

DCM FINANCIAL SERVICES LTD.

Regd. Office:- D7/3, Mezzanine Floor, Okhla Industrial Area, Phase - 2, New Delhi - 110020.
AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST MARCH 2013

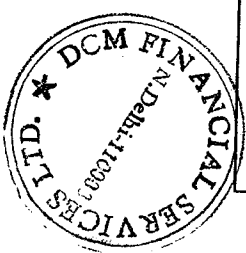
Part-I	STANDALONE						CONSOLIDATED FINANCIAL					
	3 months ended			3 months ended			FINANCIAL RESULTS FOR THE PERIOD			RESULTS FOR THE YEAR		
	March 31, 2013 unaudited see note 2**	December 31, 2012 unaudited	March 31, 2012 unaudited see note 2**	Accounting Year March 31, 2013 (Audited) 12 Months	Accounting Year March 31, 2012 (Audited) 9 Months	Accounting Year March 31, 2013 (Audited) 12 Months	Accounting Year March 31, 2012 (Audited) 9 Months					
1	a) Net Income from Operations	-	-	-	-	-	-	-	-	-	-	-
	b) Other Operating Income*	-	-	-	-	-	-	-	-	-	-	-
2	Total Income 1(a) + (b)	-	-	-	-	8.84	0.54	8.84	0.54	8.84	0.54	8.84
	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	-	-	-	-	-	-	-	-	-	-	-
	(d) Employee benefits expense	(0.15)	-	-	-	(0.15)	3.82	(0.15)	3.82	(0.15)	3.82	(0.15)
	(e) Depreciation and amortisation expense	8.47	7.19	10.04	29.70	27.67	27.67	29.70	27.67	27.67	29.70	27.67
	f) Other expenditure	9.03	9.01	9.05	36.10	27.14	36.23	27.21	36.23	27.21	36.23	27.21
	Total Expenditure (a+b+c+d+e+f)	227.55	15.19	18.62	274.28	75.93	275.48	80.67	275.48	80.67	275.48	80.67
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	244.89	31.39	37.71	339.92	134.56	341.26	199.37	341.26	199.37	341.26	199.37
	Other Income	(244.89)	(31.39)	(37.71)	(331.08)	(134.02)	(332.42)	(136.83)	(332.42)	(136.83)	(332.42)	(136.83)
4	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	300.77	116.85	118.65	635.96	329.93	638.30	394.57	638.30	394.57	638.30	394.57
5	Finance costs	55.87	85.46	80.94	304.87	195.91	305.88	195.74	305.88	195.74	305.88	195.74
6	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	(0.00)	1.80	1.80	1.80	-	1.80	-	1.80	-	1.80	-
7	Exceptional items	55.88	83.66	80.94	303.08	195.91	304.09	195.74	304.09	195.74	304.09	195.74
8	Profit / (Loss) from ordinary activities before tax	55.88	83.66	80.94	303.08	195.91	304.09	195.74	304.09	195.74	304.09	195.74
9	Tax expenses	-	-	-	-	-	-	-	-	-	-	-
10	- 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)	-	-	-	-	-	-	-	-	-	-	-
12	Extraordinary items (net of tax expense Rs. ___ Lakhs)	55.88	83.66	80.94	303.08	195.91	304.09	195.62	304.09	195.62	304.09	195.62
13	Net Profit / (Loss) for the period (11 + 12)	55.88	83.66	80.94	303.08	195.91	304.09	195.62	304.09	195.62	304.09	195.62
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)*	55.88	83.66	80.94	303.08	195.91	304.09	195.62	304.09	195.62	304.09	195.62
17	Paid-up Equity Share Capital (Face value of Rs.10/- each)	55.88	83.66	80.94	303.08	195.91	304.09	195.62	304.09	195.62	304.09	195.62
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51
19	(f) Earning Per Share (Before extraordinary items) (of Rs. ___/- each) (not annualised):	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71
	(a) Basic	0.25	0.38	0.37	1.37	0.89	1.37	0.88	1.37	0.88	1.37	0.88
	(b) Diluted	0.25	0.38	0.37	1.37	0.89	1.37	0.88	1.37	0.88	1.37	0.88
	(f) Earnings per share (after extraordinary items) (of Rs. ___/- each) (not annualised):	0.25	0.38	0.37	1.37	0.89	1.37	0.88	1.37	0.88	1.37	0.88
	(a) Basic	0.25	0.38	0.37	1.37	0.89	1.37	0.88	1.37	0.88	1.37	0.88
	(b) Diluted	0.25	0.38	0.37	1.37	0.89	1.37	0.88	1.37	0.88	1.37	0.88

* Applicable in the case of consolidated results.



A		(1) Public Shareholding									
—No. of Shares		13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00	13,385,102.00
—Percentage of Shareholding		60.50%	60.50%	60.50%	60.50%	60.50%	60.50%	60%	60%	60%	60%
(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		8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00	8,739,952.00
—Percentage of shares (as a % of the total shareholding of promoter and promoter group)		100%	100%	100%	100%	100%	100%	100%	100%	100%	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%	100%	100%	100%	40%
INVESTOR COMPLAINTS											
Pending at the beginning of the quarter											
Received during the quarter											
Disposed of during the quarter											
Remaining unresolved at the end of the quarter											
B		NIL									

* 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.



