

DCM FINANCIAL SERVICES LTD.

Regd. Office:- D7/3, (Mezzanine Floor), Okhla Industrial Area, Phase - 2, New Delhi - 110020.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER, 2012.

(Rs. In Lacs)

		1	2	3	4	5	6
		3 months ended	Previous 3 months ended	Corresponding 3 months in the previous year	Year to date Figures for the Current Period	Figures for the Previous Period	Prev. Accounting Year Ended
		30.09.2012 (Unaudited)*	30.06.2012 (Unaudited)*	30.09.2011 (Unaudited)*	30.09.2012 (Unaudited)*	30.09.2011 (Unaudited)*	March 31, 2012 (Audited)
		3 Months	3 Months	3 Months	6 Months	3 Months	9 months
Part-I							
1	a) Net Income from Operations	-	-	-	-	-	-
	b) Other Operating Income**	8.84	-	-	8.84	-	0.54
	Total Income 1(a) + (b)	8.84	-	-	8.84	-	0.54
2	Expenditure						
	(a) Cost of materials consumed	-	-	-	-	-	-
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	3.82
	(d) Employee benefits expense	6.86	7.18	8.74	14.04	8.74	27.67
	(e) Depreciation and amortisation expense	9.04	9.02	9.04	18.06	9.04	27.14
	f) Other expenditure	20.97	10.57	19.34	31.54	19.34	73.37
	Total Expenditure (a+b+c+d+e+f)	36.87	26.77	37.12	63.64	37.12	132.00
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(28.03)	(26.77)	(37.12)	(54.80)	(37.12)	(131.46)
4	Other Income	120.99	97.35	114.85	218.34	114.85	329.93
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	92.96	70.58	77.73	163.54	77.73	198.47
6	Finance costs	-	-	-	-	-	-
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	92.96	70.58	77.73	163.54	77.73	198.47
8	Exceptional Items	-	-	0.02	-	0.02	(2.55)
9	Profit / (Loss) from ordinary activities before tax	92.96	70.58	77.71	163.54	77.71	195.92
10	Tax expenses	-	-	-	-	-	-
	- Current Tax	-	-	-	-	-	-
	- Less minimum Alternative Tax Credit	-	-	-	-	-	-
	- Deferred Tax Charge / (Credit)	-	-	-	-	-	-
	- Tax Adjustment for earlier years	-	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	92.96	70.58	77.71	163.54	77.71	195.92
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)	92.96	70.58	77.71	163.54	77.71	195.92
14	Share of profit / (loss) of associates*	-	-	-	-	-	-
15	Minority interest *	-	-	-	-	-	-
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	92.96	70.58	77.71	163.54	77.71	195.92
17	Paid-up Equity Share Capital (Face value of Rs.10/- each)	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71
19	(i) Earning Per Share ((before extraordinary items) (not annualised):	0.42	0.32	0.35	0.74	0.35	0.89
	(ii) Earnings per share (not annualised):	0.42	0.32	0.35	0.74	0.35	0.89
Part-II							
A	(1) Public Shareholding						
	---No. of Shares	13385102	13385102	13385102	13385102	13385102	13385102
	---Percentage of Shareholding	60.50%	60.50%	60.50%	60.50%	60.50%	60.50%
	(2) Promoters and promoter group Shareholding;						
	a)Pledged/ Encumbered	-	-	-	-	-	-
	---No. of Shares	-	-	-	-	-	-
	---Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	---Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b)Non-encumbered						
	---No. of Shares	8739952	8739952	8739952	8739952	8739952	8739952
	---Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100%
	---Percentage of shares (as a % of the total share capital of the company)	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%
B	INVESTOR COMPLAINTS	3 months ended (30/09/2012)					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					
*Limited Review audit has been conducted by the statutory Auditors of the company for the quarter ended 30.09.2012							
** Income from operation shows only income arising from recovery of past debts by the settlement with the sundary debtors							
During the current period no new business activity has been undertaken by the company							



DCM FINANCIAL SERVICES LTD.

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STATEMENT OF ASSETS & LIABILITIES AS ON 30th SEPTEMBER 2012.

(Rs. In Lacs)

BALANCE SHEET		
Particulars	As at September	As at March
	30, 2012 (Unaudited)	31, 2012 (Audited)
	6Months	9 Months
SHAREHOLDER'S FUND		
a) Capital	2,212.51	2,212.51
b) Share Application Money	549.72	549.72
b) Reserves and surplus	2,009.71	2,009.71
LOAN FUNDS	9,658.86	9,659.28
Deffered Tax Liability	-	-
TOTAL	14,430.80	14,431.22
FIXED ASSETS	1456.91	1,474.97
INVESTMENTS	112.07	112.07
CURRENT ASSESTS, LOANS AND ADVANCES		
a) Inventories	4.04	4.04
b) Sundry Debtors	643.47	653.16
c) Cash & Bank Balances	3656.11	3,386.45
d) Other current assests	101.68	88.85
e) Loans and advances	1113.61	1,174.65
Less: Current Liabilities and Provisions		
a) Liabilities	1285.48	1,254.89
b) Provisions	7.31	7.31
Net Current Assets	4226.12	4044.96
PROFIT & LOSS ACCOUNT	8635.70	8,799.22
TOTAL	14430.80	14431.22

