



Date: 18.06.2019

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

Sub: Further Clarification on Financial Results for the Quarter and year ended March 31, 2019

Dear Sir/Madam,

This is in response to your query and latest reminder dated June 17, 2019 regarding discrepancies in Financial Result of the Company for the quarter and year ended March 31, 2019, in this regard we state as under:

1. Statement on impact on Audit qualification for audit report with Modified Opinion is attached as annexure which signed by CFO also.
2. Statement required as per Regulation 33(3) (e) of SEBI LODR, 2015 has also inserted in the Annual Financial Result for the quarter and year ended March 31, 2019 (**enclosed AFR**).
3. Financial results have been submitted by us is in correct format as IND-AS is applicable on the Company.

Kindly take the above information on your records.

Yours faithfully,

For DCM Financial Services Limited

A handwritten signature in blue ink, appearing to read 'Shantanu Deveshwar', is written over a faint circular stamp.

(Shantanu Deveshwar)

(DIN: 08268523)

Whole Time Director

Encl: As stated above

DCM FINANCIAL SERVICES LIMITED

CIN L65921DL1991PLC043087

Regd. Office: D 7/3, Okhla Industrial Area-II, New Delhi-110020

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Website: www.dfsionline.com

DCM FINANCIAL SERVICES LIMITED

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along - with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 (See Regulation 39/52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	29,936,823	29,936,823
	2.	Total Expenditure	39,296,215	240,794,967
	3.	Net Profit/(Loss)	(9,359,392)	(210,858,144)
	4.	Earnings Per Share	(0.42)	(11.32)
	5.	Total Assets	499,828,899	496,976,993
	6.	Total Liabilities	499,828,899	496,976,993
	7.	Net Worth	(431,965,185)	(633,463,937)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
i	Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd 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 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th 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 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 31st 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 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st 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 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. 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 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 1st June 2014 to 31st 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 31st 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 31st 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 30th 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 31st 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 31st 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/-
TOTAL		28,829,634/-

Material Uncertainty Related to Going Concern

We draw attention to Note 36 in the financial statements, which indicates that the Company incurred a net loss of Rs. 93,59,392 during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by Rs 28,13,13,602. The accumulated loss as on 31st March, 2019 stands to Rs. 85,41,86,911 /-(Previous year Rs. 84,48,27,519/-). As on 31st March, 2019, the Company's total liabilities exceeded to its total assets by Rs. 43,19,65,184/- (Previous year Rs. 42,26,05,793/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under :-

The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing, would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

b. **Type of Audit Qualification : Qualified Opinion i,ii,iii,iv,v,vi,vii**

c. **Frequency of qualification: Whether appeared first time / repetitive / since how long continuing**

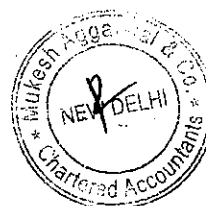
- i Repetitive since Sept 30th, 1999
- ii Repetitive since Sept,30th 1999
- iii Repetitive since Sept,30th 1999
- iv Repetitive since June,30th 1998
- v Repetitive since 31st March,2015
- vi Repetitive since 31st March,2015
- vii.a Repetitive since 31st March,2011-Tenant Claim
- vii.b Repetitive 31st March,2014-ITAX
- vii.c Repetitive since 30th June,2012-MS Shoes
- vii.d Repetitive since 30th June,2010-NBCC

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

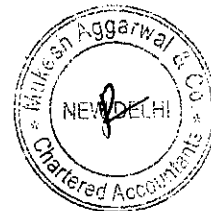
Provision of interest on certain liabilities covered under Para i and under notes 17.1. & 17.4 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court. Further, the quantum of interest, if any will be decided by the High Court of Delhi upon completion of phase II payments and sale of assets.