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STATEMENT OF ASSETS AND LIABILITY AS ON 31ST MARCH 2013


Particulars	STAND ALONE FINANCIAL BALANCE SHEET		CONSOLIDATED FINANCIAL BALANCE SHEET	
	As at March 31, 2013 (Audited) 12 Months	As at March 31, 2012 (Audited) 9 Months	As at March 31, 2013 (Audited) 12 Months	As at March 31, 2012 (Audited) 9 Months
EQUITY AND LIABILITIES				
SHAREHOLDER'S FUND				
a) Share Capital	2,212.51	2,212.51	2,212.51	2,212.51
b) Reserves and surplus	(6,486.43)	(6,789.50)	(6,482.75)	(6,786.74)
Share Application Money Pending allotment	549.72	549.72	549.72	549.72
Minority Interest	-	-	3.35	3.25
Non -Current Liabilities				
a) Long-term borrowings	9,658.78	9,659.27	9,658.78	9,659.28
b) Deferred Tax- Liabilities (net)	-	-	-	-
c) Other Long-term Liabilities	509.38	682.31	509.38	682.32
d) Long-Term Provisions	5.01	7.13	5.01	7.13
Sub-Total- Current Liabilities	6,448.96	6,321.44	6,455.99	6,327.47
Current Liabilities				
a) Short-term borrowings	-	-	-	-
b) Trade Payables	-	-	-	-
c) Other Current Liabilities	648.45	572.57	648.48	573.03
d) Short-term Provisions	0.12	0.19	0.12	0.19
Sub-Total- Current Liabilities	648.57	572.76	648.61	573.22
TOTAL- EQUITY AND LIABILITIES	7,097.53	6,894.20	7,104.60	6,900.70
ASSETS				
Non-Current Assets				
a) Fixed Assets	1,434.97	1,474.97	1,437.28	1,477.12
b) Non Current Investments	112.07	112.07	87.17	87.17
c) Deferred Tax assets (net)	-	-	-	-
d) Long term trade receivables	631.43	653.16	631.43	653.16
e) Long term loans and advances	290.34	488.13	290.40	488.19
f) Other Non- Current assets	3,786.53	3,460.09	3,814.13	3,477.08
Sub-Total- Non Current Assets	6,255.33	6,188.43	6,260.41	6,182.72
Current Assets				
a) Inventories	4.20	4.04	4.20	4.04
b) Cash & cash equivalents	23.06	15.21	23.99	27.04
c) Short term loans and advances	6.50	7.07	6.50	7.05
d) Other current assets	808.45	679.46	809.50	679.85
Sub-Total- Current Assets	842.20	705.78	844.19	717.99
TOTAL- ASSETS	7,097.53	6,894.20	7,104.60	6,900.70



NOTES:

1. The above financial results were taken on record by the Board of Directors at the meeting held on 30.05.2013.
2. Figures for the quarter ended March 31, 2012 and March 31, 2013 are in accordance with the Listing Agreement, the balancing figures between audited figures for the full financial year ended on March 31, 2012 and March 31, 2013 and published year to date figures upto the third quarter of the respective financial year; figures would need to be interpreted/ analyzed accordingly.
3. 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 before the Hon'ble Delhi High Court in 2004 u/s 391/394 of the Companies Act, 1956. The promoter of the company has contributed Rs. 19.50 crores as undertaking and the same has been deposited with the High Court Registrar as per court order. The Hon'ble court has put certain restraints on the assets and on operations of bank accounts of the Company. The next date of hearing is on July 19th, 2013.
4. The management's view on qualifications report by statutory auditors for the period ended 31st March, 2013 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.
5. 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 has not been accounted for.
6. The compliance of segment wise revenue, results and capital employed along with the financial results is not applicable to our company in terms of clause 27 on reportable segment of Accounting Standards on Segment Reporting (AS-17).

By Order of the Board
DCM Financial Services Ltd.


(S.K. Sharma)
Executive Director

Place: New Delhi
Date: 30.05.2013

Auditor's Report on the Annual Consolidated Financial Results of DCM Financial Services Limited Pursuant to the Clause 41 of the Listing Agreement

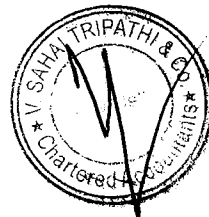
To
**Board of Directors of
DCM Financial Services Limited**

We have audited the annual consolidated financial results of **DCM Financial Services Limited** and its subsidiary for the period from 1st April 2012 to 31st March, 2013 attached herewith, being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreement *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.* These consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement(s). An audit includes examining on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles and significant estimates made by management. We believe that our audit provides a reasonable basis for opinion.

