

FORM B

Format of covering letter of the annual report to be filed with stock exchanges

1	Name of the Company	DCM FINANCIAL SERVICES LIMITED
2	Annual Financial statement for the year ended	31 st March,2015
3	Type of Audit Qualification	Qualified
4	Frequency of qualification	<p>1 Repetitive as stated in item 5 below since June 30th, 1998</p> <p>2 Repetitive as stated in item 5 below since Sept,30th 1999</p> <p>3 Repetitive as stated in item 5 below since Sept,30th 1999</p> <p>4 Repetitive as stated in item 5 below since Sept,30th 1999</p> <p>5 Repetitive as stated in item 5 below since June 30th, 1998</p> <p>6 Repetitive as stated in item 5 below since June 30th, 1998</p> <p>7 Repetitive as stated in item 5 below since June 30th, 1998</p> <p>8 Qualification as stated in item 5 below since March 31st,2015</p> <p>9.1 Repetitive as stated in item 5 below since June 30th, 1998</p> <p>9.2 Repetitive as stated in item 5 below since March 31st,2002</p> <p>9.3 Repetitive as stated in item 5 below since March 31st,2002</p> <p>9.4 Repetitive as stated in item 5 below since 30th June,2009</p> <p>9.5 Repetitive as stated in item 5 below since 30th June,2011</p> <p>9.6 Repetitive as stated in item 5 below since 31st March,2014</p> <p>9.7 Repetitive as stated in item 5 below since 31st March,2012</p> <p>9.8 Repetitive as stated in item 5 below since 30th June,2010</p> <p>10. Repetitive as stated in item 5 below since 31st March,2014</p>
5	Draw attention to relevant Notes in the annual financial statement and management response to the qualification in the director's report	<p>1. 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. 1950.00 Lacs as promoters quota which has already been infused by the management group. The same has been explained in Note 30.</p> <p>Management Response</p> <p>In light of the fresh scheme of restructuring pending before the Hon'ble Delhi High Court, the Company has plans for future business and income generation. Accordingly it is not only prudent but also imperative to draw the financial statement based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity. (Refer page no 13 of Annual report)</p> <p>2. No provision of Rs 823.24 Lacs (Rs. 14,843.55 Lacs towards accumulated interest as at 31st March, 2015) (Previous Year - Rs 14,020.03 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</p>



India. The same has been explained in Note 4.1.g, Note 4.4(g) and Note 4.6.

Management Response

Provision of interest on certain liabilities covered under Para II and under notes 4.1g, 4.4(g) & 4.6 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court. (Refer Page no 13 of annual report)

3. 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. The same has been explained in Note 2.2.

Management Response

Para iii and Note 2.2 on non-creation of debenture redemption reserve is self-explanatory and cannot be created due to insufficient profits (Refer Page no 13 of annual report)

4. 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. The same has been explained in Note 4.1.e and Note 4.2.b & 4.3.1.

Management Response

Depletion in the value of Assets charged to Banks/Institution and Debentures in Para V and covered under notes 4.1.e, 4.2.b & 4.3.1 relates to ascertainment of Security against Debentures and Bank Loan, which could not be ascertained since the Company is in litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence confirmations and acknowledgements are not feasible (Refer Page no 13 of annual report)

5. Fixed Deposits and Bills Payable as per Fixed Deposit Register maintained by the Company are Rs. 5627.89 lacs whereas the same as per financials books co to Rs. 5617.20 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 aim 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. The same has been explained in Note 4.4.(e) & Note 4.4.(f).

Management Response

Regarding Para V, regarding liability on account of fixed deposit received, the company has prepared a fixed deposit register and verifying the claims of depositors on regular basis and also in process of reconciling difference with books of accounts. Further once the Scheme is sanctioned and all deposits will be verified & reconciled before repayments as per directions of the Court. (Refer Page no 13 of annual report)

6. 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. Please refer Note No-31

Management Response

In view of litigation with creditors mentioned in the para vi, its not possible to obtain the balance confirmations (Refer Page no 13 of annual report)

7. 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. The same has been explained in Note 4.4.(h)

Management Response

Maintenance of minimum liquid assets covered under Para vii and note 4.4(h). Due to the liquidity crisis and default in payment to fixed depositors, the liquid assets held by the Company had to be used for payment to depositors in terms of directions from RBI to pay all the matured depositors. Thereafter, the Company has made application to the RBI as well as the Hon'ble Company Law Board for exemption from maintaining minimum liquid assets. (page no13 of annual report)

8. Global IT Options Limited has till 31st March,2015 incurred expenditure of Rs 20.47 Lacs for & behalf of its Holding Company(i.e. DCM Financial Services Ltd). It Comes under the category of short term funding. In case of Inter Corporate Deposits, section 186 of Companies Act 2013 stipulates to charge interest at a rate not less than the bank rate declared by Reserve Bank of India. No interest has been provided on outstanding balance of Rs 20.47 lacs by Company to its subsidiary- Global IT Options Ltd. It is a non-compliance of section 186 of Companies Act 2013, which could attract penalties.

Management Response

In view of restrictions imposed by the Hon'ble High Court of Delhi on the operations of bank accounts, assistance of Rs 20.47 lacs has been taken to meet the essential expenses from Global IT Options. Company being sick and even the scheme of arrangement pending before the Court does not provide payment of Interest to creditors, the subsidiary company has given this amount without interest and element of interest and payment interest will be decided once the scheme is approved and liquidity position improves.

9.1. 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.

Management Response

The Company is contesting claims lodged against it not acknowledged as debts including claims on account of securitization transaction and



underwriting obligations. Rest of the contingent liabilities are being addressed through the Scheme.

9.2. 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 the claim settled before the Debt Recovery Tribunal of Rs. 1,217.52 Lacs will become payable with immediate effect.

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9.3. IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (ORT), 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.

Management Response

In case of Payment to Punjab & Sind Bank & IndusInd Bank as mentioned in para ix(ii) & para ix(iii) , it is submitted that the scheme of restructuring, pending before the Hon'ble Delhi High Court and repayment issue to these banks is being addressed in the scheme of arrangement with creditors . Further, the Hon'ble Court has stayed the suits filed in DRT by PSB & IndusInd Bank(Refer page no13 of annual report)

9.4. 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 tum payment and asked the Company to deposit back the said amount. The Company had file 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.

Management Response

As mentioned in the para ix (iv), the Company has filed an application for the release of amount to be deposited in the Punjab & Haryana High Court and the same is pending.(Refer page No 13 of the annual report.)

9.5 During the year ended 30th June,2011 the Company's tenant has filed a claim of Rs 100 lacs against the Company due to damages suffered by the tenant which is pending under arbitration proceedings as on 31st March 2015

Management Response

There are certain disputes with the tenant and the claim of tenant is contested in the pending arbitration. (Refer Page no 13 of annual report)

9.6 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.

Management Response

As mentioned in the para ix (vi), the Company has filed necessary application for the rectification application for the deletion of said demand, however the same is pending. (Refer Page no 13-14 of annual report)

9.7. 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.

Management Response

Company has preferred an appeal before Hon'ble High Court of Delhi in the MS Shoes East Limited matter against the arbitration order and the same pending adjudication. (Refer page no 14 of annual report)

9.8 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 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.

Management Response

Company is contesting the claim of NBCC, which is pending arbitration under the Indian Arbitration Act.

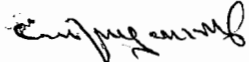
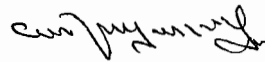
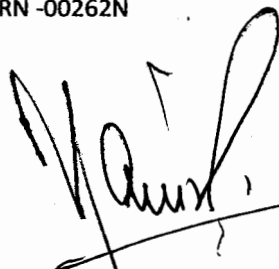

10. Till June, 2007, Group Companies funded expenditure or repayments made by the Company worth Rs. 549.71 Lacs. The same had been shown or credited to the Share Application Account in the financial statements of the Company. Company had already passed special resolution to allot appropriate shares, however the same is subject to sanction of Fresh Restructuring Scheme by the Hon'ble Delhi High Court. Such amounts were not received by the Company under any invitation or subscription to any issue and the enabling resolutions passed in this regard have expired & shares cannot be issued as per SEBI Guidelines. Besides, such amount of share application money is covered under Private Placement Rules defined under Companies Act 2013. Companies Act 2013 stipulates that if a Company had received any amount by way of subscriptions to any shares, stock, bonds or debentures before the 1st April, 2014, such share application money should either be allotted till 1st June, 2015 or be refunded. During the year ended 31-March-2015., the Company has transferred Such amount of Rs 549.71 Lacs fro Share Application to Long-Term Liabilities & shall seek permission for payment upon sanction of Fresh Restructuring Scheme by the Hon'ble Delhi High Court.

Management Response

Group Companies have infused money in Company from time to time for its revival and as these amount are not to be paid back, group companies have requested to convert their outstanding amount into Share Capital. In view of pending scheme before the Hon'ble High Court of Delhi, these amount remained in share application money only and as shares can only be issued once the scheme is sanctioned by the court. Keeping these facts in view, amounts appearing in share application money have been credited to respective accounts and upon sanction of scheme, shares against these will be issued..

(Refer page no 14 of annual report)



6	Additional comments from Board/ Audit Committee Chairman	From point 1 to 9 above: As per disclosures made in the Annual Report and all other notes are self-explanatory.
	To be signed by	
	CEO/MD/Chairman	 Om Prakash Gupta
	Audit Committee Chairman	 Om Prakash Gupta
	Auditors of the Company	For V Sahai Tripathi & Co Chartered Accountants FRN -00262N  (Manish Mohan) Partner M.N. 091607 





**24th ANNUAL REPORT
2014-2015**

DCM FINANCIAL SERVICES LTD.

BOARD OF DIRECTORS

Mr. Om Prakash Gupta : Non Executive Chairman
Mr. Surender Kumar : Executive Director
Mr. Rajeshwar Singh : Non Executive & Independent Director

AUDITORS

M/s V. Sahai Tripathi & Co
Chartered Accountants
C-593, Basement, Defence Colony New Delhi -110 024

REGISTERED OFFICE

D 7/3 Okhla Industrial Area-II, Mezzanine Floor,
New Delhi 110020.
e-mail : info@dfsionline.com
Website : www.dfsionline.com

REGISTRAR & SHARE TRANSFER AGENT

(Physical & Electronic)
MCS LTD,
F-65, Okhla Industrial Area,
Phase- I, New Delhi 110020
email : mcsdel@vsnl.com

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NOTICE

Notice is hereby given that the 24th (Twenty Fourth) Annual General Meeting of the Members of the Company will be held on Monday the 30th day of November, 2015 at 10:00 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110030 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the financial year ended March 31, 2015 the Reports of the Directors' and Auditors thereon.
2. To appoint Auditors and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED THAT M/s V.Sahai Tripathi & Co., Chartered Accountants (Registration number 00262N), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of two years from the conclusion of this annual general meeting until the conclusion of the Annual General Meeting to be convened in the year 2017, subject to ratification of the appointment by the members in each annual general meeting and in this regard the Board of Directors be and are hereby authorized to fix their remuneration as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS

3. **Appointment of Mr. Sehdev Shori as an Independent Director**

To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sehdev Shori, who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on August 13, 2015 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and clause 49 of the listing agreement, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) years commencing from August 13, 2015 to August 12, 2018."

4. **Re-appointment of Mr. Surender Kumar as a Whole-Time Director**

To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of section 196, 197, 203 of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re enactment thereof for the time being in force), read with schedule V of the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central government/ or Government Authority/agency/board and/or terms and conditions which may be imposed while granting such approval, which the Board of Directors be and is hereby authorized to accept, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Surender Kumar (DIN: 02188166) as Whole Time Director designated as "Executive Director" of the Company for a period of three years from 1st December 2015 on the following terms and conditions:

1.		Tenure	Three years w.e.f Date of joining i.e. 1st December, 2015
2.		Remuneration	Remuneration payable to Mr. Surender Kumar shall be as follows:
	a	Salary Basic Salary	Rs. 19217/- per month
	b	House rent allowance/Company Leased Accommodation	50% of basic salary per month
LTA & Medical reimbursement shall be in accordance with the Company rules.			
3		The above remuneration will be inclusive of any other allowance as may be applicable as per Company rules	
	ii.	Mr. Surender Kumar will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof	

“**RESOLVED FURHTER THAT** the above may also be treated as notice to the shareholders under section 190 of Companies Act 2013.”

**By Order of the Board
For DCM Financial Services Limited**

**Sd/-
Om Prakash Gupta
Chairman**

Date: November 5th, 2015

Place: New Delhi

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE ENCLOSED FORM AND IN ORDER TO BE EFFECTIVE MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- A copy of Annual Report containing Audited Financial Statements for the financial year ended March 31, 2015 together with the reports of the Board of Directors and Auditors' thereon are enclosed. Members are requested to bring their copy of Annual Report at the AGM.
- Green Initiative:** The Ministry of Corporate Affairs (MCA), Government of India, through its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send documents to the shareholders electronically as part of its green initiatives.

Recognising the spirit of the said circular, we are sending documents like the Notice of General Meeting, Financial Statements, Directors' Report, Auditors' Report and other Communication etc., to the e-mail address as registered with the Company/ your depositories. We request you to update your e-mail address with your Depositories Participant(s) to ensure that the Annual Report and other documents reach you on preferred e-mail address and the shareholders holding shares in physical mode may inform their e-mail address to the Company.

- The Register of Members and Share Transfer Books of the Company have already been closed from 22nd Oct,2015 to 29th Oct,2015, (both days inclusive) as per earlier announcement made

by the Company for the purpose of the AGM

- 5) Shareholders/ Proxy holders are requested to produce attached attendance slip duly completed and signed, at the shareholder registration counter of the AGM hall.
- 6) Members are informed that Share Transfer and related activities are being carried out by M/s MCS Share Transfer Agent Ltd (MCS) Registrar and Share Transfer Agents, from the following address:-
M/s MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase-1
New Delhi 110020
Email: mcsdel@vsnl.com
All correspondence may kindly be sent to the above address only.
- 7) The Equity shares of the Company can only be traded in electronic mode as per SEBI guidelines. The Company has already entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the same. Interested members may opt to convert physical shares of the Company in electronic mode after sending request for dematerialization through their Depository Participant.
- 8) Members of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s).
- 9) Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed **Nomination Form SH-13** to MCS RTA. This form is also available on the Company's website WWW.DFSLONLINE.COM
- 10) Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to MCS RTA.
- 11) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the date of the meeting, so that the required information may be made available at the meeting.
- 12) Pursuant to the requirements of the Listing Agreement with the Stock Exchange on Corporate Governance the information required to be given in case of appointment or re-appointment of Director, is given in the Corporate Governance Report forming part of this Annual Report.
- 13) Electronic copy of the Notice of AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice is being sent in the permitted mode.
- 14) Members may note that the Notice of the AGM and the Annual Report for the financial year ended on March 31, 2015 will also be available on the Company's website www.dfslonline.com. The physical copies of the aforesaid documents alongwith all documents referred to in the accompanying Notice and the Explanatory Statement will also be available at the Company's website www.dfslonline.com
- 15) Registered Office in New Delhi for inspection during normal business hours on working days between 11.00 A.M. to 3.00 P.M. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's e-mail id info@dfslonline.com through electronic means:-
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the revised Clause 35B of the Listing Agreement, the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the

AGM by electronic means i.e. Remote e-voting. The Company has appointed CDSL as the Authorised Agency to provide Remote e-voting facility for casting the votes by the members using an electronic voting system from a place other than venue of AGM ("Remote e-voting").

- II. The facility for voting through Ballot Paper shall be made available at the venue of AGM and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right at the AGM through Ballot Paper.
- III. The Members who have already cast their votes by Remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. It is hereby clarified that it is not mandatory for a Member to vote using the Remote e-voting facility.
- IV. The process and manner for Remote e-voting are as under:

Instruction for Voting:-

A. In case of members receiving e-mail:

- i. Log on to the e-voting website **www.evotingindia.com** during Remote e-voting period.
- ii. Click on "Shareholders" tab.
- iii. Now, select the Electronic Voting Sequence Number – "EVSN"151104005 along with "DCM Financial Services Limited" from the drop down menu and click on "SUBMIT".
- v. Now, enter your User ID :
 - a. For NSDL: 8 Character DP ID followed by 8 digits Client ID
 - b. For CDSL: 16 digits beneficiary ID
 - c. For Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi. Next enter the image verification as displayed and click on Login.
- vii. In case you are holding shares in Demat form and had logged on **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first time user, please follow the steps given below and fill up the following details in the appropriate boxes.

For Member holding shares in Demat and physical form:	
PAN*	Enter your 10 digit alpha-numeric *Permanent Account Number (PAN) issued by Income Tax Department when prompted by the system while e-voting
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details#	Enter the Bank details as recorded in your demat account or in the Company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/ Depository Participant can enter in the PAN field the 10 characters as First 2 Alphabets of First Holder Name followed by 8 Characters consisting of Folio No. prefix by "0" (or 8 Characters from the right BO-ID). No special characters will be taken from the Name and Folio No.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository/ Company, please enter the no. of shares held by you as on November 24, 2015 in the Bank Details field.

- ix. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password shall be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For members holding shares in physical form, the details can be used for only e-voting on the resolutions contained in this Notice.
 - xi. Click on the EVSN151104005 for DCM Financial Services Ltd.
 - xii. On the voting page, you will see Resolution Description and against the same the option YES/ NO for voting. Select your desired option. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
 - xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolution(s).
 - xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvi. You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvii. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - xviii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- B. In case of Members receiving the **physical copy of AGM Notice** (for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting for physical copy), please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast your vote.
- V. In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. The e-voting period commences on **Friday, the 27th day of November, 2015 (9:00 am IST) and ends on Sunday the 29th day of November, 2015 (5:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date i.e. November 24, 2015**, may cast their vote electronically. The Name of DCM Financial Services Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
- VII. The voting rights of Members shall be in proportion to their share in the Paid-up Equity Capital of the Company as on the cut-off date i.e. **November 24, 2015**.
- VIII. **Members can opt for only one mode of voting i.e.** either by Remote e-voting or physically at the AGM venue through Ballot Paper. In case you are opting for Remote e-voting then do not vote by physical mode at AGM venue and vice-versa. In case members cast their vote both via physical as well as e-voting then voting done through physical mode shall not prevail and voting done by e-voting shall be considered as valid vote.
- IX. Ms. Sweeny Gulati, Practicing Company Secretary (Membership No.29367) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- X. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and there after unblock the votes cast through Remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, (if any), to the Chairman of the Company

or a person authorised by him in writing, who shall counter sign the same and declare the results of the voting forthwith.

