ND/DFSL/SECTT/LISTING/2013 13.11.2013

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
MUMBAI – 400051

Sub.: CONCLUSION OF THE BOARD MEETING

Dear Sir,

This is to inform that the meeting of Board of Directors has held today at 5.00 pm at the registered office of the company to approve the un-audited quarterly financial results for the quarter ended 30th SEPT ,2013 along with Limited review report of the Auditors and other business of the company.

The Board has approved the following items:

1 Approval of Un-Audited Financial results for the quarter ended 30th Sept,2013

Copies of Un-Audited results along with Limited Review Report are annexed herewith.

The above is for your record.

Thanking you

Yours faithfully

Director

Encl.: As above

Copy to:

1 Listing Department
Bombay Stock Exchange Limited
Floor 1, Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI – 400001

2 Listing Department
Delhi Stock Exchange
3&4/4B, Asaf Ali Road
Near Turknam Gate
NEW DELHI-110006

DCM FINANCIAL SERVICES LTD.

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30 SEPTEMBER, 2013

(Rs. In Lacs)

	PARTICULARS	1	2	3	4	5	6
		3 months Ended	Previous 3 months ended	Corresponding 3 months in the previous year	Year to date Figures for the Current Period	Year to date Figures for the Previous	Prev.Accounting Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	March 31, 2013
		(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*	(Audited)
		3 Months	3 Months	3 Months	6 Months	6 Months	12 months
Part-I							
1	a) Net Income from Operations	-	-	-	-	-	-
	b) Other Operating Income**	-	0.10	8.84	0.10	8.84	8.84
	Total Income 1(a) + (b)	-	0.10	8.84	0.10	8.84	8.84
2	Expenditure						
	(a) Cost of materials consumed	-	-	-	-	-	-
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	(0.15)
	(d) Employee benefits expense	6.65	6.60	6.86	13.59	14.04	29.70
	(e) Depreciation and amortisation expense	8.82	8.82	9.04	17.64	18.06	36.10
	f) Other expenditure	20.54	11.86	20.97	32.40	31.54	274.28
	Total Expenditure (a+b+c+d+e+f)	36.31	27.28	36.87	63.59	63.64	339.93
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	(36.31)	(27.18)	(28.03)	(63.49)	(54.80)	(331.09)
4	Other Income	120.79	99.26	120.99	220.05	218.34	635.96
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	84.48	72.08	92.96	156.56	163.54	304.87
6	Finance costs	-	-	-	-	-	1.80
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)**	84.48	72.08	92.96	156.56	163.54	303.07
8	Exceptional Items	-	-	-	-	-	-
9	**Profit / (Loss) from ordinary activities before tax**	84.48	72.08	92.96	156.56	163.54	303.07
10	Tax expenses						
	- Current Tax	-	-	-	-	-	-
	- Less minimum Alternative Tax Credit	-	-	-	-	-	-
	- Deffered Tax Charge / (Credit)	-	-	-	-	-	-
	- Tax Adjustment for earlier years	-	-	-	-	-	-
11	**Net Profit / (Loss) from ordinary activities after tax (9 + 10)**	84.48	72.07	92.96	156.56	163.54	303.07
12	Extraordinary items	-	-	-	-	-	-
13	**Net Profit / (Loss) for the period (11 + 12)**	84.48	72.07	92.96	156.56	163.54	303.07
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) ***	84.48	72.07	92.96	156.56	163.54	303.08
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
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71	2,009.71
19	**(i) Earning Per Share ((before extraordinary items) (not annualised):**	0.38	0.33	0.42	0.71	0.74	1.37
	(ii) Earnings per share Basic & Diluted after extraordinary items) (not annualised):	0.38	0.33	0.42	0.71	0.74	1.37
	(1) Public Shareholding						
	---No. of Shares	13385102	13385102	13385102	13385102	13385102	13385102
Part-II	---Percentage of Shareholding	60.50%	60.50%	60.50%	60.50%	60.50%	60.50%
A	(2) Promoters and promoter group Shareholding	-	-	-	-	-	-
	a)Pledged/Encumbered	-	-	-	-	-	-
	---No. of Shares	-	-	-	-	-	-
	---Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	---Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b)Non-encumbered						
	---No. of Shares	8739952	8739952	8739952	8739952	8739952	8739952
	---Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100%
	---Percentage of shares (as a % of the total share capital of the company)	39.50%	39.50%	39.50%	39.50%	39.50%	39.50%

	INVESTOR COMPLAINTS	3 months ended (30/09/2013)
	Pending at the beginning of the quarter	Nil
B	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

Limited review audit has been conducted by te statutory Auditors of the company for the quarter ended 30.09.2013

**Income from operation shows only income arising from recovery of past debts by the the settlement with the sundary debtors.

