

**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 31<sup>st</sup> March, 2015

PARTICULARS	STANDALONE						CONSOLIDATED	
	3 months ended	3 months ended	3 months ended	12 MONTHS ENDED		12 MONTHS ENDED		
	March 31, 2015 (Audited)	December 31, 2014 (Unaudited)	March 31, 2014 (Audited)	Accounting Year March 31, 2015 (Audited)	Accounting Year March 31, 2014 (Audited)	Accounting Year March 31, 2015 (Audited)	Accounting Year March 31, 2014 (Audited)	
(Rs. In Lacs)								
<b>Part-I</b>								
1	<b>Income from Operations</b>							
	a) Net Income from Operations	-	-	-	-	-	-	-
	b) Other Operating Income*	(0.00)	-	-	0.11	0.10	0.11	0.10
	<b>Total Income from Operations (a+b)</b>	-	-	-	0.11	0.10	0.11	0.10
2	<b>Expenditure</b>							
	(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	0.05	-	-	0.05	-	0.05	-
	(d) Employee benefits expense	5.75	6.26	11.17	24.96	31.05	24.96	31.05
	(e) Depreciation and amortisation expense	5.80	28.09	8.82	51.52	35.26	52.43	35.77
	f) Other expenditure	577.37	9.52	919.60	610.72	963.88	615.03	960.80
	<b>Total Expenditure (a+b+c+d+e+f)</b>	588.97	43.87	939.59	687.25	1,030.19	692.47	1,027.62
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	(588.97)	(43.87)	(939.59)	(687.14)	(1,030.09)	(692.36)	(1,027.52)
4	<b>Other Income</b>	115.48	97.53	89.47	408.41	432.18	409.45	438.32
	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	(473.49)	53.66	(850.12)	(278.73)	(597.91)	(282.91)	(589.20)
5	<b>Finance costs</b>	-	-	0.22	3.78	0.42	3.78	0.42
	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	(473.49)	53.66	(850.34)	(282.51)	(598.33)	(286.69)	(589.62)
6	<b>Exceptional items</b>	-	-	-	-	-	-	-
7	<b>Profit / (Loss) from ordinary activities before tax (7 - 6)</b>	(473.49)	53.66	(850.34)	(282.51)	(598.33)	(286.69)	(589.62)
8	<b>Tax expenses</b>	-	-	-	-	-	-	-
	- Current Tax	28.52	-	-	28.52	-	28.52	-
	- Less minimum Alternative Tax Credit	(28.52)	-	-	(28.52)	-	(28.52)	-
	- Deferred Tax Charge / (Credit)	-	-	-	-	-	-	-
	- Tax Adjustment for earlier Years	-	-	-	-	-	-	-
9	<b>Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	(473.49)	53.66	(850.34)	(282.51)	(598.33)	(286.69)	(589.62)
10	<b>Extraordinary items</b>	-	-	-	-	-	-	-
11	<b>Net Profit / (Loss) for the period (11-12)</b>	(473.49)	53.66	(850.34)	(282.51)	(598.33)	(286.69)	(589.62)
12	<b>Share of profit / (loss) of associates*</b>	-	-	-	-	-	-	-
13	<b>Minority interest *</b>	-	-	-	-	(0.42)	-	0.02
14	<b>Net Profit / (Loss) after tax, minority interest and share of profit / (loss) of associates (13 + 14 - 15) *</b>	(473.49)	53.66	(850.34)	(282.51)	(598.33)	(286.27)	(589.64)
15	<b>Paid-up Equity Share Capital (Face value of Rs.10/- each)</b>	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51	2,212.51
16	<b>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	-	-	-	(7,367.25)	(7,084.75)	(7,358.66)	(7,072.39)
17	<b>(i) Earnings Per Share ((before extraordinary items) (of Rs. ___/- each) (not annualised):</b>							
	(a) Basic	(2.14)	0.29	(3.84)	(1.28)	(2.70)	(1.29)	(2.67)
	(b) Diluted	(2.14)	0.29	(3.84)	(1.28)	(2.70)	(1.29)	(2.67)
	<b>(ii) Earnings per share (after extraordinary items) (of Rs. ___/- each) (not annualised):</b>							
	(a) Basic	(2.14)	(0.24)	(3.84)	(1.28)	(2.70)	(1.29)	(2.67)
	(b) Diluted	(2.14)	(0.24)	(3.84)	(1.28)	(2.70)	(1.29)	(2.67)
* Applicable in the case of consolidated results.								
<b>Part-II</b>								
A	<b>(1) Public Shareholding</b>							
	—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
	—Percentage of Shareholding	60.80%	60.50%	60.50%	60.50%	60.50%	60.50%	60.50%
	<b>(2) Promoters and promoter group Shareholding</b>							
	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
	—Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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%
B	<b>INVESTOR COMPLAINTS</b>							
	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								