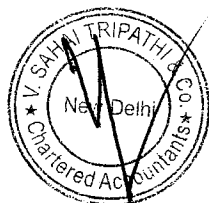
In our opinion and to the best of our information and according to the explanations given to us on these consolidated financial results :-

- (i) are presented in accordance with the requirements of Clause 41 of the listing agreement in this regard; and
- (ii) give a true and fair view of the consolidated net profit and other financial information year to date results for the period from 1st April 2012 to 31st March 2013 except qualifications on the following points :-

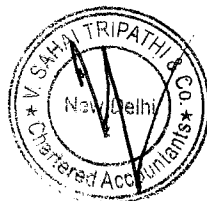


On the Year to date results (for the year ended 31st March, 2013)

- (a) Non-recognition of rental income of Rs 91.02 lacs during the financial year ended 31st March, 2013 in view of uncertainty in realization of such income & non provision of doubtful debts against rental receivable of Rs 510.82 lacs pertaining to previous years which have not yet been realized. The net profit for the year & current assets are overstated and cumulative net loss is understated to that extent.
- (b) No provision has been made of Rs 826.38 lacs payable for Interest on debentures, term loans and banks, fixed deposits, and inter corporate deposits. Net profit for the year & current assets are overstated and cumulative net loss is understated to that extent. This is in contravention of the Accounting Standard 1 on Disclosure of Accounting Policies issued by Ministry of Corporate Affairs, Government of India.
- (c) For redemption of debentures of Rs 8.75 Lacs, debenture redemption reserve is required to be created. Debenture redemption reserve of Rs 8.75 lacs has not been created due to insufficient profits.
- (d) The financials have been drawn based on the application for acceptance of a fresh scheme of arrangement. The said application is pending before the Hon'ble Delhi High Court for approval & acceptance.
- (e) 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. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured.
- (f) There is a default in repayment of outstanding deposits with interest vide order dated 17.07.98 as the Company Law Board had ordered payment of interest at contracted rates up to the date of maturity and at 10% thereafter. Due to liquidity problems, the company has not fully followed the schedule of repayment ordered by the Company Law Board. However, a fresh Restructuring Scheme of arrangement for re-organization of the share capital of the company and for compromise with its creditors including fixed depositors has been made in which interest dues will be waived. Assuming that the scheme will be approved by the Hon'ble High Court of Delhi, provision of interest payable amounting to Rs. 827.06 lacs has been written back in earlier years.
- (g) Fixed Deposits and Bills Payable as per records maintained by the Company are Rs. 5645.45 lacs and as per financials books amounting to Rs. 5634.75 lacs. Their is a difference of Rs. 10.69 lacs which is un-reconciled in the Fixed Deposit Register. The reason is either lack of identification of depositors or no claim or confirmation having been received by the company. The provision of such differential amount has not been made.



- (h) Due to liquidity crisis in the past, minimum liquid assets @ 15% of Fixed Deposits as per RBI directives has not been maintained by the company. The company has applied to RBI and Company Law Board for exemption from maintaining minimum liquid assets and payment of penal interest but the disposal of the application is still pending.
- (i) There is non-provision of NPA's of Rs 274.56 Lacs & Rs 631.43 Lacs respectively towards inter corporate deposits, bills receivable, employee advances and long-term trade receivables as required by Non-Banking Financial Companies Prudential Norms (Reserve Bank). The net profit for the year & current assets are overstated and cumulative net loss is understated to the extent of Rs 905.99 lacs.
- (j) The accounts of the company have been prepared on a going concern as on an assumption made by the management that (a) The fresh scheme would be approved by the Hon'ble Delhi High Court, (b) The promoters of the company have provided letter of support, (c) adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis and (d) injection of Rs. 19.50 crores as promoters quota.
- (k) Balance confirmation of 18 Banks which are restricted and cannot be operated without getting prior approval of the Hon'ble Delhi High Court , Bills Receivable and Payable, advances recoverable relating to lease and hire purchase are not available. The financial impact of this is not ascertainable.
- (l) **Contingent liabilities and Other Commitments**
- (li) 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 became payable to PSB. No provision for the difference of Rs. 414.12 lacs has been made by the Company.
- (lii) 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 are to be anticipated to be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 465.42 lacs has been made.

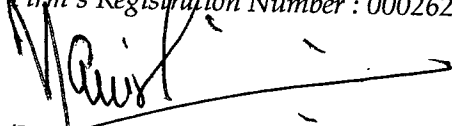


- (liii) During the year ended 30th June, 2009, the Company had received Rs. 100.00 lacs from one of the Debtors and the balance recoverable from the debtors account was reduced by this amount. Subsequently the Hon'ble Punjab and Haryana Court deemed that payment to be an out of turn payment and asked the company to deposit the amount. The Company had filed a SLP with the Hon'ble Supreme Court of India which has been dismissed by them. The Company is liable to deposit the amount mentioned above which has yet to be deposited.
- (liv) 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. 307 lacs for an underwriting 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.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanation given to us by the management, also verified the consolidated number of shares as well as percentage of shareholding in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of Clause 35 of the Listing agreement and found the same to be correct.

For V. Sahai Tripathi & Co.
Chartered Accountants

Firm's Registration Number : 000262N



(Manish Mohan)

Partner

Membership No. 91607

Place : New Delhi

Dated : 30th May, 2013