ii	Non-creation of debenture redemption reserve cannot be created due to insufficient profits in the past and for the redemption of debentures, Company has commenced repayments as per directions of the Hon'ble High Court of Delhi vide order dated 10 th Aug.2017
iii	Depletion in the value of Assets charged to Banks/Institution and Debentures in Para V and covered under notes 17.1,17.2 & 17.3 relates to ascertainment of Security against Debentures and Bank Loan, which could not be ascertained since the Company is in litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence confirmations and acknowledgements are not feasible.
iv	In view of litigation with creditors as mentioned in the para iv, its not possible to obtain the balance confirmations
v	In view of restrictions imposed by the Hon'ble High Court of Delhi on the operations of bank accounts, assistance has been taken to meet the essential expenses from Global IT Options. Company being sick and even the scheme of arrangement is pending before the Court does not provide payment of Interest to creditors, the subsidiary company has given this amount without interest and element of interest and payment interest will be decided once the scheme is approved and liquidity position improves,
vi	In view of scheme of arrangement is pending before the Hon'ble High Court of Delhi, the impact of Mat credit will be decided once the scheme is approved.
vii	(a) There are certain disputes with the tenant and the claim of tenant is contested in the suit for recovery filed by the Company and the same is pending arbitration.
	(b) Company has taken necessary steps for the rectification of demand orders and is hopeful to get relief.
	(c) Company has preferred an appeal before Hon'ble High Court of Delhi in the MS Shoes East Limited matter against the arbitration order and the same pending adjudication
	(d) Company is contesting the claim of NBCC, which is pending arbitration under the Indian Arbitration Act.
	Material Uncertainty Related to Going Concern: In light of fresh scheme of arrangement is pending before the Hon'ble High Court of Delhi and a part of the same is being implemented through the One Man Committee, the Company has plans for future business and income generation. Accordingly, it is not only prudent but also imperative to draw the financial statements based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:
	Management's estimation on the impact of audit qualification:
	If management is unable to estimate the impact, reasons for the same:
	Due to charge on assets, the banks, debentures and Banks have been shown as secured and there is no financial impact.
	As mentioned in the qualification that it's not feasible to determine the impact .However in this case necessary NPAs have already been created in accordance with RBI guidelines and no further financial impact can be estimated.
	As explained earlier the accounts have been prepared on the basis of going concern basis on account of pending scheme and hence the management is unable to estimate the impact
	(iii) Auditors' Comments on (i) or (ii) above:
	Qualification (i) The qualification on Interest on Fixed Deposits and Debentures is already explained and quantifies as above. The same is read as per audit report.
	Qualification (ii) The qualification regarding non creation of Debenture Redemption Reserve is already explained and quantified as above. The same is read as per audit report.



	Qualification (iii) <i>The value of assets charged as security in favor of banks, debenture holders & financial institutions have depleted over a period of time. This qualification has bearing on disclosure of liabilities as Secured Vs Unsecured. The depletion has not yet been ascertained by the Company. It needs to be ascertained for appropriate disclosure as per Schedule III of Companies Act 2013. Accordingly, to the extent shortfall, if any, the liability is unsecured, the same has been shown as secured which is incorrect disclosure. Other than this there is no impact</i>
	Qualification (iv) <i>Balance confirmations are essential component of auditing. Third Party confirmations confirm the management point of view and balances considered by it for financial statements. If third party does not agree with the balance then it is necessary to prepare reconciliation and examine whether any claim of income or charge skipped to be recorded. In the absence of such confirmations it was not feasible for us to determine any financial impact which could be there. The balances considered by it are the initial balances in 1998 and adjusted thereafter if any payment has been made. The qualifications have been determined by considering the claims lodged initially by such parties. Fresh Restructuring scheme submitted in the year 2004 with Hon'ble Delhi High Court and no attempt has been made by the management to get the confirmation of balances of bills receivable and payable, advances, receivables and payables relating to lease and hire purchase, lease security deposit, confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C loans from institutions, banks and other receivables and payable. Accordingly it is not feasible for us to ascertain whether any claim or income or charge has been skipped to be recorded which could have financial impact. This qualification is already explained and quantified as above.</i>
	Qualification (v) <i>The qualification regarding no interest on ICD taken from subsidiary company in non compliance with the Companies Act is already explained. The same is read as per audit report.</i>
	Qualification (vi) <i>Considering all the factors, we are of opinion that there is no probability that future economic benefits will flow, accordingly MAT Credit Entitlement created in previous periods needs to be reversed and same has been explained in the qualification.</i>
	Qualification (vii) <i>The qualification regarding Contingent Liability is already explained and quantified as above. The same is read as per audit report.</i>



