

DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rupees in Lakhs except per share data)

S. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from Operations	-	-	-	-	-	-
II	Other Income	61.46	64.05	80.31	193.62	243.21	299.37
III	Total Revenue (I + II)	61.46	64.05	80.31	193.62	243.21	299.37
IV	Expenses:						
	Cost of materials consumed	-	-	-	-	-	-
	Purchases of stock in trade	-	-	-	-	-	-
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-	-	-	-	-
	Employee Benefits Expense	13.20	22.02	19.94	48.90	40.28	59.35
	Finance Costs	24.51	24.51	29.30	73.53	84.79	110.73
	Depreciation and Amortization Expense	7.16	7.16	7.83	21.47	23.49	31.32
	Other Expenses	27.44	39.07	29.69	109.16	125.38	148.86
	Total Expenses (IV)	72.31	92.76	86.76	253.06	273.95	350.25
V	Profit before exceptional items and tax (III - IV)	(10.85)	(28.71)	(6.45)	(59.44)	(30.74)	(50.88)
VI	Exceptional Item	-	-	-	-	-	-
VII	Profit before tax (V - VI)	(10.85)	(28.71)	(6.45)	(59.44)	(30.74)	(50.88)
VIII	Tax expense:						
	(1) Current tax	-	-	1.12	-	12.81	-
	(2) Deferred tax	(0.56)	3.56	(2.60)	4.51	(23.48)	43.41
	(3) Previous Year Tax	-	-	-	-	-	0.19
IX	Profit/(Loss) for the period	(10.29)	(32.27)	(4.97)	(63.94)	(20.07)	(94.48)
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	-	-	(0.85)	-	(2.56)	-
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	0.22	-	0.67	0.88
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income (A+B)	-	-	(0.63)	-	(1.88)	0.88
XI	Total Comprehensive Income for the period (IX + X)	(10.29)	(32.27)	(5.60)	(63.94)	(21.95)	(93.60)
XII	Earning per Equity Share (Face Value of Rs. 10/- each)						
	- Basic	(0.05)	(0.15)	(0.03)	(0.29)	(0.10)	(0.42)
	- Diluted	(0.05)	(0.15)	(0.03)	(0.29)	(0.10)	(0.42)

NOTES:

- 1 The above unaudited Financial Results for the quarter and nine months ended 31.12.2019 have been reviewed/recommended by the Audit Committee and approved and taken on record by the Board of Directors in their respective meetings held on 13.02.2020
- 2 The Statutory Auditors have carried out limited review of the above financial results for the quarter and nine months ended 31.12.2019.
- 3 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 4 The figures of the previous period/year have been regrouped/recast, wherever considered necessary, to conform to the current year's classification.
- 5 As the companies business activity falls within a single segment, therefore Segment Reporting are not applicable.

For DCM Financial Services Ltd



Shantanu Deveshwar
(Whole Time Director)

Place : Delhi
Dated : 13th February, 2020



MUKESH AGGARWAL & CO. CHARTERED ACCOUNTANTS

102-103, IJS Palace, X-320, Delhi Gate Bazar,
Asaf Ali Road, New Delhi- 110002
Tel : 011- 43028025

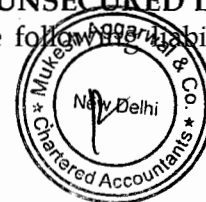
LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of unaudited 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 (the "Company") for the quarter and nine months ended December 31, 2019. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our Responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. 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 attention that causes us to believe that accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of *Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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 nine months ended 31st December, 2019: -

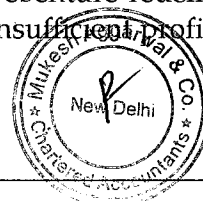


- (a) Interest on debentures @ 10% as per offer letter on 19.5% Debentures amounting to approx. Rs. 46.82 lacs.
- (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 126.20 lacs.
- (c) Interest of Inter Corporate deposits amounting to approx. Rs. 0.68 lacs.

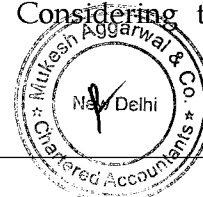
To the extent of non-provision of interests as stated above the Loss of the Company for nine months ending 31st December 2019 is understated by Rs. 173.70 lacs.