Place: New Delhi

Date: 09.11.2012



NOTES:

1. A fresh scheme of Arrangement for Re-organization of Share Capital of the Company and for compromise with its Secured and Unsecured creditors was filed in the Hon'ble Delhi High Court in the year 2004 u/s 391-394 of the Companies Act, 1956 and the same has been approved by requisite majority. In the said scheme, the promoter of the Company had undertaken to contribute Rs. 19.50 crores and the same has been deposited with the High court Registrar as per court order. The next date of hearing is on November 09th, 2012.
2. The Reserve Bank of India has filed a writ petition and winding up petition before the Hon'ble High Court in matter of rejection of Company's application for registration. The Hon'ble Court has put certain restraints on the assets and on operations of bank accounts of the Company.
3. The management's view on qualifications report by statutory auditors for the period ended 30th September 2012 having material impact in the current period on 1) Non provision of Interest on Debentures Fixed deposits, loan from banks and institutions and inter-corporate deposits. 2) Non realization of rental income and 3) Non provision of NPA, continuous to remain the same that provision for interest has not been made in accordance with the proposed restructuring scheme and that provision for NPA should be realistic in nature.
4. In accordance with Accounting Standard 22 issued by The Institute of Chartered Accountants of India, on "Accounting for Taxes on income" Deferred tax assets on accumulated depreciation and losses have not been accounted for.
5. Claims lodged and contingent liabilities arising out of suits filed against the Company not acknowledged as debt and other amounts for which the Company is contingently liable have not been ascertained and therefore not provided for. During the proceeding financial year ended on 30th June 2010, the company's tenant has filed a claim of Rs 100 lacs against the company due to damages suffered by the tenant and the matter is pending before arbitrator.
6. The above financial results were taken on record by the Board of Directors at the meeting held on 09.11.2012.

By Order of the Board
DCM Financial Services Limited



(S.K.Sharma)

WHOLE TIME DIRECTOR

Place: New Delhi
Date: 09.11.2012

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of *DCM Financial Services Ltd.* having its registered office at D-7/3, (Mezzanine Floor), Okhla Industrial Area, Phase-2, New Delhi-110020 for the quarter ended 30th September, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the company's management and has been taken on record by the Board of Directors at their meeting held on 07th November, 2012. Our responsibility is to issue a report on these financial statements based on our review.

A review of interim financial information consists principally of applying analytical procedures for financial data and making enquiries of persons responsible for financial and accounting matters. It is substantially less in scope and assurance than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.

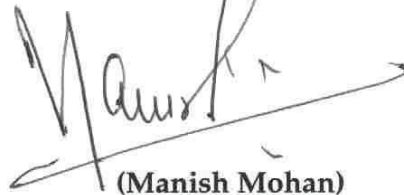
We conducted our review in accordance with the standard on **Review Engagement (ISRI) 2400 on Engagement to Review Financial Statements** issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

Based on our review conducted as above **subject to the notes given below** nothing has come to our notice that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of **Clause 41 of the Listing Agreement** including the manner in which it is to be disclosed, or that it contains any material misstatement.



- (f) There is a disputed a demand of Rs152.12 lakhs for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and is pending before the appropriate authorities.
- (g) 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. 51.28 lacs i.e. claim amount along with interest of Rs. 3.07 crores for an under wring given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. The same has been contested by Company before Hon'ble Delhi High Court .

For V. Sahai Tripathi & Co.
Chartered Accountants
Firm Registration Number : 000262N



(Manish Mohan)

Partner

Member Ship No.091607

Place : New Delhi
Dated : 07th November, 2012



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 during year quarter ended 30th September, 2012.

- (a) Interest on debentures @ 10% as per offer letter on 19.5 % Debentures amounting to approx. Rs. 64.40 lacs (Rs 128.12 for six months ending 30th September, 2012).
- (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 142.30 lacs (Rs 283.05 for six months ending 30th September, 2012).
- (c) Interest of Inter Corporate deposits amounting to approx. Rs. 1.58 lacs (Rs 3.16 for six months ending 30th September, 2012).

To the extent of non-provision of interests as stated above the Profit of the Company for three months ending 30th September, 2012 is overstated by Rs. 208.28 lacs (Rs. 414.33 lacs for six months ending 30th September, 2012).