III. Signatories:

• CEO/Managing Director

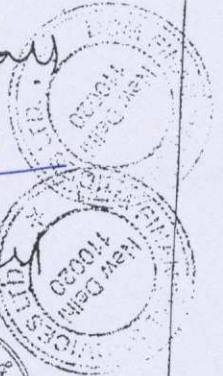
• CFO

• Audit Committee Chairman

• Statutory Auditor

Place: New Delhi

Date: 28th May, 2019



DCM FINANCIAL SERVICES LIMITED

ANNEXURE I

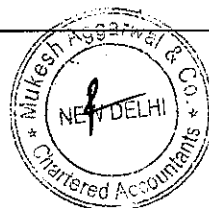
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along - with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019
(See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	29,962,982	29,962,982
	2.	Total Expenditure	39,444,189	240,942,941
	3.	Net Profit/(Loss)	(9,481,207)	(250,424,148)
	4.	Earnings Per Share	(0.43)	(11.32)
	5.	Total Assets	500,157,951	497,306,045
	6.	Total Liabilities	500,157,951	497,306,045
	7.	Net Worth	(429,767,899)	(631,266,651)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
i	Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd 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 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th 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 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 31st 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 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st 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 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. 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 financials and the amount referred as payable in the financials can differ. Please refer Note No-38																											
v	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 31st March 2019. In addition to, non-current loans and advances would have been lowered by Rs 28.52 Lacs after considering the tax effects.																											
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	vi (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: <table> <tr> <th>S. No.</th><th>Description</th><th>Amount</th></tr> <tr> <td>1.</td><td>Difference in super area Vs. provisional area</td><td>22,928,254/-</td></tr> <tr> <td>2.</td><td>Claim of property tax</td><td>319,100/-</td></tr> <tr> <td>3.</td><td>Claim of ground rent</td><td>2,167,190/-</td></tr> <tr> <td>4.</td><td>Allied charges</td><td>782,210/-</td></tr> <tr> <td>5.</td><td>Augmentation of Electric sub station</td><td>132,880/-</td></tr> <tr> <td>6.</td><td>Loss of profit</td><td>2,000,000/-</td></tr> <tr> <td>7.</td><td>Arbitration cost</td><td>500,000/-</td></tr> <tr> <td colspan="2">TOTAL</td><td>28,829,634/-</td></tr> </table>	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/-	TOTAL		28,829,634/-
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TOTAL		28,829,634/-																										



Material Uncertainty Related to Going Concern

We draw attention to Note 36 in the consolidated financial statements, which indicates that the Company incurred a net loss of Rs. 94,81,207 during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 28,11,92,526. The accumulated loss as on 31st March, 2019 stands to Rs. 65,10,18,439/- (Previous year Rs. 64,15,37,232/-). As on 31st March, 2019, the Company's total liabilities exceeded to its total assets by Rs. 42,97,67,899/- (Previous year Rs. 42,02,86,692/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under :-

The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and the company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The Company contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing, would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

b. Type of Audit Qualification : Qualified Opinion i,ii,iii,iv,v,vi

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing

- i Repetitive since Sept 30th, 1999
- ii Repetitive since Sept,30th 1999
- iii Repetitive since Sept,30th 1999
- iv Repetitive since June,30th 1998
- vi Repetitive since 31st March,2015
- vii Since 31st March,2018
- vii.a Repetitive since 31st March,2011-Tenant Claim
- vii.b Repetitive 31st March,2014-ITAX
- vii.c Repetitive since 30th June,2012-MS Shoes
- vii.d Repetitive since 30th June,2010-NBCC

