



Ref:DFS/SE/

14th Nov,2016

Listing Department BSE Limited Floor 25, PJ Towers Dalal Street MUMBAI – 400001 Through :BSE LISTING CENTRE	Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No C/1, G Block, Bandra-Kurla Complex, Bandra (East), <u>MUMBAI – 400051</u> Through: NEAPS
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Dear Sir,

CONCLUSION OF BOARD MEETING AND SUBMISSION OF UN-AUDITED FINANCIAL RESULTS

We wish to inform you that the Board of Directors of the Company at their meeting held on 14th Nov, 2016, inter alia approved the Un-Audited Financial Results for the quarter and half year ended 30th Sept,2016 and a copy of Un-audited financial results along with Limited Review Report of auditors is enclosed.

Thanking you,

Yours truly
For DCM FINANCIAL SERVICES LIMITED

A handwritten signature in blue ink, appearing to read 'SK Sharma', is written over the typed name.

COMPLIANCE OFFICER

Encl: as above

DCM FINANCIAL SERVICES LIMITED

CIN 65921DL1991PLC043087

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

Tel-011-26387750

email ID: info@dfsionline.com

Website: www.dfsionline.com

DCM FINANCIAL SERVICES LTD.

CIN: L65921DL1991PLC043087

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPT 2016

(Rs. In Lacs)						
		1	2	3	4	5
		3 months ended	Preceding 3 months ended	3 months ended	6 months ended	Corresponding, 6 months in the previous year
		Sept 30, 2016 unaudited*	June 30, 2016 unaudited*	Sept 30, 2015 unaudited*	Sept 30, 2016 unaudited*	September 30, 2015 unaudited
		3 months	3 months	3 months	6 months	6 months
						12 Months
Part-I						
1	a) Net Income from Operations	-	-	-	-	-
	b) Other Operating Income**	-	-	-	-	-
	Total Income 1(a) + (b)	-	-	-	-	-
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	-	-	-	-	3.34
	(d) Employee benefits expense	5.57	5.41	5.47	10.98	11.00
	(e) Depreciation and amortisation expense	7.62	7.62	7.68	15.24	15.36
	(f) Other expenditure	18.00	17.87	9.60	35.88	16.96
	Total Expenditure (a+b+c+d+e+f)	31.19	30.90	22.75	62.10	43.32
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(31.19)	(30.90)	(22.75)	(62.10)	(43.32)
4	Other Income	83.24	93.38	108.37	176.62	205.94
	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	52.05	62.48	85.62	114.52	162.62
5	Finance costs	-	-	-	-	0.24
	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	52.05	62.48	85.62	114.52	162.38
7	Exceptional Items	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax	52.05	62.48	85.62	114.52	162.38
10	Tax expenses	4.50	3.60	-	8.10	-
	- Current Tax	4.50	3.60	15.36	8.10	30.71
	- Less minimum Alternative Tax Credit	-	-	(15.36)	-	(30.71)
	- Deferred Tax Charge / (Credit)	-	-	-	-	-
	- Tax Adjustment for earlier Years	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9 + 10)	47.55	58.88	85.62	106.42	162.38
12	Extraordinary items (net of tax expense Rs. ____ Lakhs)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11 + 12)	47.55	58.88	85.62	106.42	162.38
14	Share of profit / (loss) of associates*	-	-	-	-	-
15	Minority interest *	-	-	-	-	-
	Net Profit/(Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	47.55	58.88	85.62	106.42	162.38
16	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
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(7,158.07)	(7,367.25)	(7,367.25)	(7,158.07)	(7,367.25)
18	(i) Earning Per Share ((before extraordinary items) (of Rs.10/- each) (not annualised):					
	(a) Basic	0.21	0.27	0.04	0.48	0.07
	(b) Diluted	0.21	0.27	0.04	0.48	0.07
19	(ii) Earnings per share (after extraordinary items) (of Rs.10/- each) (not annualised):					
	(a) Basic	0.21	0.27	0.04	0.48	0.07
	(b) Diluted	0.21	0.27	0.04	0.48	0.07

* Limited review audit has been conducted by the Statutory Auditors of the company for the quarter ended 30.09.2016

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



DCM FINANCIAL SERVICES LTD.

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30 SEPTEMBER,2016

STATEMENT OF ASSETS AND LIABILITY AS ON 30th September 2016

(Rs. In Lacs)

	Particulars	As at 30.09.2016	As at 31.03.2016
		Unaudited	Audited
		6Months	12 months
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
a)	Share Capital	2,212.51	2,212.51
b)	Reserve and Surplus	(7,043.53)	(7,158.08)
2	Share Application Money pending allotment	-	-
3	Minority Interest	-	-
4	Non - Current Liabilities		
a)	Long - term borrowings	9,648.11	9,658.45
b)	Deferred Tax Liability (net)	-	-
c)	Other Long-term Liabilities	1,537.50	1,537.50
d)	Long Term Provisions	2,084.33	2,084.33
	Sub- total - Non Current Liabilities	8,438.92	8,334.71
5	Current Liabilities		
a)	short- term borrowings	-	-
b)	Trade payables	-	-
c)	Other current Liabilities	208.96	208.32
d)	short- term provisions	95.61	88.21
	Sub- total - Current Liabilities	304.57	296.53
	TOTAL - EQUITY AND LIABILITIES	8,743.49	8,631.24
B	ASSETS		
1	Non-current Assets		
a)	Fixed Assets	1,302.47	1,317.69
b)	Non Current Investments	103.58	103.59
c)	Deferred tax assets (net)	-	-
d)	Long Term Trade Receivables	1,873.81	1,873.81
e)	Long Term Loans and advances	226.09	221.27
f)	Other Non Current Assets	5,034.44	4,753.53
	Sub- total - Non Current Assets	8,540.39	8,269.89
2	Current assests		
a)	Inventories	0.81	0.81
b)	Cash & Cash equivalents	51.89	13.50
c)	Short Term Loans and Advances	8.31	7.03
d)	Other Current Assets	142.09	340.01
	Sub- total - Current Assets	203.10	361.35
	TOTAL- ASSETS	8,743.49	8,631.24

