ND/DFSL/SECTT/LISTING/2015 13.8.2015

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 the registered office of the company to approve the un-audited quarterly financial results for the quarter ended 30th June,2015 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 June,2015(Copies of Un-Audited results along with Limited Review Report are annexed herewith.)
2. Mr. Rajeshwer Singh has resigned and his resignation has been accepted and Mr. Sehdev has been appointed as Additional Director of the company. He will act as Independent Director of the Company.
3. Apply for extension of time for holding AGM for the year 2015 as sanction from Hon'ble Delhi High Court for the expenses is awaited.

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

DCM FINANCIAL SERVICES LIMITED
CIN 65921DL1991PLC043087
Regd. Office: D 7/3, Okhla Industrial Area-II, New Delhi-110020
Tel-011-26387750 email ID: info@dfslonline.com
Website: www.dfslonline.com

DCM FINANCIAL SERVICES LTD.

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2015

(Rs. In Lacs)

		1	2	3	4
		3 months ended	Preceeding 3 months ended	Corresponding, 3months in the previous year	Previous Accounting Year ended
		June 30, 2015 unaudited*	March 31, 2015 audited	June 30, 2014 unaudited	March 31, 2015 (Audited)
		3 months	3 months	3 months	12 Months
Part-I					
1	a) Net Income from Operations	-	-	-	-
	b) Other Operating Income**	-	-	0.11	0.11
	Total Income 1(a) + (b)	-	-	0.11	0.11
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	-	0.05	-	0.05
	(d) Employee benefits expense	5.53	5.75	6.06	24.96
	(e) Depreciation and amortisation expense	7.68	5.80	8.81	51.52
	f) Other expenditure	7.36	577.37	8.60	610.72
	Total Expenditure (a+b+c+d+e+f)	20.57	588.97	23.47	687.25
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	(20.57)	(588.97)	(23.36)	(687.14)
4	Other Income	97.57	115.48	97.08	408.41
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	77.00	(473.49)	73.72	(278.73)
6	Finance costs	0.24	-	-	3.78
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)**	76.76	(473.49)	73.72	(282.51)
8	Exceptional Items	-	-	-	-
9	**Profit / (Loss) from ordinary activities before tax**	76.76	(473.49)	73.72	(282.51)
10	Tax expenses	-		-	
	- Current Tax	15.36	28.52	-	28.52
	- Less minimum Alternative Tax Credit	(15.36)	(28.52)	-	(28.52)
	- Deffered Tax Charge / (Credit)	-	-	-	-
	- Tax Adjustment for earlier Years	-	-	-	-
11	**Net Profit / (Loss) from ordinary activities after tax (9 + 10)**	76.76	(473.49)	73.72	(282.51)
12	Extraordinary items (net of tax expense Rs. Nil Lakhs)	-	-	-	-
13	**Net Profit / (Loss) for the period (11 + 12)**	76.76	(473.49)	73.72	(282.51)
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) ***	76.76	(473.49)	73.72	(282.51)
17	Paid-up Equity Share Capital (Face value of Rs.10/- each	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	(7,367.25)	-	(7,084.75)	(7,367.25)
19	**(i) Earning Per Share ((before extraordinary items) (of Rs.10/- each) (not annualised):**				
	(a) Basic	0.03	(2.14)	0.03	(1.28)
	(b) Diluted	0.03	(2.14)	0.03	(1.28)
	(ii) Earnings per share (after extraordinary items) (of Rs.10/- each) (not annualised):				
	(a) Basic	0.03	(2.14)	0.33	(1.28)
	(b) Diluted	0.03	(2.14)	0.33	(1.28)

* Applicable in the case of consolidated results.