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

i Provision of interest on certain liabilities covered under Para i and under notes 17.1. & 17.4 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court. Further, the quantum of interest, if any will be decided by the High Court of Delhi upon completion of phase II payments and sale of assets.

ii Non-creation of debenture redemption reserve cannot be created due to insufficient profits in the past and for the redemption of debentures, Company has commenced repayments as per directions of the Hon'ble High Court of Delhi vide order dated 10th Aug,2017

iii Depletion in the value of Assets charged to Banks/Institution and Debentures in Para V and covered under notes 17.1,17.2 & 17.3 relates to ascertainment of Security against Debentures and Bank Loan, which could not be ascertained since the Company is in litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence confirmations and acknowledgements are not feasible.

iv In view of litigation with creditors as mentioned in the para iv, its not possible to obtain the balance confirmations

V In view of scheme of arrangement is pending before the Hon'ble High Court of Delhi, the impact of Mat credit will be decided once the scheme is approved.

Vi (a) There are certain disputes with the tenant and the claim of tenant is contested in the suit for recovery filed by the Company and the same is pending arbitration.

(b) Company has taken necessary steps for the rectification of demand orders and is hopeful to get relief.

(c) Company has preferred an appeal before Hon'ble High Court of Delhi in the MS Shoes East Limited matter against the arbitration order and the same pending adjudication



(d) Company is contesting the claim of NBCC, which is pending arbitration under the Indian Arbitration Act.

Material Uncertainty Related to Going Concern:

In light of fresh scheme of arrangement is pending before the Hon'ble High Court of Delhi and a part of the same is being implemented through the One Man Committee, the Company has plans for future business and income generation. Accordingly, it is not only prudent but also imperative to draw the financial statements based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management's estimation on the impact of audit qualification:

If management is unable to estimate the impact, reasons for the same:

Due to charge on assets, the banks, debentures and Banks have been shown as secured and there is no financial impact.

As mentioned in the qualification that it's not feasible to determine the impact. However in this case necessary NPAs have already been created in accordance with RBI guidelines and no further financial impact can be estimated.

As explained earlier the accounts have been prepared on the basis of going concern basis on account of pending scheme and hence the management is unable to estimate the impact

(iii) Auditors' Comments on (i) or (ii) above:

Qualification (i)

The qualification on Interest on Fixed Deposits and Debentures is already explained and quantifies as above. The same is read as per audit report.

Qualification (ii)

The qualification regarding non creation of Debenture Redemption Reserve is already explained and quantified as above. The same is read as per audit report.

Qualification (iii)

The value of assets charged as security in favor of banks, debenture holders & financial institutions have depleted over a period of time. This qualification has bearing on disclosure of liabilities as Secured Vs Unsecured. The depletion has not yet been ascertained by the Company. It needs to be ascertained for appropriate disclosure as per Schedule III of Companies Act, 2013. Accordingly, to the extent shortfall, if any, the liability is unsecured, the same has been shown as secured which is incorrect disclosure. Other than this there is no impact

Qualification (iv)

Balance confirmations are essential component of auditing. Third Party confirmations confirm the management point of view and balances considered by it for financial statements. If third party does not agree with the balance then it is necessary to prepare reconciliation and examine whether any claim of income or charge skipped to be recorded. In the absence of such confirmations it was not feasible for us to determine any financial impact which could be there. The balances considered by it are the initial balances in 1998 and adjusted thereafter if any payment has been made. The qualifications have been determined by considering the claims lodged initially by such parties. Fresh Restructuring scheme submitted in the year 2004 with Hon'ble Delhi High Court and no attempt has been made by the management to get the confirmation of balances of bills receivable and payable, advances, receivables and payables relating to lease and hire purchase, lease security deposit, confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C loans from institutions, banks and other receivables and payable. Accordingly it is not feasible for us to ascertain whether any claim or income or charge has been skipped to be recorded which could have financial impact. This qualification is already explained and quantified as above.