\* Income from operation shows only income arising from recovery of past debts by the settlement with the sundry debtors.  
During the current period no new business activity has been undertaken by the company.

Note:

1 The figures for the 3 months ended 31.03.2015 and corresponding 3 months ended 31.03.2014 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.



*S. Sharma*

**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 31<sup>st</sup> March, 2015**

PARTICULARS	STANDALONE FINANCIAL		CONSOLIDATED FINANCIAL	
	As At	As At	As At	As At
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	12 Months	12 Months	12 Months	12 Months
	(Audited)	(Audited)	(Audited)	(Audited)
<b>A EQUITY AND LIABILITIES</b>				
<b>1 SHAREHOLDER'S FUND</b>				
a) Share Capital	2,212.51	2,212.51	2,212.51	2,212.51
b) Reserves and surplus	(7,367.25)	(7,064.75)	(7,358.66)	(7,072.39)
<b>2 Share Application Money Pending allotment</b>	-	549.72	-	549.72
<b>3 Minority Interest</b>	-	-	2.95	3.37
<b>4 Non-Current Liabilities</b>				
a) Long-term borrowings	9,653.09	9,656.09	9,653.09	9,656.09
b) Deferred Tax- Liabilities (net)	-	-	-	-
c) Other Long-term Liabilities	1,537.39	1,006.34	1,537.40	1,006.34
d) Long-Term Provisions	2,097.49	2,096.04	2,097.49	2,106.11
<b>Sub-Total- Non Current Liabilities</b>	<b>8,133.23</b>	<b>8,435.95</b>	<b>8,144.78</b>	<b>8,461.75</b>
<b>5 Current Liabilities</b>				
a) Short-term borrowings	-	-	-	-
b) Trade Payables	-	-	-	-
c) Other Current Liabilities	210.42	191.83	190.41	187.85
d) Short-term Provisions	28.72	0.18	28.71	0.19
<b>Sub-Total- Current Liabilities</b>	<b>239.14</b>	<b>192.01</b>	<b>219.12</b>	<b>188.04</b>
<b>TOTAL- EQUITY AND LIABILITIES</b>	<b>8,372.37</b>	<b>8,627.96</b>	<b>8,363.90</b>	<b>8,649.79</b>
<b>B ASSETS</b>				
<b>1 Non-Current Assets</b>				
a) Fixed Assets	1,348.41	1,399.93	1,353.23	1,407.25
b) Non Current Investments	103.58	103.58	87.17	87.17
c) Deferred Tax assets (net)	-	-	-	-
d) Long term trade receivables	1,873.81	1,873.81	1,873.81	1,883.88
e) Long term loans and advances	236.43	230.87	236.47	231.01
f) Other Non- Current assets	4,453.18	4,129.72	4,453.82	4,143.63
<b>Sub-Total- Non Current Assets</b>	<b>8,015.41</b>	<b>7,737.91</b>	<b>8,004.50</b>	<b>7,752.94</b>
<b>2 Current Assets</b>				
a) Inventories	4.16	4.20	4.16	4.20
b) Cash & cash equivalents	26.59	22.84	28.92	29.21
c) Short term loans and advances	6.21	8.08	6.21	8.08
d) Other current assets	320.00	854.93	320.11	855.36
<b>Sub-Total- Current Assets</b>	<b>356.96</b>	<b>890.05</b>	<b>359.40</b>	<b>896.85</b>
<b>TOTAL- ASSETS</b>	<b>8,372.37</b>	<b>8,627.96</b>	<b>8,363.90</b>	<b>8,649.79</b>

