

DCM FINANCIAL SERVICES LTD.

Regd. Office- D/7/3, Mezzanine Floor, Okhla Industrial Area, Phase - 2, New Delhi - 110020.

AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST MARCH 2014

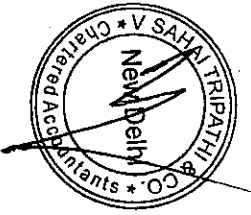
(Rs. In Lacs)

	STANDALONE						CONSOLIDATED FINANCIAL	
	FINANCIAL RESULTS FOR THE PERIOD			RESULTS FOR THE YEAR			ENDED 31ST MARCH 2014	
	3 months ended March 31, 2014 unaudited see note 2**	3 months ended December 31, 2013 unaudited	3 months ended March 31, 2013 unaudited see note 2**	Accounting Year March 31, 2014 (Audited) 12 Months	Accounting Year March 31, 2013 (Audited) 12 Months	Accounting Year March 31, 2014 (Audited) 12 Months	Accounting Year March 31, 2013 (Audited) 12 Months	
Part-I								
1	a) Net Income from Operations	0.10	-	-	-	8.84	-	8.84
	b) Other Operating Income*	0.10	-	-	-	8.84	-	8.84
	Total Income 1(a) + (b)							
2	Expenditure							
	(a) Cost of materials consumed	-	-	-	(0.15)	(0.15)	(0.00)	(0.15)
	(b) Purchases of stock-in-trade	-	-	-	8.47	29.70	31.05	29.70
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	11.17	6.33	(0.15)	31.05	36.10	35.77	36.23
	(d) Employee benefits expense	8.82	8.80	9.03	35.26	274.28	960.80	275.48
	(e) Depreciation and amortisation expense	919.60	11.88	227.55	963.88	399.92	1,027.62	341.26
	f) Other expenditure	939.59	27.01	244.89	1,030.18	(331.08)	(1,027.62)	(332.42)
	Total Expenditure (a+b+c+d+e+f)							
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(939.49)	(27.01)	(244.89)	(1,030.18)	635.96	438.42	638.30
4	Other Income	89.57	122.66	300.77	432.28	304.87	(589.20)	305.88
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(849.92)	95.65	55.87	(597.91)	1.80	0.42	1.80
6	Finance costs	0.22	0.20	(0.00)	0.42	303.08	(589.62)	304.08
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	(849.70)	95.45	55.88	(598.33)	-	-	-
8	Exceptional items	(849.70)	95.45	55.88	(598.33)	303.08	(589.62)	304.08
9	Profit / (Loss) from ordinary activities before tax							
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)	(849.70)	95.45	55.88	(598.33)	303.08	(589.62)	304.08
12	Extraordinary items (net of tax expense Rs. ___ Lakhs)	(849.70)	95.45	55.88	(598.33)	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)							
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) *	(849.70)	95.45	55.88	(598.33)	303.08	(589.62)	304.08
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	2,212.51
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(6,486.43)	(6,486.43)	(6,486.43)	(7,084.75)	(6,486.43)	(7,072.39)	(6,482.75)



19	(i) Earning Per Share (before extraordinary items) (of Rs. ___/- each) (not annualised):		(ii) Earnings per share (after extraordinary items) (of Rs. ___/- each) (not annualised):							
	(a) Basic	(b) Diluted	(a) Basic	(b) Diluted						
	(3.84)	0.43	(3.84)	0.40	0.25	(2.70)	1.37	(2.66)	1.37	
	(3.84)	0.40	(3.84)	0.40	0.25	(2.70)	1.37	(2.66)	1.37	
	(3.84)	0.43	(3.84)	0.40	0.25	(2.70)	1.37	(2.66)	1.37	
	(3.84)	0.40	(3.84)	0.40	0.25	(2.70)	1.37	(2.66)	1.37	
* Applicable in the case of consolidated results.										
Part-II										
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
	---Percentage of Shareholding	60.50%	60.50%	60.50%	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	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%	
---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%	39.50%	100%	100%	
B										
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										
NIL										
(31/03/2014)										

* 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.

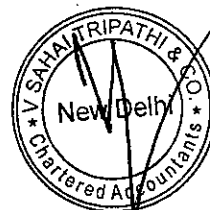


DCM FINANCIAL SERVICES LTD.