During the current period no new business activity has been undertaken by the company.

STATEMENT OF ASSETS & LIABILITIES AS ON 30th September 2013

(Rs. In Lacs)

	Particulars	As at 30.09.2013 Unaudited 6Months	As at 31.03.2013 Audited 12 months
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	a) Share Capital	2,212.51	2,212.51
	b) Reserve and Surplus	(6,329.86)	(6,486.43)
2	**Share Application Money pending allotment**	549.72	549.72
3	**Minority Interest**	-	-
4	**Non - Current Liabilities**		
	a) Long - term borrowings	9,656.28	9,658.78
	b) Deffered Tax Liability (net)	-	-
	c) Other Long-term Liabilities	509.44	509.38
	d) Long Term Provisions	5.01	5.01
	Sub- total - Non Current Liabilities	**6,603.09**	**6,448.97**
5	**Current Liabilities**		
	a) short- term borrowings	-	-
	b) Trade payables	-	-
	c) Other current Liabilities	664.60	648.45
	d) short- term provisions	0.12	0.12
	Sub- total - Current Liabilities	664.72	648.57
	TOTAL - EQUITY AND LIABILITIES	**7,267.81**	**7,097.53**
B	**ASSETS**		
1	**Non-current Assets**		
	a) Fixed Assets	1,417.81	1,434.97
	b) Non Current Investments	112.07	112.07
	c) Deferred tax assets (net)	-	-
	d) Long Term Trade Receivables	718.98	808.45
	e) Long Term Loans and advances	290.34	290.34
	f) Other Non Current Assets	4,697.72	4,417.95
	Sub- total - Non Current Assets	**7,236.92**	**7,063.78**
2	**Current assests**		
	a) Inventories	4.20	4.20
	b) Cash & Cash equivalants	23.47	23.06
	c) Short Term Loans and Advances	3.22	6.50
	Sub- total - Current Assets	30.89	33.76
	TOTAL- ASSETS	**7,267.81**	**7,097.53**

NOTES

1 The above financial results which have been subjected to limited review by the Statutory Auditors of the Company, have been approved by the Board of Directors at its meeting held on 13.11.2013.

2 A fresh scheme of Arrangement for Re-organization of Share Capital of the Company and for a compromise with its Secured and Unsecured creditors was filed in the Hon'ble Delhi High Court in the year 2004 u/s 391-394 of the Companies Act, 1956 . The said scheme has been approved by requisite majority. The promoter of the Company had undertaken to contribute Rs. 19.50 crores and the same has been deposited with the Registrar-High Court of Delhi. The next date of hearing is on Nov 15th 2013. Further, the Reserve Bank of India has filed a writ petition and winding up petition before the Hon'ble High Court in matter of rejection of Company's application for registration and the Hon'ble Court has put certain restraints on the assets and on operations of bank accounts of the Company.

3 The management's view on qualifications report by statutory auditors for the period ended 30th Sept having material impact in the current period on1)Non provision of interest on Debentures, Fixed deposits, loan from banks and institutions and inter corporate deposits. 2) Non realization of rental income and 3) Non provision of NPA, continuous to remain the same that provision for interest has not been made in accordance with the proposed restructuring scheme and that provision for NPA should be realistic in nature.

4 In accordance with Accounting Standard 22 issued by The Institute of Chartered Accountants of India, on "Accounting for Taxes on income" Deferred tax assets on accumulated depreciation and losses has not been accounted for.

5 Claims lodged and contingent liabilities arising out of suits filed against the Company not acknowledged as debt and other amounts for which the Company is contingently liable have not been ascertained and therefore not provided for.

By Order of the Board

DCM Financial Services Ltd.