- XI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.dfslonline.com and on the website of CDSL at www.evotingindia.com immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE Limited where its shares are listed.
- 16) The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to MCS RTA.

**By Order of the Board
For DCM Financial Services Limited**

**Sd/-
Om Prakash Gupta
Chairman**

Date: November 5th, 2015

Place: New Delhi

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

Mr. Sehdev Shori was inducted as an Additional (Independent) Director of the Company by Board on August 13, 2015. Pursuant to the provisions as specified u/s 161(1) of the Companies Act, 2013, Mr. Sehdev Shori holds office upto the date of the ensuing Annual General Meeting but is eligible for the appointment as an Independent Director.

The Company has received a Notice from a member in writing, along with a requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Further, Mr. Sehdev Shori has furnished a declaration to the Company/Board that he meets the criteria of independence as provided under section 149(6) of the Act.

For your information and record, Mr. Sehdev Shori is a person with great acumen and having rich and vast experience of 32years in construction projects and general management. Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sehdev Shori as an Independent Director.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 of the Notice for appointment of Mr. Sehdev Shori as an Independent Director, not liable to retire by rotation.

The nature of concern or interest, financial or otherwise, if any, in respect of the Appointment of Mr. Sehdev Shori:

- (i) Directors: No other Director is interested Except Mr. Om Prakash Gupta and Mr. Sehdev Shori;
- (ii) Every other Key Managerial Personnel: NIL;
- (iii) Relatives: NIL.

Item No. 4

Mr. Surender Kumar was appointed as Whole Time Director by passing special resolution in the Annual General Meeting held on 31st December, 2014 for a period of three years w.e.f 1st December, 2014 on the terms and conditions as specified in the said special resolution.

Further, Mr. Surender Kumar has not been paid any remuneration/monetary benefits from the date of his appointment till the date of this notice; as the Company could not obtain the Central Government approval for the payment of the said remuneration.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the Item no. 4 of the Notice for the re-appointment of Mr. Surender Kumar as a Whole-Time Director.

The nature of concern or interest, financial or otherwise, if any, in respect of re-appointment of Mr. Surender Kumar as a Whole-Time Director

- (i) Directors: No other Director is interested except Mr. Surender Kumar;
- (ii) Every other Key Managerial Personnel: NIL;
- (iii) Relatives: NIL.

**By Order of the Board
For DCM Financial Services Limited**

**Sd/-
Om Prakash Gupta
Chairman**

Date: November 5th , 2015
Place: New Delhi

DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in submitting their 24th (Twenty Fourth) Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended March 31, 2015.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review alongwith previous year's figures are given hereunder:

Particulars for the Year ended March 31, 2015:

(Rupees in Lacs)

PARTICULARS	For the Year ended 31st March,2015	For the Year ended 31st March,2014
INCOME		
Income from Business Operations	-	-
Other operating revenues	0.11	0.10
Less Excise Duty	-	-
Net Revenue from Operations	0.11	0.10
Other Income	408.40	432.18
Total Income	408.51	432.28
EXPENSES		
Total Expenses	691.02	1,030.62
Profit before Exceptional and Extraordinary items and tax	(282.51)	(598.34)
Exceptional Items	-	-
Profit before Extraordinary items and tax	(282.51)	(598.34)
Extraordinary items	-	-
Profit before Tax	(282.51)	(598.34)
VI. Tax Expenses		
Current year tax	28.52	
Mat Credit Adjustment	(28.52)	
Profit After Tax	(282.51)	(598.34)
Profit/(Loss) for the year	(282.51)	(598.34)
Earnings per Equity share		
Basic	(1.28)	(2.70)
Diluted		
	(1.28)	(2.70)

The Gross Income comprises of amount(s) received on recovery of delinquent assets through settlement/ compromise/ legal action.

2. DIVIDEND

In view of losses suffered by the Company, no dividend has been considered for the year.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements prepared in accordance with the Companies Act, 2013 and Accounting Standards-21 is attached with the Annual Report.

5. MANAGEMENT DISCUSSION AND ANALYSIS**(i) Industry Structure and Development**

Non-Banking Finance Companies (NBFC) sector in India is represented by a mix of a few large companies with nationwide presence and a few small and medium sized companies with regional focus, primarily engaged in hire purchase financing, investments, corporate loans, IPO funding, venture capital and other non-fund based activities. The Reserve Bank of India (RBI) regulates and supervises these NBFCs.

(ii) Opportunities and Threats

The NBFCs are facing stiff competition from Banks and Financial Institutions, due to the ability of Banks & FI's to raise low cost funds which enables them to provide funds at more favorable rates. More stringent capital adequacy norms have been stipulated by RBI for NBFCs also resulted into their inability to give cheaper finance.

(iii) Segment-wise or Product-wise Performance

The Company has been primarily engaged in the business of hire purchase, leasing, bill discounting and non-fund based activities. Since the risk and returns in these businesses are similar, therefore, they are grouped as a single segment. This is in accordance with the guiding principle provided in the Accounting Standard on Segment Reporting (AS- 17) issued by The Institute of Chartered Accountants of India.

(iv) Future Outlook

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Application made to RBI in the year 1997 for registration as NBFC was rejected by RBI in 2004. Company has filed a scheme of settlement with creditors and reorganization of share capital with the Hon'ble High Court of Delhi. Pending sanction of scheme by Hon'ble High Court of Delhi and recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently.

(v) Risks and Concerns

High interest regime in the economy may act as a dampener for the financing business. There is also stiff competition due to entry of large players in the market.

(vi) Internal Control Systems and their adequacy

The Internal Control Systems are in place to serve the existing operations of the Company.

(vii) Financial Performance

The loss for the year amounts to Rs. 282.51 Lacs.

(viii) Human Resource and Industrial Relations

The Company is having five employees as on the date of this report. Your Directors relation at all levels with employees were cordial.

6. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis section describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations are significant changes in political and economic environment in India, tax laws, RBI regulations, exchange rate fluctuation and related costs.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Surender Kumar was re-appointed as a Whole-Time Director in the Annual General Meeting held on 31st December, 2014 (subject to the approval of Central Government) w.e.f 1st December, 2014.

Further, Mr. Surender Kumar has not been paid any remuneration/monetary benefits from the date of his appointment till the date of this report; as the Company could not obtain the Central Government approval for the payment of the said remuneration. Accordingly, the Board recommends the passing of the Special Resolution as set out in the item no. 4 of the Notice for the re-appointment of Mr. Surender Kumar as a Whole-Time Director.

Following are the directors on the Board:

- | | | |
|----|----------------------|------------------------------------|
| 1. | Mr. Om Prakash Gupta | Independent Non-Executive Director |
| 2. | Mr. Surender Kumar | Whole-Time Director |
| 3. | Mr. Sehdev Shori | Independent Non-Executive Director |

The policy for Appointment and Remuneration of Director's, Key Managerial Personnel and Other Employees is attached as **Annexure-A** and forms an integral part of this report.

The Company has devised the criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors. An evaluation was done by the Board for its own performance and that of its Committees and individual Directors.

8. **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to the good corporate governance practices and has adopted the Code of Conduct which has set out the systems, processes and policy conforming to established standards. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are enclosed as Annexure – B and forms an integral part of this Report.

9. **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

10. **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.-

Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. **AUDITORS**

i) **STATUTORY AUDITORS**

M/s. V. Sahai Tripathi & Co., Chartered Accountants, Delhi (Firm Registration No. 000262N), Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s. V. Sahai Tripathi & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits as specified under

Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

Board recommend to appoint M/s. V. Sahai Tripathi & Co., Chartered Accountants, as Statutory Auditors for a period of two years i.e. upto the conclusion of the Annual General Meeting to be held in the year 2017, subject to the ratification by members in every Annual General Meeting.

Auditors' Qualifications/ Observations and Management Comments Thereon

Going Concern Basis -Para i and note 30. In accordance with section 217 (2AA) of the Companies Act, 1956, the financial statements are required to be made on going concern basis. In light of the fresh scheme of restructuring pending before the Hon'ble Delhi High Court, the Company has plans for future business and income generation. Accordingly it is not only prudent but also imperative to draw the financial statement based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity. Further in accordance with amended Section 217 (2AA) of the Companies Act, 1956, the financial statements are required to be made on going concern basis.

Provision of interest on certain liabilities covered under Para II and under notes 4.1.g, 4.4(g) &4.6 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court.

Para iii and Note 2.2 on non-creation of debenture redemption reserve is self-explanatory and cannot be created due to insufficient profits

Depletion in the value of Assets charged to Banks/Institution and Debentures in Para iv and covered under notes 4.1.e, 4.2.b& 4.3.1 relates to ascertainment of Security against Debentures and Bank Loan, which could not be ascertained since the Company is in litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence confirmations and acknowledgements are not feasible

Regarding Para v, regarding liability on account of fixed deposit received, the company has prepared a fixed deposit register and verifying the claims of depositors on regular basis and also in process of reconciling difference with books of accounts. Further once the Scheme is sanctioned and all deposits will be verified & reconciled before repayments as per directions of the Court

In view of litigation with creditors mentioned in the para vi, it's not possible to obtain the balance Confirmations.

Maintenance of minimum liquid assets covered under Para viii and note 4.4(h). Due to the liquidity crisis and default in payment to fixed depositors, the liquid assets held by the Company had to be used for payment to depositors in terms of directions from RBI to pay all the matured depositors. Thereafter, the Company has made application to the RBI as well as the Hon'ble Company Law Board for exemption from maintaining minimum liquid assets

Para (viii) In view of restrictions imposed by the Hon'ble High Court of Delhi on the operations of bank accounts, assistance of Rs 20.47 lacs has been taken to meet the essential expenses/obligations from Global IT Options. Company being sick and as the scheme of arrangement pending before the Court does not provide payment of any Interest to creditors, the subsidiary company has given this amount without interest and element of interest and payment of interest will be decided once the scheme is approved and liquidity position improves.

Para viii(i).The Company is contesting claims lodged against it not acknowledged as debts including claims on account of securitization transaction and underwriting obligations. Rest of the contingent liabilities are being addressed through the Scheme

In case of Payment to Punjab & Sind Bank & IndusInd Bank as mentioned in para viii(ii) & para viii(iii) , it is submitted that the scheme of restructuring, pending before the Hon'ble Delhi High Court and repayment issue to these banks is being addressed in the scheme of arrangement with creditors . Further, the Hon'ble Court has stayed the suits filed in DRT by PSB & IndusInd Bank

As mentioned in the para viii (iv), the Company has filed an application with Hon'ble High Court of Delhi for the release of amount to be deposited in the Punjab & Haryana High Court and the same is pending

Para viii(v) There are certain disputes with the tenant and the claim of tenant is contested in the pending arbitration.

As mentioned in the para viii (iv), the Company has filed necessary application for the rectification application for the deletion of said demand, however the same is pending

Para viii (vii) Company has preferred an appeal/objections before Hon'ble High Court of Delhi in the MS Shoes East Limited matter against the arbitration order and the same pending adjudication

Para viii (viii) Company is contesting the claim of NBCC, which is pending arbitration under the Indian Arbitration Act

Emphasis of Matter: Group Companies have infused money in Company from time to time for its revival and as these amount are not to be paid back, group companies had requested to convert their outstanding amount into Share Capital. In view of pending scheme before the Hon'ble High Court of Delhi and these amount remained in share application money only and as shares can only be issued once the scheme is sanctioned by the court. Keeping these facts in view, amounts appearing in share application money have been credited back to the respective group company's account and upon sanction of scheme, shares will be issued.

All the other notes are self-explanatory.

ii) **SECRETARIAL AUDITORS**

The Board of Directors of the Company has appointed M/s Latika Chawla and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is enclosed as Annexure – C and forms an integral part of this Report.

Management Comments on the observations of Secretarial Auditor

- i) The Company is identifying the right person as candidature to be appointed as a Woman Director and will be done soon.
- ii) The Company has taken adequate steps to appoint a Full time Company Secretary commensurate to the requirement. However, the Company has duly outsourced all its Secretarial work to the reputed Secretarial Audit Firms.
- iii) Due to non-availability of manpower and resources some filing of forms as mentioned in the report remained pending. However efforts are being made to file the relevant forms at the earliest with the Registrar of Companies.
- iv) Other observations are on the basis of the facts and hence self explanatory.

iii) **INTERNAL AUDITORS**

M/s SVTG & Co., Chartered Accountants, performs the duties of Internal Auditors of the Company and their report/s are reviewed by Audit Committee from time to time.

12. **DISCLOSURES**

i) **Meetings of the Board**

Six meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance annexed as Annexure – B to this report.

ii) **Extracts of Annual Return**

In terms of provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT-9 is enclosed as Annexure – D and forms an integral part of this Report.

iii) **Particulars of Loans given, Investments made, Guarantees given and Securities provided**

During the year under review, no loan, investment, guarantees and securities has been provided.

iv) **Contracts and Arrangements with Related Parties**

No contract/ arrangements/ transactions were entered by the Company during the financial year with related parties. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions. The particulars of contracts and arrangement with related parties under section 188(1) in Form AOC-2 is enclosed as Annexure–E.

The Policy on materiality of related party transactions and dealing with related party transactions as provided by the Board may be accessed on the Company's website www.dfslonline.com under Investor Information.

Your Directors draw attention of the members to Note 32 to the financial statement which sets out related party disclosures.

13. PARTICULARS OF EMPLOYEES

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; hence no such particulars are annexed.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure – F and forms an integral part of this Report.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows:-

i) Conservation of Energy

Your Company being engaged in financing business and does not have any activity relating to conservation of energy.

ii) Research & Development (R&D)

Specific R&D Activities: There is no Research and Development activity in the Company. Benefits derived as a result of above R&D: **N.A.**

Future Plan of Action: **NIL**

Expenditure on R & D: **NIL**

iii) Technology Absorption, Adaptation and Innovation: Efforts in brief made towards Technology absorption etc.: **NIL Benefits derived as a result of above: **N.A.****

Technology imported, years of Import, Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action: **N.A.**

iv) Foreign exchange earnings and outgo

During the period under review, there was no foreign exchange outflow from your Company and it had no foreign exchange earnings.

15. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

16. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, legal, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and approved by the Committee.

17. CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility Initiatives as the said provisions are not applicable

18. PUBLIC DEPOSITS

During the year under review, the Company has not invited any fixed Deposits.

As on 31st March,2015, there were 50928 fixed deposits aggregating to Rs 5631.36Cr remained unpaid as the scheme of repayment to fixed depositors is pending approval before the Hon'ble High Court of Delhi and out of these deposits, Rs 3.51 Cr (3639 depositors) have not submitted fixed deposit receipts and can be considered as unclaimed.

19. SUBSIDIARIES

M/s Global IT Solutions Limited is the Subsidiary of your Company. The Financial Statements and other documents of the subsidiary company is being attached with the Financial Statements of the Company.

20. SHARES

a. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

21. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Company has Zero tolerance towards any action on the part of any executive which may fall under the ambit of Sexual Harassment at Workplace. Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

22. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**By Order of the Board
For DCM Financial Services Limited**

**Om Prakash Gupta
Chairman**

Date: November 5, 2015
Place: New Delhi

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES INTRODUCTION

In accordance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee (the Committee) has formulated this Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees ("the Policy").

The objective of the policy is to ensure that Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

This Policy was recommended by the Committee of the Company and approved by the Board at its meeting held on 11th February, 2015.

CRITERIA FOR BOARD MEMBERSHIP DIRECTORS

The Company shall take into account following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

INDEPENDENT DIRECTOR

Independent Director is a director who has no direct or indirect material relationship with the Company or any of its officers, other than as a director or shareholder of the Company.

Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchange.

APPOINTMENT AND REMUNERATION DIRECTORS

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as Director and recommend to the Board their appointment.

A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

Independent Directors shall be appointed for their professional expertise in their individual capacity as independent professionals/ Business Executives.

The directors of the Company shall receive sitting fees for attending the meeting of the Board and Audit Committee of the Company.

KEY MANAGERIAL PERSONNEL (KMP) AND OTHER EMPLOYEES

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as KMP and recommend to the Board their appointment.

A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

The remuneration of employees largely consists of basic salary, perquisites and other allowances. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades, qualification & experience/ merits and performance of each employee.

EVALUATION CRITERIA

The Committee shall develop such assessment criteria as it shall deem fit for the purpose of undertaking performance evaluation. The Committee shall undertake an annual performance evaluation based on the relevant assessment criteria developed by it. The assessment criteria for performance evaluation shall be disclosed in accordance with the relevant applicable provisions.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance may be defined as a set of systems, processes and principles, which ensure that a Company is governed in the best interest of all stakeholders. It is the system that directs and controls respective companies. It is about promoting corporate fairness, transparency and accountability. In other words, 'Good Corporate Governance' is simply 'good business'.

In India, the question of Corporate Governance has emerged mainly in the wake of economic liberalization and de-regularization of industry and business. The objective of any Corporate Governance system is to simultaneously improve corporate performance and accountability. These, in turn, help to attract financial and human resources on the best possible terms and prevent corporate failure.

Corporate Governance consists of procedures and processes, according to which an organisation is directed and controlled. Its structure specifies the distribution of rights and responsibilities among different pan-organizational participants, such as the Board, managers, shareholders and other stakeholders. The system helps to lay down the rules and procedures for decision making.

The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximize long-term value for the Company's shareholders and other partners. It integrates all the participants involved in a process, which is economic and at the same time, social.

A well-defined and enforced Corporate Governance benefits everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices, as well as to applicable laws.

Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organisation.

Good Corporate Governance practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

At DCM Financial Services, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking

II. BOARD OF DIRECTORS

Composition and Category of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement as amended from time to time. The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. As on March 31, 2015, the Company's Board comprised of three (3) Directors out of which two (2) are Independent Non-Executive Directors. Chairman of the Board is also a non-executive Director. All Independent Non-Executive Directors are compliant with the requirements of the Listing Agreement for being an Independent Director and have confirmed that they meet the 'Independence' criteria as mentioned under Clause 49 of the Listing Agreement.

As mandated by Clause 49, the Independent Directors on the Board of the Company:

- are persons of integrity and possesses relevant expertise and experience in the opinion of the Board;
- are or were not promoter of the Company or its holding, subsidiary or associate Company;
- are or were not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- apart from receiving director's remuneration, do not have any material pecuniary relationships with the Company, its holding Company, its subsidiaries and associates, or

its promoters or directors during the two immediately preceding financial years or during the current financial year;

- none of their relative have any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or its promoters or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees during the two immediately preceding financial years or during the current financial year;
- neither himself/ themselves nor their relative –
- are or were holding the position of key managerial personnel or are or were employee of the Company or its holding, subsidiary or associate Company in immediately preceding 3 financial years;
- have been an employee or proprietor or a partner in immediately preceding 3 financial years of
 - a) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or
 - b) associate Company; or
 - c) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
- hold together with their relatives 2% or more of the total voting power of the Company;
- is a Chief Executive or Director by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company;
- are material supplier, service provider or customer or lessor or lessee of the Company.
- are not less than 21 years of age.