2. NON PROVISION OF DOUBTFUL DEBT AGAINST RENTAL RECEIVABLE

The total rent recoverable as at 31st March, 2012 was Rs 418.29 lacs and after considering rent of subsequent six months period from April, 2012 to September, 2012 of Rs. 51.13 Lacs (inclusive of Service Tax), recoverable amount comes to Rs. 469.42 Lacs. The management anticipates that the balance amount recoverable of Rs 469.42 lacs which includes the rent of Rs 25.57 lacs (inclusive of service tax) for the quarter ending 30th September, 2012 will be recovered in full. The tenant has leased a vehicle to the company. The tenant charges vehicle hire charges of Rs 6,500 per month from the company. After considering the vehicle hire charges of Rs 0.39 Lacs for the period of six months from April, 2012 to September, 2012, the net recoverable amount comes to Rs. 469.03 Lacs. On the basis of assurance given by the management, the net rent receivable of Rs 469.03 Lacs has been treated as good for recovery.

3. OTHER MAJOR AUDIT OBSERVATIONS AS ON 31st MARCH, 2012 WHICH NEED TO BE READ WITH THIS REPORT

(i) NON-PROVISION ON NON-PERFORMING ASSETS AS PER RBI NORMS

As per Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 assets and receivables are required to be classified as NPA and provision for non-performing assets as prescribed is required to be made. As per audited financial as at 31st March, 2012, provision for



non-performing assets as per these Directions on, trade receivables , inter-
corporate deposits , bills receivable, employees advances , share division
customer account, others long term & advances required to be provided
amounted to approx. Rs. 2,680.17 lacs (Net of security received of Rs
601.93 lacs) but only provision of Rs.1,556.79 lacs has been made. To the
extent of non-provision of approximately Rs. 1,123.38 lacs (approx) the
cumulative net loss reflected is understated & assets are overstated.

(ii) **GOING CONCERN BASIS**

To comply with the directives of the Reserve Bank of India the company
ceased to accept deposits from September 1997. Despite cessation of
business, substantial accumulated losses, non-provision for full NPA's
and interest payable, rejection of the "old scheme under review" and
winding up petition filed by the Reserve Bank of India and various
creditors of the company, the accounts of the company have been
prepared on a "going concern" basis on an assumption & premises made
by the management that

- (a) fresh scheme would be approved by Hon'ble Delhi High Court,
- (b) adequate finances and opportunities would be available in the
foreseeable future to enable the company to start operating on a
profitable basis,
- (c) the promoters of the Company have provided letter of support
and
- (d) injection of Rs. 19.50 crores as promoters quota.

(iii) **NON PROVISION OF DEBENTURE TRUSTEE'S CLAIM**

The Central Bank of India, Mumbai, Trustees for the Non Convertible
Debentures B Series have filed a suit for recovery of Rs. 4,423.86 lacs on
14th October, 1999 before the Hon'ble Mumbai High Court. As against the
claim of Rs. 4,423.86 lacs by the Central Bank of India, Mumbai, Trustees
for the Non Convertible Debentures B Series, Rs. 2,547.16 lacs on account
of principal and interest is reflected in the books as on date. In view of the
Fresh Restructuring Scheme seeking waiver of interest payable to
debenture holders, no provision has been made for the differences
between the claim made by Central Bank of India and the liability as per
the books and to this extent the **cumulative net losses of Rs. 1,876.70 lacs
is understated.**



(iv) **CONTINGENT LIABILITIES**

- (a) Claims lodged and contingent liability arising out of suits and winding up petitions filed against the company not acknowledged as debts amounts to Rs. 868.18 lacs. There are also other cases filed in Consumer and other courts against the company for which the company is contingently liable but for which the amount has not been ascertained.
- (b) Punjab & Sind bank has filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1217.52 lacs against which the amount payable to them, as per books is Rs. 803.40 lacs. The company contends that the dues of the Bank will be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 414.12 lacs has been made. Since the company has not made payment of interest & principal in accordance with the Fresh Restructuring Scheme filed with the Hon'ble High Court, Rs 1217.52 lacs became payable to PSB. No provision for the difference of Rs. 414.12 lacs has been made by the company.
- (c) IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 lacs against which the amount payable to them as per books is Rs. 577.00 lacs. The company contends that the dues of the Bank will be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 465.42 lacs has been made.
- (d) During the year ended 30th June, 2009, the Company had received Rs. 100.00 lacs from one of the Debtors and reduced the same amount from his recoverable balance. Subsequently Hon'ble Punjab and Haryana Court deemed that payment to be an out of turn payment and asked the company to deposit the amount. The company had filled SLP with the Hon'ble Supreme Court of India which has been dismissed by them. Therefore the company is liable to deposit the amount mentioned above which has yet to be deposited.
- (e) During the preceding financial year ended 30th June, 2011 the company's tenant has filed a claim of Rs 100.00 lacs against the company due to damages suffered by the tenant which is pending arbitration before Mr. S.K. Tandon , Sole Arbitrator .