S.K. Sharma
Director

Place : New Delhi

Date : 13th Nov,2013

V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

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New Delhi - 110024
Tel. : +91-11-24333823, 46612531-33
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LIMITED REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of ***DCM Financial Services Ltd.*** having its registered office at D-7/3, (Mezzenine Floor), Okhla Industrial Area, Phase-2, New Delhi-110020 for the quarter ended 30th September, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the company's management and has been taken on record by the Board of Directors at their meeting held on 13th November, 2013. Our responsibility is to issue a report on these financial statements based on our review.

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

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

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

8-E, Hansalaya, 15 Barakhamba Road, Connaught Place, New Delhi - 110001
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Website : www.sahaitripathi.com

NOTES TO LIMITED REVIEW REPORT

1. **NON PROVISION OF INTEREST ON SECURED/UNSECURED LOANS**
The Company has not provided the interest on the following liabilities during the quarter ended 30th September, 2013.

(a) Interest on debentures @ 10% as per offer letter on 19.5 % Debentures amounting to approx. Rs.64.12 lacs.(Rs.127.91 for six months ending 30th September 2013).

(b) Interest on bills payable and fixed deposits amounting to approx. Rs. 141.54 lacs.(Rs.279.84 for six months ending 30th September 2013).

(c) Interest of Inter Corporate deposits amounting to approx. Rs. 1.58 lacs. (Rs.3.16 for six months ending 30th September 2013).

To the extent of non-provision of interests as stated above the Profit of the Company for three months ending 30th September, 2013 is overstated by Rs. 207.24 lacs. (Rs. 410.91 lacs for six months ending 30th September 2013).

2. **NON PROVISION OF DOUBTFUL DEBT AGAINST RENTAL RECEIVABLE**
The total rent recoverable as at 31st March, 2013 was Rs 510.82 lacs and after considering rent of subsequent six months period from April, 2013 to September, 2013 of Rs. 51.13 lacs (inclusive of Service Tax), recoverable amount comes to Rs. 561.95 lacs. The management anticipates that the balance amount recoverable of Rs 561.95 lacs which includes the rent of Rs 25.57 lacs (inclusive of service tax) for the quarter ending 30th September ,2013 will be recovered in full. The tenant has leased a vehicle to the company. The tenant charges vehicle hire charges of Rs 6,500 per month from the company. Rs 7 lacs are payable to tenant towards repair & maintenance (as per agreement). After considering vehicle hire charges of Rs 0.39 lacs & Rs.7 lacs towards repair & maintenance, the net amount recoverable stands reduced to Rs.554.56 lacs. The net rent receivable of Rs 554.56 lacs has been treated as good for recovery in books of accounts of the company as at 30th September, 2013 by the management of the company.

However in view of uncertainty in realization of such income & non provision of doubtful debts against rental receivable pertaining to previous years which have not yet been realized, the profits of the company for the quarter ended 30th September 2013 are overstated to the extent of Rs.25.57 lacs. (Rs. 51.13 lacs for six months ending 30th September 2013).

3. OTHER MAJOR AUDIT OBSERVATIONS AS ON 31st MARCH, 2013 WHICH NEED TO BE READ WITH THIS REPORT

(i) 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.

(ii) 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. This has been explained in Note 4.1.f, Note 4.1.g.(i), Note 4.2.c & 4.2.d, Note 4.3.2, Note 4.3.3, Note 4.4(f) and Note 4.6.

(iii) For redemption of debentures of Rs 2546.66 Lacs, debenture redemption reserve is required to be created. Debenture redemption reserve of Rs2546.66 lacs has not been created due to insufficient profits. This has been explained in Note 2.2.

(iv) 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. This has been explained in Note 24.

(v) 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. This has been explained in Note 4.1.d and Note 4.2.b & 4.3.1.

(vi) 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. This has been explained in Note 4.4.(b).

(vii) 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. This has been explained in Note 4.4.(d) & Note 4.4.(e).

(viii) 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. This has been explained in Note 4.4.(g).

(ix) 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. This has been explained in Note 11.2 & Note 12.1.

(x) 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. This has been explained in Note 28.

(xi) 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. This has been explained in Note 14.2, 14.3 & 29 (a).

(xii) Contingent liabilities and Other Commitments

(a) 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.

(b) 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.

(c) 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.

(d) 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.

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

Place : New Delhi
Dated :13th November, 2013

(Manish Mohan)
Partner
Member Ship No.091607

V. Sahai Tripathi & Co. NEW DELHI Chartered Accountants