The details of Directors with regard to their directorships and committee positions as on 31-03-2015 are as follows:

Name	Designation	Category	No. of Board meetings attended during the year	Whether attended the last AGM	No. of Directorships in Public Companies*	Committee Positions held	
						Membership	Chairmanship
1. Mr. Om Gupta Prakash	Chairman	Non-Executive Independent Director	6	Yes	Nil	1. Audit Committee	1. Audit Committee
						2. Nomination and Remuneration Committee	2. Nomination and Remuneration Committee
						3. Stakeholders Relationship Committee	3. Stakeholders Relationship Committee
2. Mr. Sunder Kumar	Whole Time Director	Whole Time Director	6	Yes	Nil	1. Audit Committee	-
						2. Nomination and Remuneration Committee	
						3. Stakeholders Relationship Committee	
3. Mr. Rajeshwar Singh	Director	Non-Executive Independent Director	6	Yes	Nil	1. Audit Committee	-
						2. Nomination and Remuneration Committee	
						3. Stakeholders Relationship Committee	

- Note: 1) None of the Directors is representing a Lender or Equity Investor.
 2) None of the Directors except Mr. Om Prakash Gupta holding 150 Shares in the Company.

BOARD MEETINGS

During the year ended on March 31, 2015 the Board of Directors met six (6) times on 30-05-2014, 13-08-2014, 09-09-2014, 13-11-2014, 04-12-2014 and 11-02-2014.

The gap between any two Board meetings did not exceed four months.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website www.dfsonline.com.

The Board members and Senior Management personnel of the Company have affirmed their compliance with the code. A declaration to this effect signed by the Manager of the Company is contained hereinafter in this Report.

DECLARATION BY C.E.O.

The Board of Directors,
DCM Financial Services Limited

Dear Sir,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management, a declaration of Compliance with the Code of Conduct for Directors and Senior Management during the Financial Year ended on March 31, 2015.

Sd/
Surender Kumar

Place: New Delhi
Dated: 05-11-2015

Director

WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to report instances of unethical behavior, fraud or violation of the Ethic Policy of the Company. The Whistle Blower Policy has been circulated to all the employees and directors of the Company and the same is available on the Company's website: www.dfsionline.com

II. AUDIT COMMITTEE CONSTITUTION

As on March 31, 2015, the Audit Committee comprises of the following Directors:

Name of the Member	Designation	Category
Mr. Om Prakash Gupta	Non-Executive Independent Director	Chairman
Mr. Surender Kumar	Whole Time Director	Member
Mr. Rajeshwar Singh	Non-Executive Independent Director	Member

All the members of the Audit Committee have accounting, economic and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal & regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors and the performance of Internal Auditors of the Company.

TERMS OF REFERENCE

The Charter of the Committee is as prescribed under Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement viz.:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement forming part of Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.

- c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the Company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors of any significant findings and follow up thereon.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
 17. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review the functioning of the Whistle Blower mechanism.
 19. Approving the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 20. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
 21. Carrying out any other function as may be referred to the committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.
 22. Recommending to the Board, the terms of appointment, re-appointment and, if required, the replacement or removal of the Cost Auditors.
 23. The Committee has systems and procedures in place to ensure that the Audit Committee immediately reviews:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses, if any;

- e. Appointment, removal and terms of remuneration of the Chief Internal Auditor;
- f. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under Clause 49.
- g. Details of material individual transactions with related parties, which are not in the normal course of business; and
- h. Details of material individual transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.

The Audit Committee is endowed with the following powers:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e) To invite such of the executives, as it considers appropriate (and particularly the head of the finance) to be present at the meetings of the committee.

MEETING & ATTENDANCE

During the financial year 2014 -15, Audit Committee met four (4) times on May 30, 2014, August 13, 2014, November 13, 2014 and February 11, 2015.

The details of members' attendance at the Audit Committee Meetings are as follows:

Name of Member	Number of meeting	
	Held	Attended
Mr. Surender Kumar	04	04
Mr. Om Prakash Gupta	04	04
Mr. Rajeshwar Singh	04	04

Mr. Surender Kumar is acting as Secretary to the Audit Committee.

Annual General Meeting held on Wednesday, December 31st, 2014 was attended by the Chairman of the Committee Mr. Om Prakash Gupta to answer shareholders query.

III. NOMINATION & REMUNERATION COMMITTEE CONSTITUTION

During the financial year 2014-15 ended on March 31, 2015, the Nomination and Remuneration Committee has been constituted

by inducting Mr. Om Prakash Gupta as Chairman, Mr. Surender Kumar and Mr. Rajeshwar Singh as members of the Committee w.e.f. November 13, 2014.

The Nomination and Remuneration Committee comprises of following:

- i. Mr. Om Prakash Gupta – Independent Director – Chairman
- ii. Mr. Rajeshwar Singh – Independent Director
- iii. Mr. Surender Kumar – Non Independent Director

TERMS OF REFERENCE

The Charter of the Committee is as prescribed under Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement viz.:

- 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2. Formulation of criteria for evaluation of Independent Directors and the Board;
- 3. Devising a policy on Board diversity;
- 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board

their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The remuneration policy is placed on the Company's website www.dfslonline.com.

During the period under review there are no pecuniary relationships or transactions of the Non-Executive Directors viz- a-viz the Company.

MEETING & ATTENDANCE

During the financial year 2014-15, two meetings of Nomination and Remuneration Committee was held on November 13, 2014 & February 11, 2015 which was attended by all the members of the Committee.

REMUNERATION OF DIRECTORS

The company has obtained the approval for payment of managerial remuneration from Ministry of Corporate Affairs, Government of India for the amount not exceeding Rs.3.99 Lacs per annum for the period of three years starting from 01-12-2011 to 30-11-2014. The proportionate amount of Managerial Remuneration of pertaining to the period from 01-April,2014 to 30th November, 2014 is Rs.2.66 Lacs.

* None of the Directors are related to any other Director.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS OF COMPANY

As on March 31, 2015, only Mr. Om Prakash Gupta has 150 shares.

IV. STAKEHOLDERS' RELATIONSHIP COMMITTEE CONSTITUTION

The Stakeholders' Relationship Committee comprises of the following Directors:

Name of the Member	Designation	Category
Mr. Om Prakash Gupta	Non-Executive Independent Director	Chairman
Mr. Surender Kumar	Whole Time Director	Member
Mr. Rajeshwar Singh	Non-Executive Independent Director	Member

TERMS OF REFERENCE

The Committee looks to redress shareholders and investors complaints relating to share transfer, Demat, Remat, non- receipt of declared dividends or Annual Reports etc.

The Committee additionally oversees the performance of MCS RTA and recommends measures for overall improvement in the quality and promptness in investors services.

MEETINGS AND ATTENDANCE

During the financial year 2014-15, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on May 30, 2014, August 13, 2014, November 13 ,2014 and February 11, 2015.

The details of members' attendance at the Stakeholders' Relationship Committee Meetings are as follows:

Name of Member	Number of meeting	
	Held	Attended
Mr. Surender Kumar	04	04
Mr. Om Prakash Gupta	04	04
Mr. Rajeshwar Singh	04	04

COMPLIANCE OFFICER

Mr. Surender Kumar, Whole Time Director of the Company, is the Compliance Officer of the Company as per the requirements of the Listing Agreement

COMPLAINTS RECEIVED/ RESOLVED

During the year under review, 12 complaints were received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) were pending for redressal for the year 2014-15 as on the date of this report.

PENDING SHARE TRANSFER

No request for transfer and/ or dematerialization was pending for redressal as on March 31, 2015.

V. FUNCTIONAL COMMITTEE

The Board is authorised to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meeting of such committees are held, as and when the need arises. Time schedule for holding such functional committee meetings are finalized in consultation with the Committee members.

PROCEDURE OF COMMITTEE MEETINGS

The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels, to the extent it considers appropriate, to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for perusal and noting.

VI. GENERAL BODY MEETINGS

Location, date, day and time of Annual General Meetings held during the last three years and special resolution passed thereat are given below:

Financial Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2013-14	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110030	31-12-2014	10:00 AM	01 (One)
2012-13	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110030	30-09-2013	11:30 AM	None
2011-12	Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110030	28-09-2012	12:30 PM	None

SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

During the financial year 2014-15, the Company has not passed any Special Resolution through Postal Ballot.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

VII. DISCLOSURES

- There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the statutory rules and regulations of SEBI and Stock Exchanges. However, the Company has not been able to comply with the Prudential Norms Direction relating to maintenance of liquid assets and Capital Adequacy Ratio, provision for doubtful trade receivable and advances as required by the Reserve Bank of India's Rules and Regulations.

- c. Whistle Blower policy confirm and affirm that no personnel has been denied access to the Audit Committee:

The Company has adopted Whistle Blower Policy during the financial year 2014-15. However, no person has been denied access to the Audit Committee.

- d. Details of the compliance with mandatory requirement of Clause 49. The details of mandatory requirements are mentioned in this Report.

VIII. MEANS OF COMMUNICATION

COMMUNICATION TO SHAREHOLDERS

The Annual, half yearly & Quarterly results are submitted to the Stock Exchanges in accordance with the listing agreements and same are normally published in the Money Makers (English) & Dainik Mahalaxmi Bhagyodaya(Hindi) newspapers. In addition to this, the Quarterly/half yearly & yearly results displayed on Company's website viz. www.dfsionline.com in accordance with the requirement of Listing Agreement for the information of all shareholders.

SCORES

The Company has enrolled itself for SEBI Complaints redress system (SCORES). A centralized web based complaints Redressal system which allows online lodging of complaint. The Company uploads and Action Taken Report so that the investor can view status of complaint online.

IX. GENERAL SHAREHOLDER INFORMATION

(i) Company Registration Details

The Company is registered in the state of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN 65921DL1991PLC043087

(ii) Annual General Meeting

Day & Date: Monday, the 30th day of November, 2015

Time: 10.00 A.M.

Venue: The Executive Club, Vill. & PO Sahroorpur, New Delhi

(iii) Financial year: April 1, 2014 to March 31, 2015

(iv) Appointment/ Re-appointment of Directors

- a. Mr. Surender Kumar was appointed as Whole Time Director by passing special resolution in the Annual General Meeting held on 31st December, 2014 for a period of three years w.e.f 1st December, 2014 on the terms and conditions as specified in the said special resolution.

Further, Mr. Surender Kumar has not been paid any remuneration/monetary benefits from the date of his appointment till the date of this notice; as the Company could not obtain the Central Government approval for the payment of the said remuneration.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the Item no. 4 of the Notice for the re-appointment of Mr. Surender Kumar as a Whole-Time Director.

The brief resume and other details relating to the Director proposed to be re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement are provided as under:

Name and DIN	Qualification	Area of Expertise	Other Directorships	Committee Memberships
Mr. Surender Kumar DIN: 02188166	Graduate	Ex-Banker and has experience of around 42 years in general administration	Nil	1.Audit Committee 2.Nomination and Remuneration Committee 3.Stakeholders Relationship Committee

- (b) Mr. Sehdev Shori was inducted as an Additional (Independent) Director of the Company by Board on August 13, 2015. Pursuant to the provisions as specified u/s 161(1) of the Companies Act, 2013, Mr. Sehdev Shori holds office upto the date of the ensuing Annual General Meeting but is eligible for the appointment as an Independent Director.

The Company has received a Notice from a member in writing, along with a requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Further, Mr. Sehdev Shori has furnished a declaration to the Company/Board that he meets the criteria of independence as provided under section 149(6) of the Act.

The brief resume and other details relating to the Director proposed to be re-appointed, as required to be disclosed under

Clause 49 of the Listing Agreement are provided as under:

Name and DIN	Qualification	Area of Expertise	Other Directorships	Committee Memberships
Mr. Sehdev Shori	Bachelor of Science in Engineering.	Retired from the Military Engineering Services as an Asst. Engineer and has experience of around 32 years in Construction Projects & General Administration	Nil	1.Audit Committee 2.Nomination and Remuneration Committee 3.Stakeholders Relationship Committee

(v) Financial Calendar 2015-16 (tentative)

Meetings of Board/ Committee thereof to take on record

Financial results for quarter ended June 30, 2015	: By August 14, 2015
Financial results for quarter ended September 30, 2015	: By November 14, 2015
Financial results for quarter ended December 31, 2015	: By February 14, 2016
Financial results for quarter ended March 31, 2016	: By May 15, 2016 If unaudited quarterly results or alternatively by May 30, 2015, in case of audited results for the year.

- (vi) **Annual General Meeting for the Financial Year ending March, 2016:** By September 30, 2016.

(vii) Book Closure

The members register will be closed from November 25, 2015 to November 29, 2015 (both days inclusive) for the purpose of Annual General Meeting.

(viii) Dividend

The Board of Directors have not recommended any dividend for the current year.

(ix) **Cut-off Date for e-voting**

November 24, 2015 has been fixed as the cut-off date to record entitlement of the shareholder to cast their vote electronically.

(x) **Listing:**

The Securities of the Company are listed on the following Stock Exchange:

Stock Exchange	Stock Code
BSE Limited	511611
NSE Limited	DCMFINSERV
Demat ISIN no. in NSDL & CDSL	INE359A01012

The Company has paid the Annual Listing Fees to BSE & NSE till date.

(xi) **Registrar & Share Transfer Agent**

In terms of SEBI circular dated December 27, 2002, the share transfer work in both physical as well as electronic modes has been carried on by MCS Share Transfer Agent Ltd., Category I Registrar and Transfer Agents having office at F 65, Okhla Industrial Area-Phase 1, New Delhi-110020

(xii) **Share Transfer System**

The Company has appointed MCS Share Transfer Agent Ltd. as Share Transfer Agents and all work relating to share transfers is executed by them. The authority relating to share transfer has been delegated to Share Transfer Committee of the Board of Directors for the approval of Transfer, Transmission, Remat, Split & Consolidation of share certificates etc., which periodically meets to approve the requests of the Investors.

Share Transfer Committee ensures the approval of share transfer/ transmission/ splitting and consolidation of valid request within a period of 15 days from their receipt.

(xiii) **Monthly Stock Market Data**

Monthly high and low prices (based on daily closing prices) of Company's Shares at BSE for the financial year ended on March 31, 2015 were as follows:

Month	High		Low	
	BSE Sensex (in Rs.)	Share price (in Rs.)	BSE Sensex (in Rs.)	Share price (in Rs.)
April 2014	22,939.31	0.89	22197.51	0.63
May 2014	25,375.63	0.98	22277.04	0.76
June 2014	25,725.12	1.41	24270.20	1.02
July 2014	26,300.17	1.39	24892.00	1.05
August 2014	26,674.38	1.05	25232.82	0.86
September 2014	27,354.99	1.48	26220.49	0.84
October 2014	27,894.32	1.43	25910.77	0.97
November 2014	28,822.37	1.70	27739.56	0.90
December 2014	28,809.64	1.50	26469.42	1.03
January 2015	29,844.16	1.36	26776.12	1.03
February 2015	29,560.32	1.26	28044.49	0.97
March 2015	30,024.74	1.20	27248.45	0.84

(xiv) **Distribution of Shareholding as on March 31, 2015**

No. of shares	No. of shareholders	No. of shares held	% of Total
1 to 500	19580	2943285	13.3030
501 to 1000	1599	1393969	6.3004
1001 to 2000	715	1156950	5.2291
2001 to 3000	250	649396	2.9351
3001 to 4000	117	431547	1.9505
4001 to 5000	138	664671	3.0042
5001 to 10000	169	1232020	5.5684
10001 to 50000	109	2258228	10.2067
50001 to 100000	5	334238	1.5107
100001 & above	8	11060750	49.9920
TOTAL	22690	22125054	100.00

(xv) **Shareholding Pattern as on March 31, 2015**

Category	No. of Shareholders	No. of Shares held	% to the Capital
Promoter & Promoter Group:			
a) Indian	4	8739952	39.50
b) Foreigner	0	0	
Public Shareholding Institutions:			
a) Mutual Funds & UTI	8	33700	0.15
b) Banks/ Fis	3	1352700	6.11
c) FII/ VCs etc.			
Non Institutions:			
a) Private Bodies Corporate	255	1499059	6.78
b) Indian Public	21935	9914072	44.81
c) NRIs/ OCBs etc.	485	585571	2.65
TOTAL	22690	22125054	

(xvi) **Dematerialisation**

As on March 31, 2015 dematerialised shares accounted for 82.65% (82.58% up to March 31, 2014) of the total equity shares.

(xvii) **Outstanding GDRs/ ADRs/ Warrants etc.**

The Company has not issued any GDRs/ ADRs/ Warrants.

(xviii) **Plant Location**

There is no manufacturing location for the Company.

(xix) **Address for correspondence:**

D-7/3, Okhla Industrial Area-II, Mezzanine Floor,
New Delhi-110020
Email id: info@dfsionline.com

(xx) **Registrar and Transfer Agents:**

M/s MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area-II, New Delhi-110020
Tel.- +91-11-42541953
Fax: +91-11-23552001
Email id: mcsdel@vsnl.com

**By Order of the Board
For DCM Financial Services Limited**

**Sd/-
Om Prakash Gupta
Chairman**

Date: November 5, 2015
Place: New Delhi

CEO/ CFO CERTIFICATION

Pursuant to the provisions of Clause 49(V) of the Listing Agreement with stock exchanges.

To,

The Board of Directors
DCM Financial Services Limited

Dear Sir,

I, Surender Kumar, Whole Time Director, certify to the Board that:

- a. I have reviewed the financial statements and the cash flow statement of DCM Financial Services Limited for the financial year ended March 31, 2015 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.

I have indicated to the Auditors and the Audit Committee:

- i. significant changes in internal control over financial reporting during the financial year;
- ii. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
- iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date 5th Nov, 2015

Sd/-
Surender Kumar
DIRECTOR

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014

To

The Members
M/s DCM FINANCIAL SERVICES LIMITED
D-7/3, Okhla Industrial Area,
Phase-2 New Delhi-110020

I have conducted the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by M/s DCM FINANCIAL SERVICES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expresses my opinion thereon.