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

STATEMENT OF ASSETS AND LIABILITY AS ON 31ST MARCH 2014

Particulars	STAND ALONE FINANCIAL BALANCE SHEET		CONSOLIDATED FINANCIAL BALANCE SHEET	
	As at March 31, 2014 (Audited) 12 Months	As at March 31, 2013 (Audited) 12 Months	As at March 31, 2014 (Audited) 12 Months	As at March 31, 2013 (Audited) 12 Months
EQUITY AND LIABILITIES				
1 SHAREHOLDER'S FUND				
a) Share Capital	2,212.51	2,212.51	2,212.51	2,212.51
b) Reserves and surplus	(7,084.75)	(6,486.43)	(7,072.39)	(6,482.75)
2 Share Application Money Pending allotment	549.72	549.72	549.72	549.72
3 Minority Interest	-	-	3.37	3.35
4 Non -Current Liabilities				
a) Long-term borrowings	9,656.10	9,658.78	9,656.10	9,658.78
b) Deferred Tax- Liabilities (net)	-	-	-	-
c) Other Long-term Liabilities	509.38	509.38	509.38	509.38
d) Long-Term Provisions	2,096.04	1,561.80	2,106.11	1,571.87
Sub-Total- Current Liabilities	7,939.00	8,005.75	7,964.80	8,022.85
5 Current Liabilities				
a) Short-term borrowings	-	-	-	-
b) Trade Payables	-	-	-	-
c) Other Current Liabilities	688.79	648.45	684.81	648.48
d) Short-term Provisions	0.19	0.12	0.19	0.12
Sub-Total- Current Liabilities	688.98	648.57	685.00	648.61
TOTAL- EQUITY AND LIABILITIES	8,627.97	8,654.32	8,649.80	8,671.46
ASSETS				
1 Non-Current Assets				
a) Fixed Assets	1,399.93	1,434.97	1,407.25	1,437.28
b) Non Current Investments	103.58	112.07	87.17	87.17
c) Deferred Tax assets (net)	-	-	-	-
d) Long term trade receivables	1,873.81	2,188.22	1,883.88	2,198.29
e) Long term loans and advances	230.86	290.34	231.01	290.40
f) Other Non- Current assets	4,129.72	3,786.53	4,143.63	3,814.14
Sub-Total- Non Current Assets	7,737.91	7,812.12	7,752.94	7,827.27
2 Current Assets				
a) Inventories	4.20	4.20	4.20	4.20
b) Cash & cash equivalents	22.84	23.06	29.21	23.99
c) Short term loans and advances	8.08	6.50	8.08	6.50
d) Other current assets	854.93	808.45	855.36	809.50
Sub-Total- Current Assets	890.06	842.20	896.85	844.19
TOTAL- ASSETS	8,627.97	8,654.32	8,649.80	8,671.46



NOTES:

1. The above financial Results were taken on record by the Board of Directors at the meeting held on 30.05.2014.
2. Figures for the quarter ended March 31,2013 and March 31, 2014 are in accordance with the Listing Agreement, the balancing figures between audited figures for the full financial year ended on march 31, 2013 and March 31,2014 and published year to date figures upto the third quarter of the respective financial year; figures would need to 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 August 1st, 2014.
4. The management's view on qualifications report by statutory auditors for the period ended 31st March, 2014 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

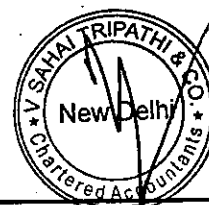
Place: New Delhi

Date: 30.05.2014

**Auditor's Report on Quarterly Financial Results and Year to Date Results of DCM
Financial Services Limited Pursuant to the Clause 41 of Listing Agreement**

To
Board of Directors of
DCM Financial Services Limited

1. We have audited the annual consolidated financial results DCM Financial Services Limited and its subsidiaries for the quarter ended and year to date results for the period from 1st April, 2013 to 31st March, 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the listing agreement, *except for the disclosure regarding 'Public Shareholding' and 'Promoter Group Shareholding' which have been traced from disclosure made by the management and have not been audited by us.* These consolidated quarterly financial results as well as year the 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 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.
2. 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 used and significant estimates made by management. We believe that our audit provides a reasonable basis for opinion.
3. In our opinion and to the best of our information and according to the explanations given to these quarterly financial results as well as the year to date 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 net profit and other financial information for the quarter ended 31st March 2014 as well as year to date results for the period from 1st April, 2013 to 31st March, 2014 except qualifications on the following points :-



On the Year to Date Results (for the year ended 31st March, 2014)