Qualification (v)

Considering all the factors, we are of opinion that there is no probability that future economic benefits will flow, accordingly MAT Credit Entitlement created in previous periods needs to be reversed and same has been explained in the qualification.

Qualification (vi)

The qualification regarding Contingent Liability is already explained and quantified as above. The same is read as per audit report.



III. Signatories:

• CEO/Managing Director

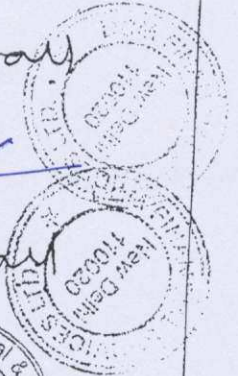
• CFO

• Audit Committee Chairman

• Statutory Auditor

Place: New Delhi

Date: 28th May, 2019



Statement of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2019 Amt. (In Lakhs)

Particulars	Quarter Ended			Year Ended	
	Quarter ended 31-03-2019	Preceding 3 month ended 31-12-2018	Corresponding 3 month ended 31-03-2018	Year to date figures for the Curent year ended on 31-03-2019	Year to date figures for the previous year period ended on 31-03-2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	-	-	-	-	-
II. Other Income	56.16	80.31	476.24	299.37	725.16
III. Total Income (I +II)	56.16	80.31	476.24	299.37	725.16
IV. Expenses					
Cost of Material Consumed	-	-	-	-	-
Purchases of Stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	-	-	25.32	-	-
Employee Benefits Expenses	19.07	19.94	12.70	59.35	44.99
Finance Costs	25.94	29.30	100.62	110.73	100.62
Depreciation and amortisation expenses	7.83	7.83	9.02	31.32	31.43
Other Expenses	23.47	29.69	310.59	148.86	403.68
Total Expenses (IV)	76.31	86.76	458.25	350.25	580.72
V. Profit/(Loss) before exceptional items and tax (III- IV)	-20.15	-6.45	17.99	-50.88	144.44
VI. Exceptional items	-	-	-	-	-
VII. Profit/(Loss) before tax (V-VI)	-20.15	-6.45	17.99	-50.88	144.44
VIII. Tax Expense	54.27		115.21	43.60	150.74
(1) Current tax	-12.81	-	3.47	-	39.00
(2) Deferred tax	66.89	1.12	110.91	43.41	110.91
(3) Previous Year Tax	0.19	-2.60	0.83	0.19	0.83
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	-74.42	-4.97	-97.22	-94.47	-6.30
X. Profit/(Loss) from discontinued operations	-	-	-	-	-
XI. Tax expense of discontinued operations	-	-	-	-	-
XII. Profit/(Loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII. Profit/(Loss) for the period (IX+XII)	-74.42	-4.97	-97.22	-94.47	-6.30
XIV. Other Comprehensive Income	2.77	-0.85	-1.21	0.88	-1.21
(A) (i) Items that will not be reclassified to profit or loss	2.56	0.22	-1.05	-	-1.05
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.21	-	-0.16	0.88	-0.17
(B) (i) Items that will be classified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV. Total Comprehensive Income for the period (XIII+XIV)	-71.65	-5.60	-98.44	-93.59	-7.52
(Comprising Profit (Loss) and Other Comprehensive Income for the Period)					
XVI. Earnings per equity share (for continuing operation):					
(1) Basic	-0.32	-0.03	-0.44	-0.42	-0.03
(2) Diluted	-0.32	-0.03	-0.44	-0.42	-0.03
XVII. Earnings per equity share (for discontinued operation):					
(1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
XVIII. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	-0.32	-0.03	-0.44	-0.42	-0.03
(2) Diluted	-0.32	-0.03	-0.44	-0.42	-0.03

