



ND/DFSL/SECTT/2012

February 11th, 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 – 400 051

Sub.: CONCLUSION OF BOARD MEETING

Dear Sir,

In compliance of the Listing Agreement, we wish to inform you that the Board of Directors of the Company in its meeting held on February 11th Feb, 2015 concluded and decided the following:

1. Approved the unaudited financial results along with Limited Review Report of the Company for the quarter ended on December 31st, 2014
2. To change the Registrar & Transfer Agents as the current agents M/s MCS Ltd has decided to transfer their business to their other Company i.e. MCS Share Transfer Agent Ltd.

The above is for your information and records please.

Thanking You

Yours faithfully

For DCM Financial Services Limited

A handwritten signature in black ink, appearing to read 'Surender Kumar', is written over the printed name.

(Surender Kumar)

Director & Compliance Officer

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@dfsionline.com

Website: www.dfsionline.com

DCM FINANCIAL SERVICES LIMITED

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2014

(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 Period	Prev. Accounting Year Ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	March 31, 2014
		(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*	(Audited)
		3 Months	3 Months	3 Months	9 Months	9 Months	12 months
Part-I							
1	a) Net Income from Operations	-	-	-	-	-	-
	b) Other Operating Income**	-	(0.00)	-	0.11	0.10	0.10
	Total Income 1(a) + (b)	-	(0.00)	-	0.11	0.10	0.10
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	-	-	-	-	-	-
	(d) Employee benefits expense	6.26	6.89	6.33	19.21	19.89	31.05
	(e) Depreciation and amortisation expense	28.09	8.82	8.80	45.72	26.44	35.26
	(f) Other expenditure	9.52	15.23	11.88	33.35	44.28	963.88
	Total Expenditure (a+b+c+d+e+f)	43.87	30.94	27.01	98.28	90.61	1030.19
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(43.87)	(30.94)	(27.01)	(98.17)	(90.51)	(1,030.09)
4	Other Income	97.53	98.32	122.66	292.93	342.61	432.18
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	53.66	67.38	95.65	194.76	252.10	(597.91)
6	Finance costs	-	3.77	0.20	3.77	0.20	0.42
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	53.66	63.61	95.45	190.99	251.90	598.33
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax	53.66	63.61	95.45	190.99	251.90	(598.33)
10	Tax expenses						
	- Current Tax	-	-	-	-	-	-
	- Less minimum Alternative Tax Credit	-	-	-	-	-	-
	- Deferred Tax Charge / (Credit)	-	-	-	-	-	-
	- Tax Adjustment for earlier years	-	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	53.66	63.61	95.45	190.99	251.90	(598.33)
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)	53.66	63.61	95.45	190.99	251.90	(598.33)
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) *	53.66	63.61	95.45	190.99	251.90	(598.33)
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	(7,084.75)
19	(i) Earning Per Share ((before extraordinary items) (not annualised):	0.24	0.29	0.43	0.86	1.14	(2.70)
	(ii) Earnings per share Basic & Diluted after extraordinary items) (not annualised):	0.24	0.29	0.40	0.62	1.14	(2.70)



Part-II	(1) Public Shareholding						
A	—No. of Shares	13385102	13385102	13385102	13385102	13385102	13385102
	—Percentage of Shareholding	60.50%	60.50%	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	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 (31-12-2014)					
	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 the statutory Auditors of the company for the quarter ended 31.12.2014

*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.



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 11-02-2015
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 July 2nd, 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 31st December 2014 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)
Executive Director
DIN 02188166

Place: New Delhi
Date: 11-02-2015

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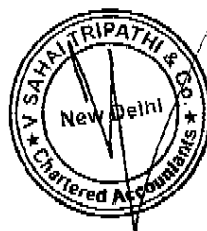
LIMITED REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of *DCM Financial Services Limited* having its registered office at D-7/3, (Mezzanine Floor), Okhla Industrial Area, Phase-2, New Delhi-110020 for the quarter ended 31st December, 2014 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 11th February, 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 (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 and audit qualifications and consequential effect 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****(For the quarter ended 31st December, 2014)****1. NON PROVISION OF INTEREST ON SECURED/UNSECURED LOANS**

The Company has not provided the interest on the following liabilities during the quarter ended 31st December, 2014.

- (a) Interest on Debentures @ 10% as per offer letter on 19.5 % Debentures amounting to approx. Rs.64.12 lacs (Rs. 192.06 lacs for nine months ending 31st December 2014).
- (b) Interest on Bills Payable and Fixed Deposits amounting to approx. Rs. 141.85 lacs (Rs. 423.12 lacs for nine months ending 31st December 2014).
- (c) Interest of Inter Corporate Deposits amounting to approx. Rs. 1.58 lacs (Rs. 4.74 lacs for nine months ending 31st December 2014).