S. Sharma

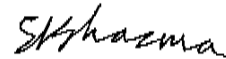


**Notes:**

1. The above financial Results were taken on record by the Board of Directors at the meeting held on 29.05.2015.
2. Figures for the quarter ended March 31,2014 and March 31, 2015 are in accordance with the Listing Agreement, the balancing figures between audited figures for the full financial year ended on March 31,2014 and March 31,2015 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 High court Registrar as per court order. The Hon'ble court has put certain restraints on the assets and on operations of the bank accounts of the Company. The next date of hearing is on July 2<sup>nd</sup>, 2015.
4. The management 's view on qualifications report by statutory auditors for the period ended 31<sup>st</sup> March,2015 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 Financials Services Ltd



(S .K .Sharma)

Executive Director

Place: New Delhi

Date: 29.05.2015

**V SAHAI TRIPATHI & CO**  
**CHARTERED ACCOUNTANTS**

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**Auditor's Report on Quarterly Financial Results and Consolidated 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 the consolidated year to date financial results for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, 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 financial results as well as the consolidated year to date financial results have been prepared from consolidated 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 financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting, as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 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 in the 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 31<sup>st</sup> March 2015 as well as year to date results for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 except qualifications on the following points :-



### On the Year to Date Results (for the year ended 31<sup>st</sup> March, 2015)

- a) 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) adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis and (c) injection of Rs. 19.50 crores as promoters quota which has already been infused by the management group.
- b) No provision of Rs 823.24 Lacs (Rs. 14,843.55 Lacs towards accumulated Interest as at 31<sup>st</sup> March, 2015) (Previous Year – Rs 14,020.03 Lacs) 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 31<sup>st</sup> March, 2015 and cumulative net loss as well as Current / Non-Current Liabilities as at 31<sup>st</sup> March, 2015 would have been overstated by Rs 823.23Lacs and Rs 14843.55 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. The provision of such differential amount has not been made.



- f) 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.
- g) 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.
- h) Contingent liabilities and Other Commitments**
- h.(i)** Claims lodged and contingent liability arising out of suits and winding up petitions filed against the company not acknowledged as debts amounts to Rs. 826.38 Lacs. There are also other cases filed in consumer, civil & criminal courts and other courts against the company for which the company is contingently liable but for which the amount is not quantifiable.
- h.(ii)** Punjab & Sind bank has filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1,217.52 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. In the event of default in the payment of interest and principal or default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the concessions made by PSB shall stand withdrawn and their claim settled before the Debt Recovery Tribunal of Rs. 1,217.52 Lacs will become payable with immediate effect.
- h.(iii)** IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1,042.42 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. In the event



that the company fails to pay the interest or principal or company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs. 1,042.42 Lacs would be payable with immediate effect.

- h.(iv)** During the year 1999, the company had received Rs. 100.00 Lacs from one of its debtors i.e. Pure Drinks New Delhi Ltd. and reduced the same amount from his recoverable balance. Subsequently the Hon'ble Punjab and Haryana Court deemed that payment is an out of turn payment and asked the company to deposit back the said amount. The company had filed a 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. And in view of restrictions imposed on operations of Bank A/c's by Hon'ble Delhi High Court, the company has filed an application to release this money for depositing the same with Punjab & Haryana High Court.
- h.(v)** During the year ended 30<sup>th</sup> 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 under arbitration proceedings as on 31<sup>st</sup> March, 2015.
- h.(vi)** There is a demand of Rs. 141.75 Lacs raised by Income Tax Department for the Assessment Year 2010-11 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company as brought forward losses under the Income Tax Act has not been allowed by the department and rectification application for deletion of above said demand has been filed by the company which is pending before the appropriate authorities.
- h.(vii)** 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. 307.00 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.
- h.(viii)** Due to dispute with the builder M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim for Rs 283.00 Lacs on account of increase in super area and certain other expenditure M/s NBCC Ltd. had incurred and the same is pending in arbitration.



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 : 29<sup>th</sup> May, 2015**