Based on my verification of the company's books, papers, minute's book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the Financial Year ended on March 31, 2015 ("Audit Period") complied with the statutory provision listed hereunder and also that the company has proper Board processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books and papers, minutes' books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2015 according to the provision of:

- I. The companies Act, 2013 (the Act) and rules made thereunder;
- II. The Securities Contract Regulation Act, 1956 ("SCRA") and rules made there under;
- III. The Depositories Act, 1996 and regulations and byelaws made thereunder;
- IV. The following Regulations and guidelines prescribed under the Securities Exchange Board of India Act, 1992 ("SEBI Act")
 - a) The Securities Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulation, 2011 (**Not applicable to the company during the Audit period**)
 - b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992
 - c) The Securities Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009
 - d) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2009 (**Not applicable to the company during the Audit period**)
 - e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (**Not applicable to the company during the Audit period**)
 - f) The Securities Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993
 - g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; (**Not applicable to the company during the Audit period**) and
 - h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (**Not applicable to the company during the Audit period**)

I have also examined with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India. (**Not applicable to the company as on date**)

- II. The company has also followed the Minimum Wages Act, 1948 as applicable to the company and all the provisions and clauses applied had followed by the company in fair and transparent manner.
- III. The Listing Agreements entered into by the Company with Stock Exchange(s),
As per the listing agreement clause 49(iii) subsidiary companies, At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non listed Indian subsidiary company, is not appointed by the company.

During the period under review the company has complied the provision of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above except point no III as mentioned above where the company have not appointed one independent director on the Board of Director of subsidiary company till the audit period.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors but however the woman director is not appointed by the company and the whole time company secretary is not appointed by the company as mandated by the Companies Act 2013.till the audit period

As per the minutes of the last annual general meeting one the director is appointed as a whole time director , till now the company is defaulted to file the relevant form with the registrar of companies.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and Clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there is one RBI and CLB case pending against the company, the noting of the same are given below.

1. It is imperative to mention here that the RBI had also filed a petition for winding up of the Company being CP No 296/2004. The petition for winding up was heard on 6th March, 2006 and the Hon'ble Court directed that the Company not to operate its bank accounts without the permission of the court. It is further pertinent to mention here that the order is still in operation.
2. The Company has also issued privately placed non- convertible debentures in the year 1995-96, and the debentures holders had appointed the Central Bank of India as their Debenture Trustee. Due to serious financial and cash flow constraints being faced by the Company, the orders of the Reserve Bank of India as depressed and adverse market conditions, the Company had to postpone payment and redemption of its debentures.

Further, the Central Bank of India, instead of executing the Supplementary Trust Deed for implementing the revised repayments schedule, filed a recovery suit before the Hon'ble High court of Mumbai at Mumbai being Suit no. 6284 of 1998, which was adjourned sine-die.

I further report that the company is also defaulted to file the audited and unaudited financial result with registrar of companies for the last two quarter.

Sd/-
Latika Chawla & Associates
Latika Chawla
ACS no. 30554
COP no. 11096

Date: 29/05/2015

Place: New Delhi

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
DCM FINANCIAL SERVICES LIMITED

As on 31st March, 2015

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN : L65921DL1991PLC043087
(ii) Registration Date : 13th February, 1991
(iii) Name of the Company : DCM FINANCIAL SERVICES LIMITED
(iv) Category / Sub-Category of the Company : Public Limited Company
Limited by shares
(iv) Address of the Registered Office : D 7/3 Okhla Industrial Area-II,
New Delhi-110020
(v) Whether listed company : Yes
(vi) Registrar & Transfer Agents (RTA) : M/s MCS Share Transfer Agent Ltd

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	NA	NA	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Global IT Options Limited (formerly known as DFS Securities Limited) Reg office: D 7/3 Okhla Ind. Area-II, New Delhi-110020	U67110DL-1995PLC069223	Subsidiary	90	Section 2(87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter and Promoter Group									
(1)	Indian									
a.	Individual /HUF	15	0	15	0.0001	15	0	15	0.0001	0
b.	Central Government	0	0	0		0	0	0	0	0
c.	State Government(s)	0	0	0		0	0	0	0	0
d.	Bodies Corporate	8739937	0	8739937	39.5024	8739937	0	8739937	39.5024	0
e.	Banks /Financial Institutions	0	0	0		0	0	0	0	0
f.	Any Others	0	0	0		0	0	0	0	0
	Sub-total (A) (1)	8739952	0	8739952	39.5025	8739952	0	8739952	39.5025	0
(2)	Foreign									0
a.	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b.	Other - Individuals	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	0	0	0	0	0	0	0	0	0
d.	Banks /Financial Institutions	0	0	0	0	0	0	0	0	0
e.	Ally Others	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoters(A) = (A) (1)+(A)(2)	8739952	0	8739952	39.5025	8739952	0	8739952	39.5025	0
B.	Public Shareholding									
1	Institutions									
a.	Mutual Funds	0	33700	33700	0.1523	0	33700	33700	0.1523	0
b.	Banks / Financial Institutions	0	1352700	1352700	6.1139	0	1352700	1352700	6.1139	0
c.	Central Government	0	0	0		0	0	0	0	0
d.	State Government(s)	0	0	0		0	0	0	0	0
e.	Venture Capital Funds	0	0	0		0	0	0	0	0
f.	Insurance Companies	0	0	0		0	0	0	0	0
g.	Flis	0	0	0		0	0	0	0	0
h.	Foreign Venture Capital Funds	0	0	0		0	0	0	0	0
i.	Others	0	0	0		0	0	0	0	0
	Sub-total (B)(1)	0	1386400	1386400	6.2662	0	1386400	1386400	6.2662	0
2.	Non-Institutions									
a.	Bodies Corporate	1495392		1563209	7.0653	1386446	67817	1454263	6.5729	-0.4924
b.	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs.1Lakh	5889489	1822599	7712088	34.8568	5,850,305	1806844	7,657,149	34.6085	-0.2483
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2038034	100500	2138534	9.6657	2,205,169	100500	2,305,669	0.1042	-9.5615
c.	Others,	0	0	0	0.0000	0	0	0	0.0000	0
j)	HUF	0	0	0	0.0000	0	0	0	0.0000	0
ii)	Clearing Members	0	0	0	0.0000	0	0	0	0.0000	0
iii)	Non Resident Indians	109821	475050	584871	2.6435	111,071	470550	581,621	2.6288	-0.0147
iv)	Trusts	0	0	0	0					
	Sub-total (B)(2)	9532736	2398149	11998702	54.2313	9552991	2445711	11998702	54.2313	0
	Total Public Shareholding (B)= (B) (1) + (B)(2)	9532736	3784549	13385102	60.4975	9552991	3832111	13385102	60.4975	0
c.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	18272688	3784549	22125054	100	18292943	3832111	22125054	100	0

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged to total shares	
1.	DCM Services Limited	6352487	28.7117	NIL	6352487	28.7117	NIL	NIL
2	Intellect Capital Services Ltd	2075000	9.3785	NIL	2075000	9.3785	NIL	NIL
3	Shriram Global Enterprises Ltd	312450	1.4122	NIL	312450	1.4122	NIL	NIL
4	Vivek Bharat Ram	15	0.0001	NIL	15	0.0001	NIL	NIL
TOTAL		8739952	39.5025	NIL	8739952	39.5025	NIL	NIL

(iii) **(A) Change in Promoters' Shareholding: NIL**(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares at the beginning	% of shares of the company				No. of shares	% of total shares of the Company
1	Punjab & Sind Bank	1319900	5.97		Nil		1319900	5.97
2	Centennial Corp. P. Ltd	600000	2.71		Nil		600000	2.71
3	Amazing Capital Services P Ltd	176602	0.80		Nil		176602	0.80
4	Pradeep Kumar Sharma	123200	0.56		Nil		123200	0.56
5	Vinod Kumar	101111	0.45		Nil		101111	0.45
6	Shri Parasram Holdings P Ltd.	81596	0.37		Nil		87436	0.40
7	Lata Chouhan	75000	0.34		Nil		75000	0.34
8	Savitri Devi	57962	0.26		Nil		57962	0.26
9	LSE Securities Ltd	74183	0.34	31.3.2015	-16508	Transfer	57675	0.26
10	Bhupinder Singh	56165	0.25		Nil		56165	0.25

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year 1st April, 2014 to 31st March, 2015)	
		No. of shares at the beginning (01-04-14)/ end of the year (31-03-2015)	% of total shares of the company			No. of shares	% of total shares of the Company
1.	Mr. Om Prakash Gupta	150	0.00067	-	-	150	0.00067

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs. In lacs)

		Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year						
i)	Principal Amount	3971.65	-	52.71	5632.27	9656.09
ii)	Interest due but not paid	-	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)		3971.65	-	52.71	5632.27	9656.09
Change in Indebtedness during the financial year						
•	Addition (Principal Amount)	-	-	-	-	-
•	Reduction (Principal Amount)	2.10	-	-	0.91	-
•	Addition (Interest Amount)	-	-	-	-	-
•	Reduction (Interest Amount)	-	-	-	-	-
Net Change (Principal Amount)		2.10	-	-	0.91	-
Net Change (Interest accrued but not due)		-	-	-	-	-
Indebtedness at the end of the financial year						
i)	i) Principal Amount	3969.55	-	52.71	5631.36	9653.08
ii)	ii) Interest due but not paid	-	-	-	-	-
iii)	iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)		3969.55	-	52.71	5631.36	9653.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Remuneration pertaining to the period from 01-April-2014 to 30th November-2014 is Rs.2.66 Lacs.

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD: NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: Nil
 - (b) Nature of contracts/ arrangements/ transactions: Nil
 - (c) Duration of the contracts/ arrangements/ transactions: Nil
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Nil
 - (e) Justification for entering into such contracts or arrangements or transactions: Nil
 - (f) Date(s) of approval by the Board: Nil
 - (g) Amount paid as advances, if any: Nil
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: Nil
 - (b) Nature of contracts/ arrangements/ transactions: Nil
 - (c) Duration of the contracts/ arrangements/ transactions: Nil
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Nil
 - (e) Date(s) of approval by the Board, if any: Nil
 - (f) Amount paid as advances, if any: Nil

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2014-15 (Rs. In lacs)	% Increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Surender Kumar Whole Time Director	from 1 April, 2014 to 30th November, 2014 is Rs.2.66 Lacs.	NIL	3.86 : 2.54

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 1.93 lacs.
- (iii) In the financial year, there was 52% increase in percentage of the median remuneration of employees.
- (iv) There were 5 permanent employees on the rolls of the Company as on March 31st, 2015.
- (v) Relationship between average increase in remuneration and Company performance:
The Company incurred a loss of Rs.282.51 Lacs during the financial year ended March 31, 2015 whereas the increase in median remuneration was 52%. The average increase in median remuneration was not in line with the performance of the Company.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by NIL % whereas the Company incurred a loss of Rs.282.51 Lacs in the year 2014-15.
- (vii) a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2015 was Rs.185.85 lacs (Rs. 143.98 lacs as on March 31, 2014).
b) Price Earnings ratio of the Company was -1.28 as at March 31, 2015 and was -2.70 as at March 31, 2014
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 56.%. (Calculated by taking total salary drawn and divided by no. of employees in each year. The percentage increase is due to change in median only and whereas the overall expenditure on salary has gone down to Rs24.96 lacs from Rs 31.05 Lacs in comparison to last year)
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year 1:3.4; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE-49 OF THE LISTING AGREEMENT

The Members of
DCM Financial Services Ltd.
New Delhi

We have examined the compliance of conditions of corporate governance by **DCM Financial Services Ltd.** as on 31st March 2015 as stipulated on Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no grievance of shareholders is pending for a period exceeding one month as on 31st March 2015 against the company as per the records maintained by the Shareholder's / Investor Grievance Committee. In respect to other investors of the company, the company has replied that the redressal of investor grievances related to non payment of principal and interest thereon, are being addressed through a new scheme of restructuring which has been filed before the Hon'ble Delhi High Court for its approval. Please refer **Annexure-1** containing note on said non payment of principle & interest & about filing of petition before Hon'ble Delhi High Court.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. Sahai Tripathi & Co.**
Chartered Accountants
FRN -00262N

Place: New Delhi
Dated: 29 May 2015

(Manish Mohan)
Partner
Membership No. 091607

Annexure I

STATUS OF CERTIFICATE OF REGISTRATION (COR), WINDING UP, WRIT PETITION FILED BY RBI AND THE SCHEME FILED BY THE COMPANY

In 2004, RBI has rejected the Company's application for grant of COR against which your Company preferred an appeal before the Appellate Authority i.e. Ministry of Finance. The Appellate Authority on May 2004 passed an order in favour of the Company, whereby the rejection order of COR by RBI was directed to be kept in abeyance for the period of 6 months and during which the Company would file Revised Scheme for Restructuring before the appropriate authority or till the disposal of the Company's review petition by the Hon'ble Delhi High Court, New Delhi.

Against the order of the Ministry of finance, RBI had filed a Constitutional Writ before the Hon'ble Delhi High Court which stayed the operation of the orders of the Appellate Authority vide order dated September 15, 2004.

The RBI had also initiated Winding Up proceedings against the Company before the Hon'ble Delhi High Court, New Delhi which vide order dated 4th November 2004 directed the Company not to sell, alienate or dispose off in any manner the assets of the Company. The winding-up petition is presently pending adjudication and has been clubbed along with the re-structuring scheme filed by the Company.

Before the RBI filed petition for winding up of the company, the Company had filed a fresh Scheme of Arrangement for Re-organization of Share Capital of the Company and for Compromise with its Secured and Unsecured Creditors, herein after referred to as the Scheme, before the Hon'ble Delhi High Court, under section 391/394 of the Companies Act, 1956.

Pursuant to the orders of the Hon'ble Court, the Unsecured Creditors, Debenture holders and other Secured creditors i.e. banks and institutions had approved the Scheme in their respective meeting with requisite majority, meetings of which were held under the chairpersons of retired High Court Judges appointed by the Hon'ble Court.

Presently the confirmation petition filed by the company pursuant to section 391(2) of the Companies Act, 1956, is pending adjudication before the Hon'ble Court. The Hon'ble Court while hearing the Winding up Petition filed by RBI, on 6th March 2006 had directed the company not to operate its bank account without the permission of the Hon'ble Court and vide further order dated 5th May 2008, the Hon'ble Court had frozen one of the accounts of the Company. The orders passed by the Hon'ble Court are still in operation though various application have been filed by your company for vacation of the orders passed by the Hon'ble Court.

It is imperative to mention here that your Company in consultation with RBI has proposed improvement in the Scheme, which the RBI has given in-principle consent and the improved Scheme is pending for approval by the Hon'ble Delhi High Court.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DCM FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of DCM Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- (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. The same has been explained in **Note 30**.
- (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. The same has been explained in Note 4.1.g, Note 4.4(g) and Note 4.6.

- (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. The same has been explained in Note 2.2.
- (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. The same has been explained in Note 4.1.e and Note 4.2.b & 4.3.1.
- (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. The same has been explained in Note 4.4.(e) & Note 4.4.(f).
- (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. Please refer **Note No-31**.
- (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. The same has been explained in Note 4.4.(h).
- (viii) **Global IT Options Limited** has till 31st March, 2015 incurred expenditure of Rs.20.47 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.20.47 lacs by Company to its subsidiary - **Global IT Options Limited**. It is non compliance of Section 186 of Companies Act, 2013, which could attract penalties.

(ix) Contingent liabilities and Other Commitments

- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion paragraph**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, and its profit/loss and its cash flows for the year ended on that date

Emphasis of Matter

Till June, 2007, Group Companies funded expenditure or repayments made by the company worth Rs.549.71 Lacs. The same had 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. Such amounts were not received by the company under any invitation or subscription to any issue and the enabling resolutions passed in this regard have expired & shares cannot be issued as per SEBI Guidelines. Besides, such amount of share application money is covered under Private Placement Rules defined under Companies Act, 2013. Companies Act 2013 stipulates that if a company had received any amount by way of subscriptions to any shares, stock, bonds or debentures before the 1st April, 2014, such share application money should either be allotted till 1st June, 2015 or be refunded. During the year ended 31-March-2015, the Company has transferred such amount of Rs.549.71 Lacs from Share Application to Long-Term Liabilities & shall seek permission for payment upon sanction of **Fresh Restructuring Scheme** by the Hon'ble Delhi High Court.