To the extent of non-provision of interests as stated above the Profit of the Company for three months ending 31st December 2014 is overstated by Rs. 207.55 lacs (Rs.619.92 lacs for nine months ending 31st December, 2014).

2. NON PROVISION OF DOUBTFUL DEBT AGAINST RENTAL RECEIVABLE

The total rent recoverable as at 31st March, 2014 was Rs 567.70. In view of uncertainty in realization of rental income the company has stopped recording the same as income with effect from 1st January, 2014. The total outstanding on account of rent receivable pertaining to previous years, which have not been yet realized is Rs. 567.70 lacs. The company has not made any provision against such outstanding rent income of the previous year.

3. OTHER MAJOR AUDIT OBSERVATIONS AS ON 31st MARCH, 2014 WHICH NEED TO BE READ WITH THIS REPORT

- 3.(a). Recognition of rental income of Rs 68.26 lacs during the financial year ended 31st March, 2014 in view of uncertainty in realization & also non provision of doubtful debts against rental income receivable of Rs. 499.40 lacs pertaining to previous years which have not yet been realized. Had these been rectified in financial statements, the net loss for the year ended 31st March, 2014 and cumulative net loss at 31st March, 2014 would have been overstated by Rs. 68.26 lacs and Rs.567.70 lacs respectively. Similarly current assets would have been overstated by Rs. 567.70lacs.

- 3.(b). No provision of Rs 826.38 Lacs (Rs 14020.03 Lacs towards accumulated Interest as at 31st March, 2014) 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, 2014 and cumulative net loss as well as Current / Non Current Liabilities as at 31st March, 2014 would have been overstated by Rs. 826.38 Lacs and Rs. 14020.03 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.

- 3.(c). For redemption of debentures of Rs 8.75 Lacs, debenture redemption reserve is required to be created. Debenture redemption reserve of Rs 8.75 lacs has not been created due to insufficient profits.
- 3.(d). The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured.
- 3.(e). Fixed Deposits and Bills Payable as per Fixed Deposit Register maintained by the Company are Rs. 5642.96 lacs whereas the same as per financials books comes to Rs. 5632.27 lacs. There is a difference of Rs. 10.69 lacs which is un-reconciled in the Fixed Deposit Register. The reason is either lack of identification of depositors or no claim or confirmation having been received by the company. The provision of such differential amount has not been made in the books of accounts.
- 3.(f). 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.
- 3.(g). Till June, 2007, Group Companies funded expenditure or repayments made by the company worth Rs. 549.71 Lacs. The same has been shown or credited to the Share Application Account in the financial statements of the Company. Company had already passed special resolution to allot appropriate shares, however the same is subject to sanction of Fresh Restructuring Scheme by the Hon'ble Delhi High Court. In view of pending approval or acceptance of Fresh Restructuring Scheme in the Hon'ble Delhi High Court, no shares either have been allotted by the Company or repaid or refunded the said share application money. As per Section 73(2) of the Companies Act, 1956, Interest is payable against such share application money. Company has not made any provision in the financials towards Interest payable on the unpaid amount of share application money in compliance with Section 73(2) of the Companies Act, 1956. The company has not attempted to determine the financial impact, accordingly the financial impact of the same is not ascertainable.



- 3.(h). 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) 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 which has already been infused by the management group.

3.(i).Contingent liabilities and Other Commitments for which provision has not been made:

- 3.(i).(i) 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 of accounts 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.

This is subject to approval of fresh restructuring scheme which is pending before Hon'ble Delhi High Court and since the Company has not made payment of interest & principal in accordance with the concession granted by Punjab & Sind Bank, Rs. 1217.52 became payable to Punjab & Sind Bank. No provision for the difference of Rs. 414.12 lacs has been made by the Company. Besides Interest from 1st April, 2005 to till 31st March, 2014, overdue interest, default charges are not provided for. The Company has not attempted to determine the financial impact, accordingly the net loss for the year is understated and cumulative net loss is also understated to that extent.

- 3.(i).(ii) IndusInd Bank 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.

This subject to approval of fresh restructuring scheme which is pending before Hon'ble Delhi High Court and since the Company has not made payment of interest & principal in accordance with the concession granted by Indusind Bank, Rs. 1042.42 became payable to Indusind Bank. No provision for the difference of Rs. 465.42 lacs has been made by the Company. Besides Interest from 1st April, 2005 to till 31st March, 2014, overdue interest, default charges are not provided for. The Company has not attempted to determine the financial impact, accordingly the net loss



for the year is understated and cumulative net loss is also understated to that extent.

3.(i).(iii) 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 considered the 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. The Company is liable to deposit the amount mentioned above which has yet to be deposited.

3.(i).(iv) 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's Registration Number : 000262N

(Manish Mohan)

Partner

Membership No. 91607

Place: New Delhi

Dated: 11th February, 2015