- (a) Recognition of rental income of Rs. 68.26 lacs during the financial year ended 31st March, 2014 which should not have been recognized in view of uncertainty in realization of such income & also non provision of doubtful debts against rental receivable of Rs. 499.43 lacs pertaining to previous years which have not yet been realized. Had these been rectified in the financial statements, the net loss for the year ended 31st March, 2014 and cumulative net loss as at 31st March, 2014 would have been overstated by Rs 68.26 Lacs and Rs 567.69 Lacs respectively. Similarly Current Assets would have been understated by Rs 567.69 Lacs.
- (b) No provision of Rs 826.38 Lacs (Rs 14020.03 Lacs towards accumulated Interest as at 31st March, 2014) which is simple interest calculated @10% per annum as stipulated in the Fresh Restructuring Scheme filed before Hon'ble Delhi High Court, towards Interest on Debentures, Term Loans & Bank, Fixed Deposits and Inter Corporate Deposits, have been provided in the financial statements. Had these been provided for in the financial statements, the net loss for the year ended 31st March, 2014 and cumulative net loss as well as Current / Non Current Liabilities as at 31st March, 2014 would have been overstated by Rs. 826.38 Lacs and Rs. 14020.03 Lacs respectively. This is a 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 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.
- (e) Fixed Deposits and Bills Payable as per Fixed Deposit Register maintained by the Company are Rs. 5642.96 lacs whereas the same as per financials books comes to Rs. 5632.27 lacs. There 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 in the books of accounts.
- (f) Due to liquidity crisis in the past, minimum liquid assets @ 15% of Fixed Deposits as per directives of Reserve Bank of India under Non Banking Company Prudential Norms, 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.
- (g) Till June, 2007, Group Companies funded expenditure or repayments made by the company worth Rs. 549.71 Lacs. The same has been shown or credited to the Share Application Account in the financial statements of the Company. Company had already passed special resolution to allot appropriate shares, however the same is



subject to sanction of **Fresh Restructuring Scheme** by the Hon'ble Delhi High Court. In view of pending approval or acceptance of Fresh Restructuring Scheme in the Hon'ble Delhi High Court, no shares either have been allotted by the Company or repaid or refunded the said share application money. As per Section 73(2) of the Companies Act, 1956, Interest is payable against such share application money. Company has not made any provision in the financials towards Interest payable on the unpaid amount of share application money in compliance with Section 73(2) of the Companies Act, 1956. The company has not attempted to determine the financial impact, accordingly the financial impact of the same is not ascertainable.

(h) The accounts and financials of the company have been prepared on going concern on the assumption and premises made by the management of the Company that (a) The fresh restructuring scheme would be approved by the Hon'ble Delhi High Court in totality which is still pending for approval & acceptance (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 which has already been infused by the management group.

(i) **Contingent liabilities and Other Commitments for which provision has not been made**

i.(i) 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 of accounts 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.

This is subject to approval of fresh restructuring scheme which is pending before Hon'ble Delhi High Court and since the Company has not made payment of interest & principal in accordance with the concession granted by Punjab & Sind Bank, Rs. 1217.52 became payable to Punjab & Sind Bank. No provision for the difference of Rs. 414.12 lacs has been made by the Company. Besides Interest from 1st April, 2005 to till 31st March, 2014, overdue interest, default charges are not provided for. The Company has not attempted to determine the financial impact, accordingly the net loss for the year is understated and cumulative net loss is also understated to that extent.

i.(ii) IndusInd Bank 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. This subject to approval of fresh restructuring scheme which is pending before Hon'ble Delhi High Court and since the Company has not made payment of interest & principal in accordance with the concession granted by Indusind Bank, Rs. 1042.42 became payable to Indusind Bank. No provision for the difference of Rs. 465.42 lacs has been made by the Company. Besides Interest

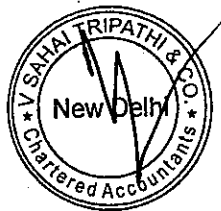


from 1st April, 2005 to till 31st March, 2014, overdue interest, default charges are not provided for. The Company has not attempted to determine the financial impact, accordingly the net loss for the year is understated and cumulative net loss is also understated to that extent.

- i.(iii) 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 considered the 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. The Company is liable to deposit the amount mentioned above which has yet to be deposited.
- i.(iv) 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.
4. Further, read with paragraph 1 above, we also report that we have, on the basis of books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of 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, 2014