B) Cash Flow from Investing Activities</b>		
Interest Income	95.64	208.86
Dividend Income	0.00	0.26
Redemption/(Purchase) of FD	873.08	276.05
Purchase of Fixed Assets	-	(0.07)
Sale of Fixed Assets	4.30	-
	<b>973.02</b>	<b>485.10</b>
<b>(C) Cash Flow from Financing Activities</b>		
Repayment to Debenture Holders	(160.94)	(351.95)
Repayment to SIDBI	(10.89)	-
Repayment of Bank Loan - PSB	(241.02)	-
Repayment of Loan to Fixed Depositors	(190.79)	(212.46)
Repayment of Loan to Related Parties	(240.09)	-
	<b>(843.73)</b>	<b>(564.41)</b>
<b>Net increase decrease in cash &amp; cash equivalents</b>	<b>11.96</b>	<b>(90.80)</b>
<b>Cash and Cash equivalents (Opening Balance)</b>	<b>22.80</b>	<b>113.59</b>
<b>Cash and Cash equivalents (Closing Balance)</b>	<b>34.76</b>	<b>22.79</b>

*Shwari*

Place : Delhi  
Dated : 13th November, 2019

For DCM Financials Services Ltd  
(Shantanu Deveshwar)  
Director