2. OTHER MAJOR AUDIT OBSERVATIONS AS PER THE AUDITED FINANCIALS 31st MARCH, 2019 WHICH NEED TO BE READ WITH THIS REPORT

- (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 stakeholder 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 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, 2019. The cumulative net loss as well as Current Liabilities as at 31st March, 2019 would have been higher by Rs 1,340 Lacs.
- (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.



- (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.
- (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.
- (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

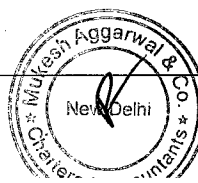
vii(a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2019.

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.

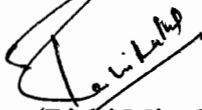
vii(d) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is 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/-

For Mukesh Aggarwal & Co.
Chartered Accountants
Firm Regn. No. 000393N



(Rishi Mittal)

Partner

Membership No. 521860

Place: New Delhi

Dated: 13-February-2020



UID No 20521860AAAAAH2334

DCM FINANCIAL SERVICES LTD.

CIN L65921DL1991PLC043087

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

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rupees in Lakhs except per share data)

S. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from Operations	-	-	-	-	-	-
II	Other Income	61.47	64.30	80.56	193.25	243.47	299.63
III	Total Revenue (I + II)	61.47	64.30	80.56	193.25	243.47	299.63
IV	Expenses:						
	Cost of materials consumed	-	-	-	-	-	-
	Purchases of stock in trade	-	-	-	-	-	-
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-	-	-	-	-
	Employee Benefits Expense	13.20	22.02	19.94	48.90	40.28	59.35
	Finance Costs	23.99	23.99	28.83	70.41	83.37	108.84
	Depreciation and Amortization Expense	7.32	7.32	8.00	21.98	24.00	31.99
	Other Expenses	27.59	39.48	30.07	110.03	126.65	150.55
	Total Expenses (IV)	72.10	92.81	86.84	251.32	274.30	350.73
V	Profit before exceptional items and tax (III - IV)	(10.63)	(28.51)	(6.28)	(58.07)	(30.83)	(51.10)
VI	Exceptional Item	-	-	-	-	-	-
VII	Profit before tax (V - VI)	(10.63)	(28.51)	(6.28)	(58.07)	(30.83)	(51.10)
VIII	Tax expense:						
	(1) Current tax	0.03	0.03	1.12	0.25	12.81	43.83
	(2) Deferred tax	(0.92)	3.54	(2.50)	4.26	(23.17)	0.77
	(3) Previous Year Tax	-	-	-	-	-	-
IX	Profit/(Loss) for the period	(9.74)	(32.08)	(4.90)	(62.58)	(20.47)	(95.70)
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	-	-	(0.85)	-	(2.56)	-
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	0.22	-	0.67	0.88
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income (A+B)	-	-	(0.63)	-	(1.89)	0.88
XI	Total Comprehensive Income for the period (IX + X)	(9.74)	(32.08)	(5.53)	(62.58)	(22.36)	(94.82)
XII	Earning per Equity Share (Face Value of Rs. 10/- each)						
	- Basic	(0.04)	(0.15)	(0.02)	(0.28)	(0.10)	(0.43)
	- Diluted	(0.04)	(0.15)	(0.02)	(0.28)	(0.10)	(0.43)

NOTES:

- 1 The above unaudited consolidated Financial Results for the nine months ended 31.12.2019 have been reviewed/recommended by the Audit Committee and approved and taken on record by the Board of Directors in their respective meetings held on 13.02.2020.
- 2 The Statutory Auditors have carried out limited review of the above financial results for the nine months ended 31.12.2019.
- 3 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 4 The figures of the previous period/year have been regrouped/recast, wherever considered necessary, to conform to the current year's classification.
- 5 As the companies business activity falls within a single segment, therefore Segment Reporting are not applicable.

For DCM financials services Ltd.