V SAHAI TRIPATHI & Co. New Delhi Chartered Accountants

Part-II					
A	(1) Public Shareholding				
	---No. of Shares	1,33,85,102.00	1,33,85,102.00	1,33,85,102.00	1,33,85,102.00
	—Percentage of Shareholding	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	87,39,952.00	87,39,952.00	87,39,952.00	87,39,952.00
	—Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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%
B	INVESTOR COMPLAINTS			(30.06.2015)	
	Pending at the beginning of the quarter	NIL			
	Received during the quarter	NIL			
	Disposed of during the quarter	NIL			
	Remaining unresolved at the end of the quarter	NIL			

* Limited review audit has ben conducted by the Statutory Auditors of the company for the quarter ended 30.06.2015

** Income from operation showes 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.

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 13-08-2015
2. A fresh scheme of Arrangement for Re-organisation 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 2004 391/394 of the companies Act, 1956. The said scheme has been approved by the requisite majority. The promoters of the company had undertaken to contribute Rs 19.50 crores and the same has been deposited with the High court Registrar of Delhi. The next date of hearing is on 3rd September 2015. Further, the Reserve Bank of India has filed a writ petition and winding up petition before The Hon'ble court in the 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 the bank accounts of the company.
3. The management's view on qualifications report by statutory auditors for the period ended 30th June 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 proposed restructuring scheme and that provision for NPA should be realistic in nature.
4. In accordance with Accounting Standards 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 Limited.

S.K.Sharma

(S.K.Sharma)
Executive Director
DIN 02188166

Place: New Delhi
Date: 13.08.2015

V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

C-593, LGF, Defence Colony
New Delhi - 110024
Tel. : +91-11- 46612531-33
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E-Mail : vst@sahaitripathi.com

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 June, 2015 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 August, 2015. 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 (ISRE) 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 and audit qualifications and consequential effects thereto not considered by company as referred in notes attached as per annexure 'A',** 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.

ANNEXURE 'A'

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 June, 2015:-

   (a) Interest on debentures @ 10% as per offer letter on 19.5 % Debentures amounting to approx. Rs.63.65 lacs.

   (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 140.39 lacs.

   (c) Interest of Inter Corporate deposits amounting to approx. Rs. 1.58 lacs.

   To the extent of non-provision of interests as stated above the Profit of the Company for three months ending 30th June, 2015 is overstated by Rs. 205.65 lacs.

2. **OTHER MAJOR AUDIT OBSERVATIONS AS ON 31st MARCH, 2015 WHICH NEED TO BE READ WITH THIS REPORT**

   (i) 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. 1,950.00 Lacs as promoters quota which has already been infused by the management group.

   (ii) No provision of Rs 823.24 Lacs (Rs. 14,843.55 Lacs towards accumulated Interest as at 31st March, 2015) (Previous Year - Rs14,020.03 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 31st March, 2015 and cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2015 would have been overstated by Rs 823.23Lacs and Rs 14843.55Lacs respectively. This is a contravention of the Accounting Standard 1 on Disclosure of Accounting Policies issued by Ministry of Corporate Affairs, Government of India.

(iii) 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.

(iv) 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.

(v) Fixed Deposits and Bills Payable as per Fixed Deposit Register maintained by the Company are Rs. 5627.29 lacs whereas the same as per financials books comes to Rs. 5617.20 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 in the books of accounts. The provision of such differential amount has not been made.

(vi) 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.

(vii) 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.

(viii) **Global IT Options Private Limited** has till 31st March, 2015 incurred expenditure of Rs 20,47,425 for & on behalf of its Holding Company (i.e. DCM Financial Services Limited). It comes under the category of short term funding. 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 not been provided on outstanding balance of Rs 20,47,425 by Company to its subsidiary - **Global IT Options Private Limited**. It is non compliance of Section 186 of Companies Act, 2013, which could attract penalties.

(ix) Contingent liabilities and Other Commitments

ix(a) 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.

ix(b) 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.

ix(c.) 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.

ix.(d) 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.

ix.(e) During the year ended 30th 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 31st March, 2015.

ix.(f) 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.

ix.(g) 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. 512.80 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.

ix.(h) 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 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.

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

(Manish Mohan)
Partner
Membership No. 91607

Place : New Delhi
Dated: 13th August, 2015

V SAHAI TRIPATHI & Co. New Delhi Chartered Accountants