Our opinion is not modified in the matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (2) As required by section 143 (3) of the Act, we report that:
- a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. Except for the impact of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
 - f. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an Qualified effect on the functioning of the Company.
 - g. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - h. The Qualified remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statement.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. The company moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule to fixed depositors of the Company. The company filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "fresh restructuring scheme" before the Hon'ble Delhi High Court, New Delhi on 24th September 2004 mentioning therein repayment schedule. All the unpaid matured fixed deposits of Rs.5617.20 Lacs, Unpaid Matured Debentures of Rs.2552.29 Lacs & Stale cheques in respect of balance of uncashed/unrealized in respect of Fixed Deposits and Non Convertible Debentures totaling Rs.14.73 Lacs issued prior to submission of restructuring scheme & as well as after the scheme which were not encashed by the FD and NCD Holders standing as at 31st March, 2015. All these matured fixed deposits, Unpaid Matured Debentures & Stale Cheques are more than seven year old. Out of Rs.14.73 Lacs of Stale Cheques, Rs.13.74 lacs were issued prior to submission of said fresh restructuring scheme & rest has been issued after the issuance of fresh restructuring scheme. During the year ended 31-March-2015, Rs.14.16 Lacs and Rs.0.57 Lacs has been transferred from the Stale Cheques Account to Fixed Deposits Account and Debentures Account respectively. Company represents that all the said amounts are payable as per the outcome of fresh restructuring scheme pending before Hon'ble Delhi High Court at New Delhi and Based on above, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: New Delhi
Date : 29th May, 2015

MANISH MOHAN
Partner
M. N. - 091607

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (1) of our report on other legal and regulatory requirements of even date)

Annexure referred to in paragraph (1) of our report on other legal and regulatory requirements of Independent Auditor's Report to the members of DCM Financials Services Limited on the financial statements for the year ended March 31, 2015

- i) (a) The company has maintained records showing full particulars including quantitative details and situation of fixed assets of all its units.
- (b) The fixed assets (other than the assets given on lease/hire purchase) have been physically verified by the management in a phased manner so that the entire assets lying at the Head Office and branches are covered within a period of three yearRs. There is a program of verification of such fixed assets which, in our opinion, is reasonable having regards to the size of the Company in terms of number & nature of assets & manpower available. As explained to us by the management, no discrepancies were noticed on such verification.
- ii) (a) Inventories of stock of shares and securities have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
- (b) The procedures for physical verification of inventories of stock of shares and securities followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business, except matter stated at Point No-14 of this Annexure.
- (c) The company is maintaining proper records of its inventories of stock of shares and securities. The discrepancies noticed during the course of physical verification between the physical stocks and the book records were not material. However the same have been properly dealt with in the books of account, **except matter stated at Point no. 14 of this Annexure.**
- iii) The Company has not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013,
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets, purchase & sale of services. The activities of the Company do not involve purchase or sale of goods. Further, on the basis of our examination of the books and the records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed about any continuing failure on the part of the management to correct major weaknesses in the aforesaid internal control procedures.
- v) The company has not accepted deposits from the public during the year. **The directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Companies Act 2013, the extent applicable, on deposits accepted in the earlier years and the outstanding deposits at the end of current year have not been complied with particularly relating to the register of depositors which does not agree with general ledger, general provisions regarding default in repayment of deposits, default in repayment of interest and maintenance of liquid asset assets. A notice has also been issued by the Reserve Bank of India for the company to show cause why penal action should not be taken against the company as prescribed under the RBI Act.**
- vi) As explained to us maintenance of cost records has not prescribed pursuant to the rules made by the Central Government under Section 148(1) (d) of the Companies Act, 2013
- vii) (a) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (b) As explained by the management, there is a disputed demand of Rs.152.12 lakhs and Rs.141.74 lakhs for the Assessment Year 2009-10 and 2010-11 respectively for the payment of Income tax Act, 1961, which is disputed by the company as the brought forward losses under the Income tax Act has not been allowed by the department. The rectification

application for deletion of above said two demands has been filed by the company which is pending before the appropriation authorities

- (c) There is no amount which is required to be transferred to investor education and protection fund in accordance with relevant provisions of the Companies act, 2013 and rules there-under.
- (viii) The accumulated losses at the end of the financial year exceed its net worth. The company has incurred cash losses in this financial year as against cash losses in the financial year immediately preceding the current financial year.
- (ix) The company had defaulted in the repayment of dues to financial institutions, banks and debenture holders as explained in **Note Nos. 4.1 to 4.3 and Note No. 4.5 of Notes to Accounts.**
- The matter is sub-judice with** Hon'ble Delhi High Court as the company had filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "fresh scheme" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004 and the same is pending as at 31st March, 2015.
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions and therefore rest of the sub-clause is inapplicable and has not been commented upon.
- (xi) According to the information and explanations given to us and on an overall examination of the books of accounts of the company, we report that no term loan was taken during the year ended 31st March, 2015. However, the term loans taken by company in earlier years were applied for the purpose for which such loans obtained.
- (xi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit

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

Place: New Delhi
Date : 29th May, 2015

MANISH MOHAN
Partner
M. N. - 091607

BALANCE SHEET AS AT 31st MARCH, 2015

	Note No.	(Rs.In Lacs)	
		As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,212.51	2,212.51
(b) Reserves and Surplus	2	(7,367.25)	(7,084.75)
(c) Share Application Money	3	-	549.72
2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	9,653.08	9,656.09
(b) Other Long Term Liabilities	5	1,537.39	1,006.34
(c) Long-Term Provisions	6	2,097.49	2,096.04
3) Current Liabilities			
(a) Other Current Liabilities	7	210.41	191.83
(b) Short-Term Provisions	8	28.72	0.18
Total		8,372.35	8,627.96
II. ASSETS			
1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	1,348.41	1,399.94
(ii) Intangible Assets		-	-
(b) Non-Current Investments	10	103.58	103.58
(c) Long-Term Loans and Advances	11	236.41	230.86
(d) Other Non-Current Assets	12	6,326.99	6,003.53
(2) Current Assets			
(a) Inventories	13	4.16	4.20
(b) Cash & Bank Balances	14	26.59	22.84
(c) Short-Term Loans and Advances	15	6.21	8.08
(d) Other Current Assets	16	320.00	854.93
Total		8,372.35	8,627.96
Notes forming part of the financial statements	1-38		

As per our report of even date attached

For V Sahai Tripathi & Co.
Chartered Accountants
FRN-00262N

For and on behalf of the board of
directors of DCM Financial Services Limited

Manish Mohan
Partner
M. No. 091607

Om Prakash Gupta
Director
DIN: 00024646

Surender Kumar
Executive Director
DIN: 02188166

Place : New Delhi
Dated : 29th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

		(Rs.In Lacs)	
	Note No.	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Income :			
Revenue from Operations		-	-
Other operating revenues	17	0.11	0.10
Less : Excise duty		-	-
Net Revenue from Operations		0.11	0.10
Other Income	18	408.40	432.18
Total Revenue		408.51	432.28
Expenses:			
Changes in Inventories of Stock of Shares	19	0.04	(0.00)
Employee Benefit Expenses	20	24.96	31.05
Finance Costs	21	3.78	0.42
Depreciation and Amortization Expense	9	51.51	35.26
Provisions & Write off	22	561.77	899.40
Other Expenses	23	48.96	64.49
Total Expenses		691.02	1,030.62
Profit before Exceptional and Extraordinary Items and Tax		(282.51)	(598.34)
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		(282.51)	(598.34)
Extra Ordinary Items			
Profit before Tax		(282.51)	(598.34)
Tax Expense:			
(1) Current tax		28.52	-
(2) Deferred Tax		-	-
(3) Tax Adjustment for earlier years		-	-
(4) MAT Credit Adjustment		(28.52)	
Profit After Tax		(282.51)	(598.34)
Profit/ (Loss) for the Year		(282.51)	(598.34)
Earnings Per Equity Share			
(1) Basic		(1.28)	(2.70)
(2) Diluted		(1.28)	(2.70)
Notes forming part of the financial statements	1-38		

As per our report of even date attached

For V Sahai Tripathi & Co.
Chartered Accountants
FRN-00262N

For and on behalf of the board of
directors of DCM Financial Services Limited

Manish Mohan
Partner
M. No. 091607

Om Prakash Gupta
Director
DIN: 00024646

Surender Kumar
Executive Director
DIN: 02188166

Place : New Delhi
Dated : 29th May, 2015

	As at 31.03.2015	As at 31.03.2014
Note 1 SHARE CAPITAL		
Authorised		
6,50,00,000 Equity Shares of Rs.10 each	6,500.00	6,500.00
(Previous Year 6,50,00,000 Equity Shares of Rs.10 each)		
	<u>6,500.00</u>	<u>6,500.00</u>
Issued, Subscribed & Paid up	2,212.51	2,212.51
2,21,25,054 Equity Shares of Rs.10 each Fully paid up		
(Previous Year 2,21,25,054 Equity Shares of Rs.10 each)		
	<u>2,212.51</u>	<u>2,212.51</u>

1.1 **Reconciliation of the share outstanding as at the beginning and at the end of the reporting year are same:**

	31.03.2015		31.03.2014	
	No.	Rs.	No.	Rs.
Equity Shares				
As at beginning of the year	2,21,25,054	2,212.51	2,21,25,054	2,212.51
Balance As at end of the year	<u>2,21,25,054</u>	<u>2,212.51</u>	<u>2,21,25,054</u>	<u>2,212.51</u>

1.2 **Terms/ Rights attached to Shares**

Equity Shares

The company has only one class of Equity Shares having a par value of Rs.10 per Share. Each holder of equity is entitled to one vote per share.

1.3 **Details of Shareholders holding more than 5% shares of the Company:**

	As at 31.03.2015		31.03.2014	
	No.	Percentage	No.	Percentage
Equity Shares				
DCM Services Ltd	6,352,487	28.71%	6,352,487	28.71%
Intellect Capital Services Ltd	2,075,000	9.38%	2,075,000	9.38%
Punjab & Sind Bank	1,319,900	5.97%	1,319,900	5.97%

The above information is furnished on the basis of the shareholder register as at the year end.

Note 2 RESERVES & SURPLUS

	As at 31.03.2015	As at 31.03.2014
(a) Capital Reserve (Refer Note 2.1)		
As per last Balance Sheet	193.87	
Addition during the year	-	193.87
(b) Securities Premium		
As per last Balance Sheet	1,650.86	
Addition during the year	-	1,650.86
(c) Debenture Redemption Reserve (Refer Note 2.2)		
As per last Balance Sheet	8.75	
Addition during the year	-	8.75
(d) Special Reserve (Refer Note 2.3)		
As per last Balance Sheet	156.23	
Addition during the year	-	156.23
(f) Surplus (deficit) in the Statement of Profit & Loss		
Balance as per last financial statements	(9,094.46)	(9,094.46)
Profit for the year	(282.51)	(9,376.96)
Total	<u>(7,367.25)</u>	<u>(7,084.75)</u>

2.1 **Capital Reserves**

Rs.193.87 lacs in the capital reserve account consists of surpluses realized from settlement with the debentures and other liabilities not payable, which in the opinion of the management have been transferred to Capital Reserve since these amounts do not relate to trading activities.

2.2 **Debenture Redemption Reserve**

Debenture Redemption Reserve for Series "B" has not been created during the year in view of the carry forward losses suffered by the company in the past.

2.3 Special Reserve

In the year 1996-97, the RBI under the clause 45 IC has made it mandatory for NBFC's to create a reserve of at least 20% before declaration of dividend.

Note 3 Share Application Money

	As at 31.03.2015	As at 31.03.2014
Share Application Money (Refer Note 3.1)	-	549.72
Total	<u>-</u>	<u>549.72</u>

3.1 Till June, 2007, Group Companies funded expenditure or repayments made by the company worth Rs.549.72 Lacs. The same had 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. Such amounts were not received by the company under any invitation or subscription to any issue and the enabling resolutions passed in this regard have expired & shares cannot be issued as per SEBI Guidelines. Such amount of share application money is covered under Private Placement Rules defined under Companies Act, 2013 stipulates that if a company had received any amount by way of subscriptions to any shares, stock, bonds or debentures before the 1st April, 2014, such share application money should either be allotted till 1st June, 2015 or refunded. During the year ended 31-March-2015, the Company has transferred such amount of Rs.549.71 Lacs from Share Application to Long-Term Liabilities & shall seek permission for payment upon sanction of Fresh Restructuring Scheme by the Hon'ble Delhi High Court.

Note 4 Long Term Borrowings

	As at 31.03.2015	As at 31.03.2014
Secured Loans		
Debentures (Refer Note 4.1)	2,552.85	2,554.95
Term Loans from Institution - SIDBI (Refer Note 4.2)	36.30	36.30
Due to Banks (Refer Note 4.3)	1,380.40	1,380.40
Unsecured Loans		
Fixed Deposits from Public (Refer Note 4.4)	5,631.36	5,632.27
Term Loan From SBI HF (Refer Note 4.5)	25.00	25.00
Inter-Corporate Deposits (Refer Note 4.6)	27.17	27.17
Total	<u>9,653.08</u>	<u>9,656.09</u>

4.1 Debentures

	As at 31.03.2015	As at 31.03.2014
"A" Series Debenture	8.50	8.50
"B" Series Debenture		
- 19.5% Regular	1,181.32	1,183.99
- 19.5% Cumulative	1,060.27	1,059.70
- Deep Discount Bonds	302.76	302.76
	<u>2,552.85</u>	<u>2,554.95</u>

4.1.a On passing of proposed Fresh Restructuring Scheme by Hon'ble Delhi High Court, Debentureholders of "A" Series as well as "B" Series would be paid the principal amount. The debentureholders holding principal amount of Rs.0.05 lacs shall be paid complete amount within one year of effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The other categories will be paid 85% of the principal amount over a period of five years in five equated installments of effective date mentioned in the order of Hon'ble Delhi High Court. For balance 15% of Principal amount, the Company would have right to pay either in cash or by way of issuance of equity shares of the Company as per applicable SEBI guidelines for issuance of preferential allotment in the sixth year of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The Fresh Restructuring Scheme does not envisages any payment of Interest.

4.1.b During the year ended 31st March, 2015 Rs.2.67 lacs has been paid towards "B" Series Debenture holder (19.5% Regular) on compassionate grounds after getting approval from Hon'ble Delhi High Court. During the year ended 31-March-2015, Rs.0.57 lacs has been transferred from the Stale Cheques account categorized under Other Liabilities to "B" Series Debentures Account. Rs.0.57 lacs were released as per recommendations of Company Law Board, the payment of which which were not encashed by Non Convertible Debenture Holders. Such balances were being shown under the account head stale cheques as Other Liabilities. Since management intends to pay the said amount as per the Fresh Restructuring Scheme pending before Hon'ble Delhi High Court, the same has been transferred to "B" Series Debentures Account.

4.1.c Scheme "A" Series

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996 respectively. Subject to Note 4.1 (e) these debentures are secured against mortgage / hypothecation / charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs.850,000 were overdue as on March 31,2015 & these are proposed to pay as per Fresh Restructuring Scheme submitted to Hon'ble Delhi High Court.

4.1.d Scheme "B" Series

Debenture 'B' Series were allotted on 5th November, 1996. and subject to Note 4.1 (e) are secured against hypothecation / charge on land and premises situated at Mouje Pirangut, Taluka Mulshi, Distt Pune in the State of Maharashtra alongwith all buildings, structures thereon and all plant and machinery, spares, tools, accessories and other movables of the Company, both present and future, whether installed or not. The total amount of debentures allotted were Rs.2818.04 lacs and matured for redemption on 5th May 1998. Out of total debentures allotted amounting to Rs.2818.04 lacs, debentures of Rs.274.25 lacs have been redeemed upto March 31,2015. The remaining debentures as at March 31, 2015 in the "B" series amounting to Rs.2543.78 lacs consist of the following:-

Particulars	Amount (Rs.)
19.5% Regular	1,181.32
19.5% Cumulative	1,060.27
Deep Discount Bonds	302.76
Total	2,544.35

These outstanding debentures are proposed to pay as per Fresh Restructuring Scheme submitted to Hon'ble Delhi High Court.

4.1.e The value of assets charged in favour of debentures has been depleted over a period of time but the depletion has not been ascertained. To the extent of shortfall, if any, the liability is unsecured.

4.1.f A supplementary trust deed for giving effect to the proposed repayment plans as provided in Clause 44 of the Trust deed has not been prepared by the trustees so far.

4.1.g Provision of interest on debentures up to 31st March, 2015 calculated @ 10% p.a. of simple interest as per renewal offer letter of 1998 on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series amounting to approximately Rs.4312.77 lacs has not been provided since a **Fresh Restructuring Scheme** that is subject to the approval of the Hon'ble High Court of Delhi has been submitted which does not envisage payment of any interest. To the extent of the non-provision of interest calculated as per renewal

offer letter of 1998, and considering the current year interest of Rs.255.23 lacs, the current period profits are overstated to the extent of Rs.255.23 lacs and cumulative net losses are understated to the extent of Rs.4312.77 lacs. The difference between the original contracted interest @ 19.5% and as per offer letter @ 10% has also not been ascertained and provided for pending approval of the fresh scheme. To the extent of interest of Rs.4312.77 lacs not provided cumulative net loss is understated.

- 4.1.h.(i)** The Central Bank of India, Mumbai, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs.4423.86 lacs on 14th October, 1999 before the Hon'ble Mumbai High Court. As against the claim of Rs.4423.86 lacs by The Central Bank of India, Mumbai, Trustees for The Non-Convertible Debentures "B" Series, Rs.254.65 lacs on account of principal and interest is reflected in the books as on date. In view of the **Fresh Restructuring Scheme** seeking waiver of interest payable to debenture holders, no provision has been made for the difference between the claim made by the Central Bank of India and the liability as per the books and to this extent the **cumulative net losses of Rs.1877.31 lacs is understated.**
- 4.1.h.(ii)** The Hon'ble Mumbai High Court vide its interim order dated 24th December, 1999 has passed an order that all receipts from hypothecated assets shall be deposited with the trustees in a separate bank account except for amounts utilized as per orders of The Reserve Bank of India and the Company Law Board.
- 4.1.h.(iii)** The suits filed by the Central Bank of India before the Hon'ble Mumbai High Court has been stayed by Hon'ble High Court of Delhi vide order dated 14 September 2005 on application made by the company and there is no change in the status as at 31st March, 2015.

	(Rs. in lacs)
4.2 Term Loans from Institution- SIDBI *	outstanding
Small Industries Development Bank of India	36.30
	<u>36.30</u>

- 4.2.a** (i) Hypothecation / charge on assets financed out of the said loan.
(ii) The aforesaid amount outstanding Rs.36.30 lacs is already overdue for payment.
- 4.2.b** The value of the assets charged in favour of institutions have depleted over a period of time and the depletion has not been ascertained. To the extent of the shortfall, if any, the liability is unsecured.
- 4.2.c** The amount due has been quantified at Rs.45.38 lacs as per the "**Old Scheme Under Review**". However, under the **Fresh Restructuring Scheme** the interest payable amounting to Rs.9.08 lacs is sought to be waived and has already been written back in the earlier year. The principal amount due as on 30th June, 2004 amounting to Rs.36.30 lacs is proposed to be repaid in 3 equal installments of Rs.12.10 lacs from the 2nd year of the effective date mentioned in the order of Hon'ble Delhi High Court. No such payment has been made for the time being.
- 4.2.d** SIDBI has 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 on which stay has been granted by the Hon'ble Delhi High Court. Provision for such liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided for due to waiver of interest sought under the "**Fresh Restructuring Scheme**".

	(Rs. in lacs)	
	As at 31.03.2015	As at 31.03.2014
4.3 Due to Banks*		
Punjab & Sind Bank (Refer Note 4.3.1 & Note 4.3.2)	803.40	803.40
Indusind Bank (Refer Note 4.3.1 & Note 4.3.3)	577.00	577.00
	<u>1,380.40</u>	<u>1,380.40</u>

*Amount due to banks are secured against the assets financed out of the said facilities and hypothecated to the bank.

- 4.3.1** The value of the assets charged in favour of aforesaid banks have depleted over a period of time and the depletion has not been ascertained. To the extent of the shortfall, if any, the liability is unsecured.