Shantanu

Shantanu Devshwar
(Whole Time Director)

New Delhi
13th February 2020



MUKESH AGGARWAL & CO. CHARTERED ACCOUNTANTS

102-103, IJS Palace, X-320, Delhi Gate Bazar,
Asaf Ali Road, New Delhi- 110002
Tel : 011- 43028025

LIMITED REVIEW REPORT

1. We have reviewed the accompanying Statement of consolidated unaudited 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 (the "Parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2019, and the period from 1st April 2019 to 31st December 2019 ("the statement"), being submitted by the parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding nine months ending 31st December, 2019 and the corresponding period from 1st April, 2019 to 31st December 2019, as reported in these financial results have been approved by the parent Board of Directors, but have not been subjected to review.
2. The Statement which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 "Interim Financial Reporting" ("IND AS 34") prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results of the subsidiary Global IT Options Limited which has been considered in the consolidation.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above **subject to the notes and audit qualifications and consequential effects thereto not considered by Parent as referred in notes attached as per annexure 'A'**, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

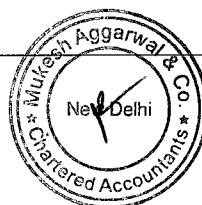
ANNEXURE 'A'

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 nine months ended 31st December, 2019: -
 - (a) Interest on debentures @ 10% as per offer letter on 19.5% Debentures amounting to approx. Rs. 46.82 lacs.
 - (b) Interest on bills payable and fixed deposits amounting to approx. Rs. 126.20 lacs.
 - (c) Interest of Inter Corporate deposits amounting to approx. Rs. 0.68 lacs.

To the extent of non-provision of interests as stated above the Loss of the Company for nine months ending 31st December, 2019 is understated by Rs. 173.70 lacs.

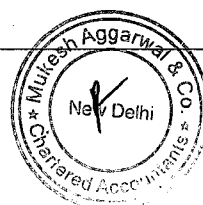
2. **OTHER MAJOR AUDIT OBSERVATIONS AS PER THE CONSOLIDATED AUDITED FINANCIALS 31st MARCH, 2019 WHICH NEED TO BE READ WITH THIS REPORT**
 - (i) Justice Anil Kumar as one-man committee was appointed vide order dated: - 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors 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 consolidated financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the consolidated 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, 2019. The cumulative net loss as well as Current / Non-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 favour 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 consolidated 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 not 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 F.Y 2015-16 considering that the same will be paid in FY 2019-20

(vi) 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. However, during the year ended March 31st, 2017, 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.

However, during the year ended March 31st, 2018, the Company has appointed Whole Time Company Secretary with effect from 22nd April, 2017.

Regarding non appointment of Whole Time Company Secretary till 22nd April, 2017, it is noncompliance of Section 203 of Companies Act, 2013, which could attract penalties. Presently it is not feasible to determine the financial impact on the financial.

(vii) 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 Holding 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. 1,000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5,000 per day. With effect from 6-October 2016, woman director has been



appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y RS.16.85 Lacs) till date of appointment of women director (i.e. 5th October, 2016). No provision of Rs 16.85 Lacs has made in the books of accounts. Had provision been provided for in the consolidated financial statements, the net profit before tax for the year ended 31st March, 2018 would have been lower by Rs 16.85 Lacs and net profit after tax would have been lowered by Rs. 13.45 Lacs. The cumulative net loss as well as Current/ Non-Current Liability/ Provisions as at 31st March, 2019 would have been higher by Rs.13.40 Lacs.

- (viii) 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 consolidated 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 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.

(ix) Contingent liabilities and Other Commitments

- ix(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.
- ix(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.



- ix(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 Holding Company before Hon'ble Delhi High Court.
- ix(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/-

6. The consolidated unaudited financial results includes the quarterly financial statements/ financial information/ financial results of one subsidiary which have not been reviewed/audited by their auditors, whose quarterly financial statements/ financial information/ financial results reflect total revenue of Rs.0.53 Lakhs and total net profit/(loss) after tax of Rs. 0.53 Lakhs and total comprehensive income / loss of Rs. 0.53 Lakhs for the quarter ended 31st December, 2019 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these quarterly financial statements / financial information / financial results are not material to the Group.



Our conclusion on the Statement is not modified in respect of the above matter.

For Mukesh Aggarwal & Co.
Chartered Accountants
Firm Regn. No. 000393N



(Rishi Mittal)

Partner

Membership No. 521860

Place: New Delhi

Dated: 13th February, 2020



UID No 20521860AAAAAI5656