Notes:

- (1) The above results have been reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on 28th, May 2019. The Statutory Auditors have carried out their Audit of the above results.
- (2) The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS), prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- (3) The IND AS compliant corresponding figures for the period as reported above have not been subjected to review. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- (4) The figures for the previous period/year have been regrouped/reclassified, wherever necessary, to conform to the current period/year classification.
- (5) As the Company's business activity falls within a single segment, therefore "Segment Reporting" are not applicable.
- (6) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

For DCM Financial Services Ltd



(SHANTANU DEVESHWAR)
Whole Time Director
DIN : 08268523

Statement of Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2019 Amt. (In Lakhs)

Particulars	Quarter Ended			Year Ended	
	Quarter ended 31-03-2019	Preceding 3 month ended 31-12-2018	Corresponding 3 month ended 31-03-2018	Year to date figures for the Current year ended on 31-03-2019	Year to date figures for the previous year period ended on 31-03-2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	-	-	-	-	-
II. Other Income	56.17	80.56	475.99	299.63	725.16
III. Total Income (I +II)	56.17	80.56	475.99	299.63	725.16
IV. Expenses					
Cost of Material Consumed	-	-	-	-	-
Purchases of Stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	25.32	-	25.32	-	-
Employee Benefits Expenses	19.07	19.94	12.70	59.35	44.99
Finance Costs	24.05	-	98.91	108.84	98.91
Depreciation and amortisation expenses	8.33	8.00	9.48	31.99	32.04
Other Expenses	24.29	30.02	293.71	150.55	387.36
Total Expenses (IV)	101.06	57.96	440.11	350.73	563.30
V. Profit/(Loss) before exceptional items and tax (III- IV)	-44.89	22.60	35.87	-51.10	161.86
VI. Exceptional items	-	-	-	-	-
VII. Profit/(Loss) before tax (V-VI)	-44.89	22.60	35.87	-51.10	161.86
VIII. Tax Expense					
(1) Current tax	-12.81	11.95	3.67	-	39.00
(2) Deferred tax	43.83	-	111.52	43.83	111.52
(3) Previous Year Tax	0.77	-	0.83	0.77	0.83
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	-76.67	10.65	-80.15	-95.69	10.51
X. Profit/(Loss) from discontinued operations	-	-	-	-	-
XI. Tax expense of discontinued operations	-	-	-	-	-
XII. Profit/(Loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII. Profit/(Loss) for the period (IX+XII)	-76.67	43.35	-80.15	-95.69	10.51
XIV. Other Comprehensive Income	0.88	-	-1.21	0.88	-1.21
(A) (i) Items that will not be reclassified to profit or loss	-	-	-1.05	-	-1.05
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.88	-	-0.16	0.88	-0.16
(B) (i) Items that will be classified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV. Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the Period)	-75.79	43.35	-81.36	-94.81	9.30
XVI. Earnings per equity share (for continuing operation):					
(1) Basic	-0.34	0.20	-0.37	-0.43	0.04
(2) Diluted	-0.34	0.20	-0.37	-0.43	0.04
XVII. Earnings per equity share (for discontinued operation):					
(1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
XVIII. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	-0.34	0.20	-0.37	-0.43	0.04
(2) Diluted	-0.34	0.20	-0.37	-0.43	0.04

Notes:

- (1) The above results have been reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on 28th, May 2019. The Statutory Auditors have carried out their Audit of the above results.
- (2) The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS), prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- (3) The IND AS compliant corresponding figures for the period as reported above have not been subjected to review. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- (4) The figures for the previous period/year have been regrouped/reclassified, wherever necessary, to conform to the current period/year classification
- (5) As the Company's business activity falls within a single segment, therefore "Segment Reporting" are not applicable.
- (6) The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

For DCM Financial Services Limited



Shantanu Deveshwar
(DIN: 02188166)
Whole Time Director

Date: 28.05.2019
Place : New Delhi