4.3.2 PUNJAB & SIND BANK (PSB): As per the **Fresh Restructuring Scheme**, the total amount payable to PSB remains quantified at Rs.901.80 lacs as on 30th June 2004 (after providing interest @10% p.a., compounded quarterly from 30th September 1999 till 31st March, 2000 on the principal debt as on 30.09.1997). The company has till date paid/ adjusted Rs.98.40 lacs and the balance of Rs.803.40 lacs as on 30th June 2008 is payable as per the **Fresh Restructuring Scheme** pending before the Hon'ble Delhi High Court. Out of Rs.803.40 lacs i.e. Rs.442.68 lacs shall be payable in 6 equal yearly installments after one year from the date of approval of the scheme or 1st April, 2006 whichever is earlier. The balance of Rs.360.72 lacs shall be converted in equity shares at any time within 3 years of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court in accordance with applicable SEBI Guidelines for issuance of preferential allotment of the effective date or 1st April, 2006 which ever is earlier. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs.395.97 lacs which has already been paid by way of allotment of equity shares of Rs.10/- each at a premium of Rs.20/- on 31st March 2001 in advance. The same has been adjusted while arriving at balance of Rs.901.80 lacs as on 30th June 2004. In the event of default in the payment of interest and principal, the concessions made by PSB shall stand withdrawn and their claim settled before the Debt Recovery Tribunal of Rs.1217.52 lacs will become payable with immediate effect. Interest payable from 01.04.2005 to 31.03.2015 is also not provided since a Fresh Restructuring Scheme, which is subject to the approval of Hon'ble High Court of Delhi, has been submitted which does not envisage payment of any interest. In case company default as per **Fresh Restructuring Scheme** or Fresh Restructuring Scheme is rejected, the claim of Rs.1217.52 lacs filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided for, the net profit for the year is overstated and cumulative net loss is understated to that extent.

4.3.3 IndusInd Bank: The amount payable to IndusInd Bank after calculating interest up to March 31, 2000 had been quantified at Rs.651.49 lacs as on 30-June-2004 in accordance with the "Fresh Restructuring Scheme Under Review". Out of which Fixed Deposit of Rs.74.4 lacs has been adjusted by IndusInd Bank. The balance amount of Rs.576.99 lacs shall be payable as per Fresh Restructuring Scheme. Out Rs.576.99 lacs, Rs.283.82 lacs shall be payable in six equal yearly installments of Rs.56.76 lacs from the 2nd year of of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The balance of Rs.293.17 lacs shall be converted in equity shares at any time within 3 years of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court in accordance with applicable SEBI Guidelines for issuance of preferential allotment. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs.300.20 lacs, which has already been paid by way of allotment of equity shares of Rs.10/- each at a premium of Rs.20/- on 31st March 2001 in advance. The same has been adjusted while arriving at balance of Rs.651.49 lacs as on 30th June 2004. The Fresh Restructuring Scheme does not envisage any payment of interest from 1st-April-2000. Interest payable from 01.04.2005 to 31.03.2015 is also not provided since a Fresh Restructuring Scheme, which is subject to the approval of Hon'ble High Court of Delhi, has been submitted which does not envisage payment of any interest.

In the event that the company fails to pay the interest or principal, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs.1042.42 lacs would be payable with immediate effect. In case company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the claim of Rs.1042.42 lacs filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided for would be payable. The net profit for the year is overstated and cumulative net loss is understated to that extent.

4.4 FIXED DEPOSITS ACCEPTED

(a) During the year 31st March, 2015, Rs.12.60 lacs has been paid to Fixed Deposit holder on compassionate ground after getting approval from Hon'ble Delhi High Court. Besides, Interest of Rs.3.77 lacs has been paid on the fixed deposits amounted Rs.2.46 lacs as per the order of Consumer Forum, Kolkata. During the year ended 31-March-2015, Rs.14.16 lacs has been transferred from the Stale Cheques account, categorized under Other Liabilities, to Fixed Deposits Account. Rs.14.16 lacs were released as per recommendations of Company Law Board, the payment of which were not encashed by Fixed Depositors.

Such balances were being shown under the account head stale cheques as Other Liabilities. Since management intends to pay the said amount as per the Fresh Restructuring Scheme pending before Hon'ble Delhi High Court, the same has been transferred to Fixed Deposits.

- (b) On passing of proposed Fresh Restructuring Scheme by Hon'ble Delhi High Court without, Fixed Depositors would be paid the principal amount. The Fixed Depositors holding principal amount of Rs.0.05 lacs shall be paid complete amount within one year of effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The other categories will be paid 85% of the principal amount over a period of five years in five equated installments of effective date mentioned in the order of Hon'ble Delhi High Court. For balance 15% of Principal amount, the Company would have right to pay either in cash or by way of issuance of equity shares of the Company as per applicable SEBI guidelines for issuance of preferential allotment in the sixth year of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The Fresh Restructuring Scheme does not envisages any payment of Interest.
- (c) In respect of repayment of outstanding deposits with interest vide order dated 17.07.98, the Company Law Board had ordered payment of interest at contracted rates up to the date of maturity and at 10% thereafter. Due to liquidity problems, the company has not fully followed the schedule of repayment ordered by the Company Law Board. However, a Fresh Restructuring Scheme of arrangement for re-organization of the share capital of the company and for compromise with its creditors including fixed depositors has been made in which interest dues will be waived and accordingly provision of interest payable amounting to Rs.827.06 lacs recorded earlier has been written back in earlier years.
- (d) The Company has also moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule to fixed depositors of the Company in view of the Fresh Restructuring Scheme was filed before the Hon'ble Delhi High Court.
- (e) Fixed deposits and bills payable as per information retained on the computer is Rs.5627.89 lacs whereas fixed deposits, which also includes bills payable, as per books, amounts to Rs.5617.20 lacs and the difference of Rs.10.69 lacs is un-reconciled. The company, in accordance with a subsequently confirmed order of the Hon'ble Company Law Board dated July 17, 1998 had given an option to the creditors of overdue bills re-discounted to convert their dues into fixed deposits on due dates with retrospective effect. Bills rediscounted, including those converted into fixed deposits, have been shown & reflected under fixed deposits.
- (f) Liability on account of Fixed Deposits received contain certain deposits which appear prima-facie to be suspect due to either lack of identification of depositors or no claim or confirmation having been received by the company. Payment of those deposits that are under a suspicious category will be made under the proposed Fresh Restructuring Scheme of arrangement only after the evidence of receipt of money is established.
- (g) Provision for interest on fixed deposits up to March 31, 2015 calculated at simple interest @ 10% p.a. in accordance with the order of The Hon'ble Company Law Board amounting to approx. Rs.10417.26 lacs (including Rs.9855.56 lacs for the earlier years) has not been made in view of the "Fresh Restructuring Scheme" pending before the Hon'ble Delhi High Court wherein the company does not envisage payment of any interest. To the extent of non-provision of interest @10% as per the previous CLB order, the current year profits are overstated to the extent of approximately Rs.561.70 lacs and cumulative net losses are understated to the extent of approximately Rs.10417.26 lacs. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.
- (h) Due to a liquidity crises in the past the minimum liquid assets @15% of fixed deposits as per RBI directives has not been maintained by the company. The company has applied to the Reserve Bank of India and the Company Law Board for exemption from maintaining minimum liquid assets and payment of penal interest but the disposal of the application is still pending.

4.5 SBI Home Finance Ltd.(SBIHF): -

The company has already paid Rs.290.lacs under the Old Scheme and proposes to allot shares worth Rs.25.lacs for the balance as per the Fresh Restructuring Scheme in the first year from the effective date (Effective date means the date of filing of the certified copy of

the order sanctioning the scheme of the Hon'ble High Court of Delhi at New Delhi with the Registrar of Companies of Delhi & Haryana). SBIHF has removed a charge on its assets and therefore the loan is now categorized as unsecured loan.

4.6 Inter-Corporate Deposits

The value of inter corporate deposits is Rs.27.16 lacs. Provision for interest @10% considering the the order of The Hon'ble Company Law Board for Fixed Deposits which may also be considered for applying Interest rate on inter corporate deposits up to 31st March, 2015 on prudence basis amounting to approximately Rs.113.53 lacs which includes approximately Rs.107.22 lacs for the earlier years, has not been made in view of the "Fresh Restructuring Scheme" pending before the Hon'ble High Court of Delhi wherein the company does not envisage payment of any interest. Considering the above, the current year interest is Rs.6.31 lacs. To the extent of non-provision of interest, the current year's profits are overstated to the extent of approximately Rs.6.31 lacs and cumulative net losses are understated to the extent of approximately Rs.113.53 lacs.

	As at 31.03.2015	As at 31.03.2014
Note 5 Other Long Term Liabilities		
Trade Payables	-	-
Others		
Security Deposits	6.25	6.25
Employees Advances	1.41	1.41
Other Payables	477.09	501.72
Payable to Related Parties (Refer Note 5(i),(ii))	1,052.64	496.96
Total	1,537.39	1,006.34

Note 5 (i) Rs.549.72 lacs were funded by Group Companies till June, 2007 to meet the various types of expenditure. The same had been shown or credited to the Share Application Account in the financial statements of the Company. Presently equity shares cannot be issued against the said amount as per SEBI Guidelines. Depending upon availability of funds post implementation of fresh restructuring scheme, the same would be paid either by payment via release of liquid funds or allotment of equity shares. During the year ended 31-March-2015, the same has been transferred from Share Application Money pending allotment to Long-Term Liabilities.

Note 5(ii) Amount payable to Related parties include payables to:

1. DCM International Ltd	Rs.281.57
2. DCM Services Ltd	Rs.739.24
3. DCM Anubhavi Market Pvt Ltd	Rs.38.14

	As at 31.03.2015	As at 31.03.2014
Note 6 Long Term provisions		
Provision for NPA and advances (Refer to note 6.1)		
- Provision for NPA	2,060.56	2,060.57
- Provision for doubtful advances	28.08	28.08
Provision for Employee Benefits::		
- Provision for Gratuity	5.60	4.83
- Provision for Leave Encashment	3.25	2.56
Total	2,097.49	2,096.04

Note 6.1 As per the guidelines of Non-Banking Financial Companies Prudential Norms Directions, 1998 issued and prescribed by Reserve bank of India, assets and receivables are required to be classified as NPA and provision for non-performing assets as prescribed is required to be made. The provisions for non-performing asset of Rs.2622.32 lacs as at 31-March-2015 consist of rent receivable, Inter corporate deposits, Bills receivables and other long term trade receivables. **Please also refer Note No. 16.1,11, 11.2, 12 and 21.**

Note 6.2 During the previous year ended 31st March, 2014 provision has been made on Employee advances and other long term advances considered as doubtful debt by Rs.28.08 lacs.

	As at 31.03.2015	As at 31.03.2014
Note 7 Other Current Liabilities		
Other Liabilities (Refer Note 7.1)	210.41	191.83
TOTAL	210.41	191.83

	As at 31.03.2015	As at 31.03.2014
7.1 Other Liabilities Includes:		
Rent payable	7.07	7.07
Statutory Dues Payable (Refer Note 7.1.1)	44.62	45.93
Employees Advances	6.19	6.19
Other Liabilities (Refer Note 7.1.2)	152.53	132.64
TOTAL	210.41	191.83

	As at 31.03.2015	As at 31.03.2014
7.1.1 Statutory Dues Payable Includes		
Tax Deducted at source	0.76	0.89
ESI Payable	0.02	0.03
Provident Fund Payable	0.54	0.65
Service Tax Payable	43.30	44.36
Delhi Labour Fund Payable	0.00	0.00
TOTAL	44.62	45.93

7.1.2 Other Liabilities includes an amount of Rs.14.73 lacs under the heading Stale Cheques. Such Stale Cheques balance of Rs.14.73 lacs denotes payments made to Fixed Deposits of Rs.14.16 lacs and Non Convertible Debenture Holders of Rs.0.57 lacs as per recommendations of Company Law Board. Out of Rs.14.73 lacs Rs.13.73 lacs were released prior to the submission of **Fresh Restructuring Scheme** and Rs.0.994 lacs after the submission, which were not encashed by the Fixed Depositors and Non Convertible Debenture Holders. Such balances were being shown under the account head stale cheques as Other Liabilities. During the year ended 31-March-2015, the Company has transferred such balances from stale cheque account to the account of Fixed Deposits & Debentures respectively. Management intends to pay the said amount as per the **Fresh Restructuring Scheme** pending before Hon'ble Delhi High Court.

Rs.0.57 lacs were released as per recommendations of Company Law Board, the payment of which which were not encashed by Non Convertible Debenture Holders. Such balances were being shown under the account head stale cheques as Other Liabilities. Since management intends to pay the said amount as per the Fresh Restructuring Scheme pending before Hon'ble Delhi High Court, the same has been transferred to respective accounts head.

	As at 31.03.2015	As at 31.03.2014
Note 8 Short-Term Provisions		
Provision for Employee Benefits:		
- Provision for Gratuity	0.13	0.12
- Provision for Leave Encashment	0.07	0.06
Provision for Income Tax	28.52	-
TOTAL	28.72	0.18

Note 9. FIXED ASSETS

Particulars	Gross Block			Depreciation / Adjustment			Net Block		
	As On 01.04.2014	Additions	Deletions / Adjustment	As at 31.03.2015	As On 01.04.2014	For the year	Transfer / Adjustment	As On 31.03.2015	As On 31.3.2014
A TANGIBLE ASSETS									
(a) Own Assets									
1 Land	3.06	-	-	3.06	-	-	-	3.06	3.06
2 Plant & Machinery	41.97	-	-	41.97	41.36	0.10	-	41.46	0.61
3 Buildings	1,855.17	-	-	1,855.17	493.57	28.63	-	522.20	1,361.61
4 Vehicles	0.87	-	-	0.87	0.87	-	-	0.87	-
5 Furniture & Fixtures	59.15	-	1.94	57.21	37.64	11.76	1.94	47.46	21.52
6 Office Equipment & Appliances	34.64	-	1.98	32.66	21.50	11.02	1.98	30.54	13.14
Total (a)	1,994.86	-	3.92	1,990.94	594.94	51.51	3.92	642.53	1,395.94
(b) Leased Assets									
1 Plant & Machinery	1,158.17	-	-	1,158.17	1,158.17	-	-	1,158.17	-
2 Vehicles	409.91	-	-	409.91	409.91	-	-	409.91	-
3 Office Equipment & Appliances	126.18	-	-	126.18	126.18	-	-	126.18	-
Total (b)	1,694.26	-	-	1,694.26	1,694.26	-	-	1,694.26	-
Total (a+b)	3,689.12	-	3.92	3,685.21	2,289.20	51.51	3.92	2,336.79	1,395.94
B INTANGIBLE ASSETS									
(c) Own Assets									
1 Computer Software	-	-	-	-	-	-	-	-	-
Total (c)	-	-	-	-	-	-	-	-	-
Grand Total (a + b + c)	3,689.12	-	3.92	3,685.21	2,289.20	51.51	3.92	2,336.79	1,395.94
Previous year	3,688.90	0.48	0.26	3,689.12	2,253.93	35.26	-	2,289.19	1,399.93
9.1	During the course, physical verification of Fixed Assets (own) conducted by the management and few assets of Rs.71.46 (Gross) which were not physically or verifiable available with the company since long or obsolete or defective or not in working condition to use and having NIL or Negligible WDV, have been retired from the schedule of fixed assets in compliance of Accounting Standard-10 Fixed Assets (Accounting Standard Rules,2006).								

Note 10 NON CURRENT INVESTMENTS**10.1 LONG TERM INVESTMENTS - AT COST**

Particular	As at 31 March 2015	As at 31 March 2014
Trade Investments		
- Investment in Equity Shares	90.00	90.00
Less: Provision for diminution in the value of Investments	72.00	72.00
Total (A)	18.00	18.00
Non Trade Investments		
- Investment in Equity Shares	207.61	207.61
Less: Provision for diminution in the value of Investments	122.03	122.03
Total (B)	85.58	85.58
Grand Total (A+B)	103.58	103.58

10.2 DETAILS OF INVESTMENTS

Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Value of Investment (Amount in Rs.) As at 31 March 2015	Provision for diminution (Amount in Rs.) As at 31 March 2014	Basis of Valuation
		As at 31 March 2015	As at 31 March 2014					
Investments in Equity Shares								
Trade Investments	Subsidiary	900,000	900,000	UnQuoted	Fully Paid	90.00	72.00	At Cost less prov. Diminution in the value of investments
Global IT Options Ltd								
TOTAL		900,000	900,000			90.00	72.00	
Non-Trade Investments								
Punji Lyod Ltd.	Others	200,000	200,000	Quoted	Fully Paid	45.48	-	At Cost
Profin Money Market Ltd	Others	25,000	25,000	UnQuoted	Fully Paid	2.50	2.50	At Cost less prov. Diminution in the value of investments
RFB Latex Ltd	Others	220,000	220,000	UnQuoted	Fully Paid	40.10	-	At Cost
World Tex Ltd	Others	437,500	437,500	UnQuoted	Fully Paid	119.53	119.53	At Cost less prov. Diminution in the value of investments
Cepharm Milk Specialities Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	0.00	-	At Cost
Cebon India Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	0.00	-	At Cost
Rajasthan Antibiotics Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	0.00	-	At Cost
		972,500	972,500			207.61	122.03	

Amount (Rs.)

S No.	Particulars	As at 31 March 2015	As at 31 March 2014
1	Aggregate amount of Market value of Quoted investments	56.80	110.50
2	Aggregate amount of UnQuoted investments	252.13	252.13
3	Aggregate provision for diminution in value of investments	194.03	194.03

Note 11	Long Term Loans & Advances	As at 31.03.2015	As at 31.03.2014
	Security Deposits		
	Unsecured Considered Good	13.85	16.03
	Other Loans & advances		
	Considered Good (Refer Note 11.1)	7.72	-
	Considered Doubtful (Refer Note 11.2)	214.84	214.83
	TOTAL	236.41	230.86
11.1	Other Loans & Advances	As at 31.03.2015	As at 31.03.2014
	Unsecured - Considered Good		
	Employees Advances	7.60	-
	Others	0.12	-
		7.72	-
11.2	Unsecured - Considered Doubtful		
	Inter Corporate Deposit*	79.58	79.58
	Bills Receivable*	107.17	107.17
	Employees Advances* (Refer Note 11.3)	17.69	17.69
	Others*	10.40	10.39
	TOTAL	214.84	214.83
	*Provision of Rs.214.83 lacs towards Non Performing Assets have been made on Inter Corporate Deposits and Bills Receivables as per Prudential Norms Direction, 1998 issued & prescribed by Reserve Bank of India. Please also refer Note no 6.1 and 22.		
11.3	Employees Advances		
	Being doubtful of recovery, provision had been made against the employees advances upto 100% amounted to Rs.17.69 lacs during the previous year ended 31st March, 2014		
Note 12	Other Non Current Assets	As at 31.03.2015	As at 31.03.2014
	Long Term Trade Receivable		
	Considered Doubtful**	1,873.81	1,873.81
	Others		
	Secured, Considered Good		
	Fixed Deposits with Banks (Refer Note 12.1)	4,206.93	4,206.93
	Advance Tax & TDS Recoverable (Net of Provision of Tax of FY-)	217.73	217.73
	MAT Credit Entitlement	28.52	28.52
	TOTAL	6,326.99	6,326.99

* Net of Rs.601.93 lacs received from the customers as a security deposits.