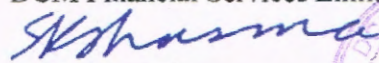


NOTES

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 14-11-2016
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 contributed Rs 19.50 crores as undertaking the same has been deposited with the High court Registrar of Delhi as per 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 Nov 16th, 2016
3. The management's view on qualifications report by statutory auditors for the period ended 30th Sept 2016 having material impact in the current period on Non provision of Interest on Debentures, fixed deposits, Loan from Banks and institutions and inter corporate deposits etc continuous to remain the same that provision for interest has not been made in accordance with proposed restructuring scheme.
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.
6. The compliance of segment wise revenue, results and capital employed along with financial results is not applicable to our company in terms of clause 27 on reportable segment of Accounting Standards on Segment Reporting (AS -17)

By Order of the Board

DCM Financial Services Limited.


(S.K.Sharma)
Executive Director
DIN 02188166



Place: New Delhi
Date: 14-11-2016

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, (Mezzanine Floor), Okhla Industrial Area, Phase-2, New Delhi-110020 for the quarter ended 30th September, 2016. 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 14th November, 2016. 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 **Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015** 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 September, 2016:-

- (a) Interest on debentures @ 10% as per offer letter on 19.5% Debentures amounting to approx. Rs.64.26 lacs. (Rs. 127.15 for six months ending 30th September 2016)
- (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 141.88 lacs. (Rs. 280.77 lacs for six months ending 30th September 2016)
- (c) Interest of Inter Corporate deposits amounting to approx. Rs. 0.68 lacs. (Rs. 1.36 lacs for six months ending 30th September 2016)

To the extent of non-provision of interests as stated above the Profit of the Company for three months ending 30th September 2016 is overstated by Rs. 207.50 lacs. (Rs 409.28 lacs for six months ending 30th September 2016)

2. OTHER MAJOR AUDIT OBSERVATIONS AS ON 31st MARCH, 2016 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 868.55 Lacs (Rs. 15,647.48 Lacs towards accumulated Interest as at 31st March, 2016) (Previous Year - Rs14,778.93 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, 2016 and cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2016 would have been overstated by Rs 868.55 Lacs and Rs 15,647.48 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.



- (iii) For redemption of 'B' series debentures of Rs 2,544.36 Lacs, debenture redemption reserve is required to be created. Debenture redemption reserve of Rs 2,544.36 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) 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.
- (vi) 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.
- (vii) **Global IT Options Private Limited** has till 31st March, 2016 incurred expenditure of Rs 22.39 Lacs 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 22.39 Lacs 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.
- (viii) Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which



may extend to five lakh rupees. During the year ended March 31st, 2016, the Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Company has made relevant disclosures in the Board of Directors meeting regarding this issue. It is non compliance of Section 203 of Companies Act, 2013, which could attract penalties.

- (ix) Pursuant to section 149 of Companies Act, 2013 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 every listed company is required to appoint at least one Woman Director. During the year ended March 31st, 2016, the Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non compliance which are Rs. 50,000 from 1-April-2015 to 30th June,2015 and thereafter Rs. 1000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5000 per day. Total estimated penalty/ fine comes to Rs. 10,50,000 till 31-Mar-2016. Had provision been provided for in the financial statements, the net loss for the year ended 31st March,2016 and cumulative net loss as well as Current/ Non Current Liability as at 31st March,2016 would have been higher by Rs.10,50,000.

(x) Contingent liabilities and Other Commitments

- x. (a) Mr. Dhruv Prakash had lodged a claim of Rs 65 lacs and winding up petition against the company. The contingent liability arising out of this suit amounts to Rs 65 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.
- x. (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. 315.72 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.



- x. (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. 576.99 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. 390.93 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.
- x. (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.
- x. (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, 2016.
- x. (f) There is a demand of Rs. 141.75 Lacs and Rs. 34.59 Lacs raised by Income Tax Department for the Assessment Year 2010-11 and 2006-07 respectively 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.
- x. (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. 51.28 Lacs i.e. claim amount along with interest of Rs. 306.81 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.



- x. (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. 288.30 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.
- x. (i) SIDBI had filed a petition for winding up on alleged non-payment of Rs. 54.40 lacs which consist of interest, overdue interest and other charges, before the Hon'ble Delhi High Court. Provision for Rs. 18.10 lacs liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided in the books due to waiver of interest sought under the "Fresh Restructuring Scheme".

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



(Manish Mohan)
Partner
Membership No. 91607
Place : New Delhi
Dated: 14-November-2016