** The provision of Rs.1873.81 lacs towards Non Performing Assets has been made on Inter Corporate Deposits and Bills Receivables as per Non Banking Prudential Norms Direction 1998, issued by Reserve Bank of India, during the year ended 31st March, 2014. Please also refer **Note No. 6.1 and 22.**

Note 12.1 Fixed Deposits with banks include Fixed Deposits having maturity less than 12 months from the Balance Sheet date.

However, on such Fixed Deposits there are restrictions imposed by Hon'ble Delhi High Court till the disposal of Fresh Restructuring Scheme pending, to utilise such Funds and since such Fixed Deposits would be renewed the same has been categorised in Other Non-Current Assets.

Note 13	Inventory	As at	As at
		31.03.2015	31.03.2014
	Securities held as Stock in Trade (Refer Note 13.1)	4.16	4.20
		4.16	4.20

13.1 Inventory Valuation Method:-

- (a) During the year there were no transactions relating to sale/purchase of stocks/ investment in shares. During the period ended 31st March, 2015, those shares which were held as bad deliveries have been removed from the schedule of stock in trade. The same will be shown when such shares/stock which are termed as bad deliveries are actually transferred in the name of company.
- (b) The inventory of Securities is valued at Market value & Cost which ever is lower. Cost has been determined on weighted average method.
- (c) For the untraded shares, value has been taken as Re.1/= per Company.
- (d) For partly paid-up shares, Re.1 for untraded company has been taken.
- (e) Bonus shares for which original shares not available is valued at Re.Zero per shares

Note 14	Cash and Bank Balances	As at	As at
		31.03.2015	31.03.2014
	Cash and Cash Equivalents		
	(a) Cash in Hand	0.17	0.03
	Other Bank Balances		
	(a) Restricted Bank Balances	27.78	24.88
	(Refer Note 14.1, 14.2 & 14.3)		
	Less : Provision for bank written off (Refer Note 14.2)	1.36	2.07
		26.59	22.84

14.1	Restricted Bank Balances Includes (Refer Note 14.2 & 14.3)	As at	As at
		31.03.2015	31.03.2014
	Canara Bank	4.09	4.10
	IDBI Bank Limited	9.32	7.10
	Axis Bank	9.05	9.69
	Other Bank	5.32	3.99
	Total	27.78	24.88

14.2 Bank Balance of Rs.1.36 lacs appearing in the books of accounts pertaining to 10 Banks were yet to be confirmed by the Banks as at 31st March, 2015. Appropriate provision made for such bank balances. During the Year provision for bank has been reversed by Rs.0.71 lacs against those banks for which balance confirmation have been received.

14.3 These are restricted bank balance and cannot be operated with out getting prior approval of Hon'ble Delhi High Court.

Note 15	Short-Term Loans and Advances	As at	As at
		31.03.2015	31.03.2014
	Others		
	Unsecured, considered good		
	- Service Tax (Input) recoverable (Refer Note 15.1)	-	1.50
	- Employee Advance	5.36	5.69
	- Others	0.85	0.89
		6.21	8.08

Note 15.1 Service Tax Input Credit of Rs.1.51 lacs being not recoverable or adjustable, has been written off.

Note 16	Other Current Assets	As at	As at
		31.03.2015	31.03.2014
	- Rent Receivable (Refer Note 16.1)	561.77	567.70
	Less: Provision for Doubtful receivables	<u>(561.77)</u>	<u>-</u>
	- Interest Receivable	319.57	287.23
	- Other	0.43	0.00
	TOTAL	<u>320.00</u>	<u>854.93</u>

Note 16.1 During the year ended 31-March-2015, provision for doubtful receivables of Rs.561.77 lacs towards overdue rent receivable has been provided for.

Note 17	Other Operating Revenue	For the	For the
		Year	Year
		ended	ended
		31.03.2015	31.03.2014
	Income on Settlement with Debtors	0.11	0.10
	TOTAL	<u>0.11</u>	<u>0.10</u>

Note 18	Other Income	For the	For the
		Year	Year
		ended	ended
		31.03.2015	31.03.2014
	Interest on Fixed Deposits	393.87	363.84
	Dividend Income	0.08	0.08
	Rent Income	-	68.26
	Balances Written Back (Refer Note 5 & 14.2)	14.45	-
	Miscellaneous Income	-	0.00
	TOTAL	<u>408.40</u>	<u>432.18</u>

Note 19	Changes in Inventory of Securities held as Stock in Trade	For the	For the
		Year	Year
		ended	ended
		31.03.2015	31.03.2014
	Closing Stock	4.16	4.20
	Less : Purchases/Transfer	-	-
	Opening Stock	4.20	4.20
	Changes	<u>0.04</u>	<u>(0.00)</u>

Note 20	Employee Benefit Expenses	For the	For the
		Year	Year
		ended	ended
		31.03.2015	31.03.2014
	Salaries,Wages,Bonus and other employees' benefit	22.12	24.88
	Contribution to Provident and Other funds (Refer Note 20.1)	2.70	3.74
	Workmen and Staff Welfare Expenses	0.14	0.19
	Final Payment to Employee	-	2.24
	TOTAL	<u>24.96</u>	<u>31.05</u>

	For the Year ended 31.03.2015	For the Year ended 31.03.2014
20.1 Contribution to Provident and Other funds		
Employee state Insurance (ESI)	0.18	0.30
Provident Fund	1.06	0.99
Gratuity Fund Contribution	0.77	1.37
Leave Encashment Contribution	0.69	1.08
TOTAL	2.70	3.74
Note 21 Finance Costs		
Interest Paid on FD	3.78	0.42
TOTAL	3.78	0.42
Note 22 Provisions & Write off		
Bad Debts & Write off *	-	365.48
Provision for Non Performing Assets	-	503.77
Provision for Doubtful Advance / Receivables **	561.77	30.15
TOTAL	561.77	899.40

*During the year ended 31st March, 2014 Inter Corporate Deposits and Other Trade Receivables worth Rs.365.48 lacs, being not recoverable, had been written off as bad debts.

**During the year ended 31-March-2015, provision for doubtful receivables of Rs.561.77 lacs towards overdue rent receivable has been provided for.

Note 23	Other Expenses	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Travelling & Conveyance	1.42	3.75
	Repairs - Building	5.69	5.65
	- Others	0.05	0.05
	Electricity & Water	0.44	1.23
	Legal & Consultancy Charges	14.34	20.07
	Fees to Auditors for --Statutory Audit	2.47	2.19
	- Tax Audit	0.90	0.90
	- Certification work	-	-
	- Others	-	-
	Rent	5.19	4.86
	Telephone Expenses	0.88	0.82
	Advertisement & Publicity	1.08	0.99
	Share Division balances written off	-	-
	Employee balances written off	-	-
	Balances not longer written off	-	-
	Share Transfer Expenses	1.67	1.84
	AGM Expenses	8.04	7.68
	Internal Audit Fees	0.22	0.22
	Lisiting Fees	3.52	2.15
	Fixed Assets Written off (Refer Note 9.1)	-	0.26
	Rates and Taxes	2.40	2.40
	Prior Period Expenses (Refer Note 23.1)	0.17	0.54
	Provision for Diminuation in Investment	-	8.49
	Other Expenses	0.48	0.40
	TOTAL	<u>48.96</u>	<u>64.49</u>

23.1 **Prior period** includes Expense of Conveyance and Consultancy in the current year ended 31st March 2015 and expense of Electricity in previous year.

24. SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on accrual basis and are in accordance with the applicable accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). These Accounting policies have been consistently applied, except where a newly issued Accounting Standard is initially adopted by the company

As required & mandated by relevant guidelines prescribed under Companies Act, 2013, Company has prepared its financials as per Schedule III. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has considered a period of twelve months for the purposes of classification of assets and liabilities as current and non-current

B. Revenue Recognition

- (a) Revenue is being recognized on accrual basis in accordance with the Accounting Standard-9 on 'Revenue Recognition' as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, if there are any uncertainties in realization, income is not accounted for.
- (b) Dividend on shares is accounted for as and when received.
- (c) In respect of other heads of income, the company follows the accrual basis of accounting.
- (d) Overdue Interest on debtors has been accounted for at the time of settlement with debtors in accordance with the principle of virtual certainty.

C. Investments

Investments are classified into current and long term investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. A provision for diminution in value is made to recognize a decline other than temporary in the value of long term investments.

D. Fixed Assets

- (a) Fixed assets are stated at cost of acquisition inclusive of inward freight, duties and taxes (excluding tax and duties recoverable) and other incidental expenses related to their acquisition.
- (b) The company's own assets and the assets given out on lease are valued at cost. In respect of vehicles on lease, cost excludes insurance and road tax, which is recovered from the customer.

E. Inventory

Securities held as stock in trade are valued at lower of estimated cost or market value. Cost has been determined by Weighted Average Cost Method.

F. Earnings Per Share

The basic and diluted earnings per share (EPS) are computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. However, it does not include potential equity shares which are contingent on the decision of the judiciary.

G. Depreciation

Depreciation is computed at the following rates: -

- (a) On its own fixed assets on a pro-rata basis on the straight line method at rates and in the manner specified in Schedule II to the Companies Act, 2013.
- (b) On assets given out on operating lease, on a pro-rata basis, on the straight-line method at rates and in the manner specified in Schedule II to the Companies Act, 2013.

- (c.) In the case of purchase/sale of asset, depreciation is computed on pro rata basis from the date of such addition or as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.
- (d) The life of fixed assets are considered in accordance with the Schedule-II of the Companies Act-2013

H. Repossessed Stock

Assets on hire purchase and lease, which have been repossessed, are recorded at the end of the year on the basis of the value estimated by the company but a financial entry adjusting the account of the customer is passed only when the asset is disposed off.

I. Retirement and Other Employee Benefits

(a) Short Term Employee Benefits

All employee benefits falling due within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) **Defined Contribution Plans:** The State governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

(ii) **Defined Benefit Plans:** Gratuity liability is covered under the defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity years approximating to the terms of related obligations

Actuarial gains and losses are recognized immediately in the profit & loss account.

(c) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated leave or encashment of leave accrued up to the specified period are recognized in the manner similar to the case of Gratuity.

J. Provisions and Contingencies

Provisions are recognized when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Liabilities are disclosed after an evaluation of the facts and legal aspects of the matters involved. Contingent assets are neither recognized, nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

K. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, provision for estimated liabilities and the useful lives of fixed assets and intangible assets. Actual results could differ from those estimates. Any revision in the accounting estimate is recognized prospectively in the current and future periods.

25. CONTINGENT LIABILITIES & OTHER COMMITMENTS

- (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.
- (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.
- (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.1042.42 Lacs would be payable with immediate effect.
- (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.
- (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.
- (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.
- (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.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.
- (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.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.

26. RESTRUCTURING SCHEME

The management for a structured debt repayment had prepared two schemes of arrangement for reorganization of share capital of the company and for compromise with its secured and unsecured creditors. Both the schemes of arrangement envisage a viable, just & equitable settlement with its secured and unsecured creditors while simultaneously increasing the risk and stake of the promoters and their shareholding through fresh infusion of funds by the promoter company.

The company has also moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations, 1991 proposing a fresh repayment schedule to fixed depositors of the Company. The same repayment schedule has been included in the "**Fresh Restructuring Scheme**" filed before the Hon'ble High Court of Delhi at New Delhi on 24th September 2004.

The implementation of the schemes is subject to the fulfillment of all the conditions of section 391 to section 394 of the Companies Act, 1956 and approval/orders of the Hon'ble Delhi High Court. The Hon'ble Delhi High Court did not approve the company's first scheme filed in May 2000, though approved by the secured and unsecured creditors in their respective meetings convened pursuant to the orders of the Hon'ble Court, yet the Hon'ble Court did not accord sanction to the scheme on technical grounds. An application for review had been filed before the Hon'ble Delhi High Court on 30th May 2003, which is yet to be listed for hearing and which is hereinafter, wherever applicable, referred to as the "**old scheme under review**". The company intends not to pursue the review application filed for the old scheme under review before the Hon'ble Delhi High Court and it is proposed to be withdrawn at an appropriate stage of the proceedings for the sanction of the "**Fresh Restructuring Scheme**".

The company has filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "**Fresh Restructuring Scheme**" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

Pursuant to the orders of the Hon'ble Delhi High Court, the unsecured creditors and debenture holders in their meeting convened under the Chairpersonship of court appointed Chairpersons (retired Judges of Hon'ble Delhi High Court) on 1st April 2005 and 2nd April, 2005 have approved the scheme without any modifications with the requisite majority. The meeting of the other secured creditors (banks/ institutions) was held on 17th September 2005 and has also approved the scheme by the requisite majority after considering some modifications proposed by the Punjab & Sind Bank.

The promoter company has undertaken, subject to sanction of the scheme by the Hon'ble Delhi High Court, to contribute to Rs.195,000,000 of which Rs.156,000,000 were deposited with the Registrar of the Hon'ble Delhi High Court Registrar, as per court order by the promoter group, and the balance amount of Rs.39,000,000 has been deposited on 27th April, 2012.

The fresh restructuring scheme is conditional upon the following approvals and shall be deemed to be effective on obtaining the last of the approvals and the occurrence of the last of the following events: -

- i. Sanction of the scheme by the Hon'ble High Court of Delhi under Sections 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act, Rules and Regulations, as the case may be;
- ii. Filing of certified copies of the order of the Hon'ble High Court of Delhi with the Registrar of Companies (Delhi and Haryana).

The restructured debts of the company for each category of debt is on the basis of outstanding as envisaged in the **fresh restructuring scheme** filed in the year 2004 excluding interest not provided for and all liquidated damages/penal charges and interest on unpaid interest. The "Fresh Scheme of Arrangement" is drawn on the basis of acceptance of waiver of payment of past and future interest, penal charges, liquidated damages, and any other charges, costs and claims etc. except as provided and for values contained therein which is subject to the approval of the Hon'ble Delhi High Court.

The accounts of the company have been drawn on the assumption that the "fresh restructuring scheme" will be accepted and implemented. If it is not accepted and cannot be implemented for any reason the total liability before the proposed restructuring scheme including those for which no provision has been made and has been quantified under appropriate heads, shall become payable.

The **fresh restructuring scheme** is pending before the Hon'ble Delhi High Court as at 31st March, 2015 & there is no change in the status at the time of signing of the financials for the period ended 31st March, 2015 by the Board of Directors.

27. Deposit of Rs.1,950.00 Lacs by DCM Services Limited

DCM Services Ltd as a promoter has committed to bring in Rs.1,950.00 Lacs as a promoter contribution upon sanction of their restructuring scheme u/s 391 of the Indian Companies Act,

1956 which is presently pending for sanction before the Hon'ble Delhi High Court.

The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs.1,950.00 Lacs with the Court and pursuant to the court order, They have deposited Rs.500.00 Lacs on 16.07.2010, Rs.670.00 Lacs on 18.11.2010, Rs.390.00 Lacs on 21.04.2011 & Rs.390.00 Lacs on 27.04.2012 aggregating to Rs.1,950.00 Lacs on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. No financial impact of this has been recorded in the financials of the company for the period ended 31st March, 2015.

28. INCOME TAX

(a) Deferred Tax Assets

In accordance with Accounting Standard-22 as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, deferred tax assets on accumulated depreciation and losses have not been accounted for since as per certain operational restrictions imposed, the company is unable to conduct any new business and therefore it is uncertain whether there will be sufficient future taxable income against which such deferred tax assets can be realized. Accordingly in view of absence of virtual certainty of sufficient taxable income in future no provision for deferred tax has been made.

(b) Tax Provision

The company has made provision for Minimum Alternative Tax (MAT) during the year ended 31st March, 2015.

29. EMPLOYEE BENEFITS

(a) Defined Contribution Plans:

The Company has recognized the contribution/liability in the profit & loss account for the financial year 2014-15.

(Rs.in Lacs)

PARTICULARS	Gratuity (Non Funded Plan)	Leave Encashment (Non Funded Plan)
Amount recognized in Balance Sheet		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	5.72	3.32
Unrecognized past service cost	-	-
Net Liability/(Assets)	5.72	3.32
Amount in Balance Sheet		
Liability	5.72	3.32
Assets	-	-
Net Liability/(Assets)	5.72	3.32
Expenses recognized in the Profit & Loss Account		
Opening defined benefit obligation less benefits paid	-	-
Current service cost	0.36	0.23
Interest on defined benefit obligation	0.38	0.20
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized in the year	0.03	0.26
Past service cost	-	-
Losses/(gains) on "Curtailments and Settlements"	-	-
Total, included in "Employee Benefit Expense"	0.77	0.69
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period	-	-
Change in defined benefit obligation	-	-

Opening defined benefit obligation	4.95	2.63
Current service cost	0.36	0.23
Interest cost	0.38	0.20
Actuarial losses/(gains)	0.03	0.26
Liabilities extinguished on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	(5.72)	(3.32)
Change in fair value of assets	-	-
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial gain/(Losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-
Assets information		
Category of assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Equity shares of listed companies	-	-
Property	-	-
Insurer Managed Funds	-	-
Others	-	-
Grand Total	-	-
Summary of the actuarial assumptions		
Discount rate	7.76%	7.76%
Expected rate of return on assets	N.A.	N.A.
Future salary increase	6.00%	6.00%

Notes:

- (a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors;
- (b) The liability towards gratuity & the earned leave for the period ended 31st March, 2015, based on actuarial valuation amounting to Rs.0.77 Lacs & Rs.0.69 Lacs have been recognized in the profit & loss account.

30. GOING CONCERN BASIS

To comply with the directives of the Reserve Bank of India the company ceased to accept deposits from September 1997. Despite cessation of business, substantial accumulated losses, provision for full NPA's and interest payable, rejection of the "old scheme under review" and winding up petition filed by the Reserve Bank of India and various creditors of the company, the accounts of the company have been prepared on a "going concern" basis on an assumption & premises made by the management that

- (a) the fresh restructuring scheme would be approved by the Hon'ble Delhi High Court,

- (b) adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis,
- (c.) injection of Rs.1,950.00 Lacs as promoters quota infused by the management group

31. BALANCE CONFIRMATION

- (a) 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, the financial impact cannot be ascertained.

32. Payment to Directors

The company has obtained the approval for payment of managerial remuneration from Ministry of Corporate Affairs, Government of India for the amount not exceeding Rs.3.99 Lacs per annum for the period of three years starting from 01-12-2011 to 30-11-2014. The proportionate amount of Managerial Remuneration of pertaining to the period from 01-April-2014 to 30th November-2014 is Rs.2.66 Lacs.

33. Related Party disclosure

As required by Accounting Standard – AS 18 “Related Party Disclosure” as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014 are as follows:

List of related parties with whom transactions have taken place during the year:

I	Control Exist - Subsidiary Company	(i)	Global IT Option Limited
II	Significant Influence Exist	(i) (ii) (iii)	DCM Services limited DCM International Limited DCM Anubhavi Marketing Private Limited
III	Key Management Personnel	(i) (ii) (iii)	Mr. O. P. Gupta - Chairman Mr. Surender Kumar Sharma – Executive Director Mr. Rajeshwar Singh- Non Executive Director

Details of Transactions are as follows:

(Rs.in Lacs)

Particulars		Year ended 31.03.2015	Year ended 31.03.2014
A.	Remuneration to key management personnel - Executive Director	2.66	3.95
B.	Advances Received - DCM Services Limited - Global IT Options Ltd	5.76 16.31	19.51 4.00
C.	Services received - Subsidiary Company	0.25	0.25

Outstanding Balances: (Rs. in Lacs)

Particulars		Year ended 31.03.2015	Year ended 31.03.2014
(i)	DCM Services limited	739.24	496.96
(ii)	DCM International Limited	281.57	281.57
(iii)	DCM Anubhavi Marketing Private Limited	31.84	31.84
	(Cr. Balance)		
	- Subsidiary Company (Cr. Balance)	20.47	4.16

34. Earnings Per Share (EPS) (Rs. in Lacs)

Particulars		Year ended 31.03.2015	Year ended 31.03.2014
a)	Profit/(Loss) after taxation as per profit and Loss Account	(282.51)	(598.32)
b)	Basic number of Equity shares	2,21,25,054	2,21,25,054
c)	Nominal value of Equity Shares (Rs.)	10	10
d)	Basic/ Diluted Earnings per share	(1.28)	(2.70)

35. The company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The company had made an appeal to the Appellate Authority, Ministry of Finance which directed the RBI to keep its order of rejection of CoR in abeyance for a period of six months and directed the company to file Fresh Restructuring Scheme before Hon'ble Delhi High Court. RBI has preferred an appeal before the Hon'ble Delhi High Court against the order of the appellate authority, which is still pending.

36. The company had no outstanding dues to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2015.

37. As the Company's business activity falls within a single primary business segment "Financing Operations viz., inter corporate deposits and investments", the disclosure requirements of Accounting Standard (AS 17) "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 are not required to be furnished.

38. PREVIOUS YEARS FIGURES

Previous year figures have been re-grouped/reclassified, wherever necessary. The figures of current reporting period as well as previous period consist of 12 months ended on 31 March, 2015.

As per our report of even date attached.

For V Sahai Tripathi & Co.
Chartered Accountants
Firm Registration No.00262N

(Manish Mohan)
Partner
M.No. 091607

(Om Prakash Gupta)
Director
DIN: 00024646

(Surender Kumar)
Executive Director
DIN: 02188166

Place: New Delhi
Dated: 29th May, 2015

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2015

(Rs. In Lacs)

	For the Year ended 31.03.2015	For the Year ended 31.03.2014
A. Cash Flow of Operating Activities		
Net Profit (Loss) for the Year	(282.51)	(598.34)
Add: Adjustments for		
Depreciation	51.52	35.26
Fixed Assets written off		0.26
Income from Creditors Written Back	(13.74)	-
Interest paid	3.77	0.42
Interest Received		(0.08)
Dividend Received	(0.08)	8.49
Provision for Diminution of Investment		897.33
Provision & Written Off	561.77	-
Prior Period Adjustment		
Sub Total	603.23	941.68
Operating Profit (Loss) before Working Capital changes	320.72	343.34
Adjustments for :		
Decrease/(Increase) in Other Noncurrent Assets	(255.54)	(43.19)
Decrease/(Increase) in Short Term Loan and Advances	1.88	(1.59)
Decrease/(Increase) in Other current Assets	(26.84)	(46.47)
Decrease/(Increase) in Inventories	0.05	(0.00)
Decrease/(Increase) in Long Term Loan and Advances	2.17	-
(Decrease)/Increase in Short Term Provision	0.01	0.06
(Decrease)/Increase in LONG Term provisions	(6.27)	2.40
(Decrease)/Increase in LONG Term borrowings	(7.92)	-
Increase/(Decrease) in Other Current Liability	18.59	40.34
Sub Total	(273.88)	(48.45)
Cash generated from operations	46.84	294.89
Less: Income Tax (Including TDS)	39.40	-
Cash In Flow (Out Flow) before extraordinary items	7.44	294.89
Prior Period Adjustment	-	-
Net Cash In Flow(Out Flow) from Operations	7.44	294.89
B. Cash Flow from Investing Activities		
Fixed Assets purchased	-	(0.48)
Proceeds of Long Term Loans & Advances	-	(0.25)
Proceeds of Other Non Current Assests	-	(291.36)
Proceeds(Advances) Other Non Current Assests	-	-
Dividend Received	0.08	0.08
Net Cash In flow (Out Flow) in investing activity	0.08	(292.01)
C. Cash In Flow (Out Flow) from Financing Activities		
Redemption of Long Term borrowing	-	(2.69)
Interest Paid	(3.77)	(0.41)
Net cash available (Paid) from financing activities	(3.77)	(3.10)
Net Increase in Cash and Cash Equivalents(A+B+C)	3.75	(0.22)
Cash & cash equivalents as at March 31, 2014	22.84	23.06
Cash & cash equivalents as at March 31, 2015	26.59	22.84
Net Increase / (Decrease) in cash & cash equivalents	3.75	(0.22)

As per our report of even date attached

For V Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Manish Mohan

Partner

M. No. 091607

Place : New Delhi**Dated : 29th May, 2015**

For and on behalf of the board of

directors of DCM Financial Services Limited

Om Prakash Gupta

Director

DIN: 00024646

Sunder Kumar

Executive Director

DIN: 02188166

Schedule to the Balance Sheet of a non-banking financial company

(as required in terms of paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs.in Lacs)

	Particulars	As on 31st March 2015	
		Amount Outstanding	Amount Overdue
	Liabilities side :		
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	2552.85	2552.85
	: Unsecured		
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	1441.70	1441.70
	(d) Inter-corporate loans and borrowing	27.17	27.17
	(e) Commercial Paper	-	-
	(f) Public Deposits*	5631.36	5631.36
	(g) Other Loans (specify nature)	-	-
	* Please see Note 1 below		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	5631.36	5631.36
	* Please see Note 1 below		
	Assets side :		
		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	780.35	780.35
(4)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	425.36	425.36
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	1448.45	1448.45
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above	-	-
(5)	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-

	(ii) Debentures and Bonds		-	-
	(iii) Units of mutual funds		-	-
	(iv) Government Securities		-	-
	(v) Others (please specify)		-	-
	Long Term investments :			
	1. Quoted :			
	(i) Shares : (a) Equity	45.48		45.48
	(b) Preference			
	(ii) Debentures and Bonds	-		-
	(iii) Units of mutual funds	-		-
	(iv) Government Securities	-		-
	(v) Others (please specify)	-		-
	2. Unquoted :			
	(i) Shares : (a) Equity	58.10		58.10
	(b) Preference			
	(ii) Debentures and Bonds	-		-
	(iii) Units of mutual funds	-		-
	(iv) Government Securities	-		-
	(v) Others (please specify)	-		-

(6) **Borrower group-wise classification of assets financed as in (3) and (4) above :**
Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	1,873.81	1,873.81
2. Other than related parties			
		-	-
Total		1,873.81	1,873.81

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**
Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	18	18
(b) Companies in the same group		
(c) Other related parties		
2. Other than related parties	85.58	85.58
Total	103.58	103.58

**As per Accounting Standard of ICAI (please see Note 3)

(8) **Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	2,088.65
(ii) Net Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	2088.65
(iii) Assets acquired in satisfaction of debt	

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

- | | | |
|----|---|--|
| 1. | NAME OF THE SUBSIDIARY | GLOBAL IT OPTIONS LTD |
| 2. | FINANCIAL YEAR OF THE SUBSIDIARY | 31st March 2015 |
| 3. | HOLDING COMPANY'S INTEREST | Holding of 9,00,000 equity shares of Rs 10/- each out of the total issued and subscribed equity. |
| 4. | Net aggregate amount of subsidiary's profit (loss) so far as they concern members of the holding company had not detail with the holding company's account. | |
| | (i) For subsidiary financial year ended 31.03.2015 | NIL |
| | (ii) For subsidiary's previous financial year's since It becomes subsidiary. | NIL |
| 5. | Net aggregate amount of the subsidiary's profit / loss so far as they concern members of the holding company and debit with in holding company's account. | |
| | (i) For subsidiary's financial year ended | (3.78) lacs |
| | (ii) For subsidiary's previous financial year's since it becomes subsidiary | (63.42) lacs |

INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF DCM FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **DCM Financial Services Limited** (*hereinafter referred to as "the Company"*) and its subsidiary (the Company and subsidiary together referred to as "**the Group**"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (*hereinafter referred to as "the consolidated financial statements"*).

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (*hereinafter referred to as "the Act"*) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in of the Emphasis of Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- (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.1950.00 Lacs as promoters quota which has already been infused by the management group. The same has been explained in **Note 30**.

- (ii) No provision of Rs.823.24 Lacs (Rs.14,843.55 Lacs towards accumulated Interest as at 31st March, 2015) (Previous Year – Rs.14,020.03 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. The same has been explained in Note 4.1.g, Note 4.4(g) and Note 4.6.
- (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. The same has been explained in Note 2.2.
- (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. The same has been explained in Note 4.1.e and Note 4.2.b & 4.3.1.
- (v) Fixed Deposits and Bills Payable as per Fixed Deposit Register maintained by the Company are Rs.5627.89 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. The same has been explained in Note 4.4.(e) & Note 4.4.(f).
- (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. **Please refer Note No-31.**
- (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. The same has been explained in Note 4.4.(h).

(viii) Contingent liabilities and Other Commitments

- (i) 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.
- (ii) 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.
- (iii) 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.

- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.307.00 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.
- (viii) 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.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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion paragraph** above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company & its subsidiary as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Till June, 2007, Group Companies funded expenditure or repayments made by the Company worth Rs.549.71 Lacs. The same had 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. Such amounts were not received by the Company under any invitation or subscription to any issue and the enabling resolutions passed in this regard have expired & shares cannot be issued as per SEBI Guidelines. Besides, such amount of share application money is covered under Private Placement Rules defined under Companies Act, 2013. Companies Act 2013 stipulates that if a Company had received any amount by way of subscriptions to any shares, stock, bonds or debentures before the 1st April, 2014, such share application money should either be allotted till 1st June, 2015 or be refunded. During the year ended 31-March-2015, the Company has transferred such amount of Rs.549.71 Lacs from Share Application to Long-Term Liabilities & shall seek permission for payment upon sanction of **Fresh Restructuring Scheme** by the Hon'ble Delhi High Court.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company and subsidiary Company, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and, except for the possible effect of the matter described in sub-paragraph of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) Except for the matter described in paragraph of the Basis for Qualified Opinion paragraph above, the reports on the accounts of the Company, and its subsidiary, incorporated in India, audited under Section 143 (8) of the Act, as applicable, and have been properly dealt with in preparing this report.
 - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - (g) On the basis of the written representations received from the directors of the Company as on 31st March, 2015 taken on record by the Board of Directors of the Company, except for three directors of Company incorporated in India who are disqualified from being appointed as a director in terms of Section 164(2)(b) of the Act, none of the other directors of the Group's companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 of the Act.
 - (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statement.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) The company moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule to fixed depositors of the Company. The company filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "fresh restructuring scheme" before the Hon'ble Delhi High Court, New Delhi on 24th September 2004 mentioning therein repayment schedule. All the unpaid matured fixed deposits of Rs.5617.20 Lacs, Unpaid Matured Debentures of Rs.2,552.29 Lacs & Stale cheques in respect of balance of uncashed/unrealized in respect of Fixed Deposits and Non Convertible Debentures totaling Rs.14.73 Lacs issued prior to submission of restructuring

scheme & as well as after the scheme which were not encashed by the FD and NCD Holders standing as at 31st March, 2015. All these matured fixed deposits, Unpaid Matured Debentures & Stale Cheques are more than seven year old. Out of Rs.14.73 Lacs of Stale Cheques, Rs.13.74 lacs were issued prior to submission of said fresh restructuring scheme & rest has been issued after the issuance of fresh restructuring scheme. During the year ended 31-March-2015, Rs.14,16,067 and Rs.57,200 has been transferred from the Stale Cheques Account to Fixed Deposits Account and Debentures Account respectively. Company represents that all the said amounts are payable as per the outcome of fresh restructuring scheme pending before Hon'ble Delhi High Court at New Delhi and

Based on above, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V Sahai Tripathi & Co
Chartered
Accountants
FRN – 000262N

Place: New Delhi
Dated: 29th May, 2015

(Manish Mohan)
Partner

Membership No: 091607

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (1) of our report on other legal and regulatory requirements of even date)

Annexure referred to in paragraph (1) of our report on other legal and regulatory requirements of Independent Auditor's Report to the members of DCM Financials Services Limited on the financial statements for the year ended March 31, 2015

- i) (a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets of all its units.
- (b) The fixed assets (other than the assets given on lease/hire purchase) have been physically verified by the management in a phased manner so that the entire assets lying at the Head Office and branches are covered within a period of three years. There is a program of verification of such fixed assets which, in our opinion, is reasonable having regards to the size of the Company in terms of number & nature of assets & manpower available. As explained to us by the management, no discrepancies were noticed on such verification.
- (ii) (a) Inventories of stock of shares and securities have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
- (b) The procedures for physical verification of inventories of stock of shares and securities followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business, except matter stated at Point No-14 of this Annexure.
- (c) The Company is maintaining proper records of its inventories of stock of shares and securities. The discrepancies noticed during the course of physical verification between the physical stocks and the book records were not material. However the same have been properly dealt with in the books of account, **except matter stated at Point no. 14 of this Annexure.**
- (iii) The Company has not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013,
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, purchase & sale of services. The activities of the Company do not involve purchase or sale of goods. Further, on the basis of our examination of the books and the records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed about any continuing failure on the part of the management to correct major weaknesses in the aforesaid internal control procedures.
- (v) The Company has not accepted deposits from the public during the year. **The directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Companies Act 2013, the extent applicable, on deposits accepted in the earlier years and the outstanding deposits at the end of current year have not been complied with particularly relating to the register of depositors which does not agree with general ledger, general provisions regarding default in repayment of deposits, default in repayment of interest and maintenance of liquid asset assets. A notice has also been issued by the Reserve Bank of India for the Company to show cause why penal action should not be taken against the Company as prescribed under the RBI Act.**
- (vi) As explained to us maintenance of cost records has not prescribed pursuant to the rules made by the Central Government under Section 148(1) (d) of the Companies Act, 2013
- (vii) (a) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (b) As explained by the management, there is a disputed demand of Rs.152.12 lakhs and Rs.141.74 lakhs for the Assessment Year 2009-10 and 2010-11 respectively for the payment of Income tax Act,1961, which is disputed by the Company as the brought forward losses under the Income tax Act has not been allowed by the department. The rectification application for deletion of above said two demands has been filed by the

Company which is pending before the appropriation authorities

- (c) There is no amount which is required to be transferred to investor education and protection fund in accordance with relevant provisions of the Companies act, 2013 and rules there-under.
- (viii) The accumulated losses at the end of the financial year exceed its net worth. The Company has incurred cash losses in this financial year as against cash losses in the financial year immediately preceding the current financial year.
- (ix) The Company had defaulted in the repayment of dues to financial institutions, banks and debenture holders as explained in **Note Nos. 4.1 to 4.3 and Note No. 4.5 of Notes to Accounts.**
The matter is sub-judice with Hon'ble Delhi High Court as the Company had filed a fresh Scheme of Arrangement for the reorganization of the share capital of the Company and for compromise with the secured and unsecured creditors of the Company, hereinafter referred to as the "fresh scheme" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004 and the same is pending as at 31st March, 2015.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions and therefore rest of the sub-clause is inapplicable and has not been commented upon.
- (xi) According to the information and explanations given to us and on an overall examination of the books of accounts of the Company, we report that no term loan was taken during the year ended 31st March, 2015. However, the term loans taken by Company in earlier years were applied for the purpose for which such loans obtained.
- (xi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit

For V Sahai Tripathi & Co.

Chartered Accountants

Firm's Registration Number : 000262N

Place: New Delhi
Dated: 29th May, 2015

(Manish Mohan)

Partner

Membership No. 91607

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

		(Rs.In Lacs)	
		As at	As at
		31.03.2015	31.03.2014
	Note No.		
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,212.51	2,212.51
(b) Reserves and Surplus	2	(7,358.70)	(7,072.39)
(c) Minority Interest		2.95	3.37
(d) Share Application Money	3	-	549.72
2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	9,653.08	9,656.09
(b) Other Long Term Liabilities	5	1,537.40	1,006.34
(c) Long-Term Provisions	6	2,097.49	2,106.12
3) Current Liabilities			
(a) Other Current Liabilities	7	190.44	187.85
(b) Short-Term Provisions	8	28.72	0.19
Total		8,363.89	8,649.79
II. ASSETS			
1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	1,353.24	1,407.25
(ii) Intangible Assets		-	-
(b) Non-Current Investments	10	87.17	87.17
(c) Long-Term Loans and Advances	11	236.47	231.01
(d) Other Non-Current Assets	12	6,327.63	6,027.51
(2) Current Assets			
(a) Inventories	13	4.16	4.20
(b) Cash & Bank Balances	14	28.92	29.21
(c) Short-Term Loans and Advances	15	6.20	8.08
(d) Other Current Assets	16	320.10	855.36
Total		8,363.89	8,649.79
Notes forming part of the financial statements	1-38		

As per our report of even date attached

For V Sahai Tripathi & Co.
Chartered Accountants
FRN-00262N

For and on behalf of the board of
directors of DCM Financial Services Limited

Manish Mohan
Partner
M. No. 091607

Om Prakash Gupta
Director
DIN: 00024646

Surender Kumar
Executive Director
DIN: 02188166

Place : New Delhi
Dated : 29th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

		(Rs.In Lacs)	
	Note No.	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Income :			
Revenue from Operations		-	-
Other Operating Revenues	17	0.11	0.10
Less : Excise duty		-	-
Net Revenue from Operations		0.11	0.10
Other Income	18	409.43	438.32
Total Revenue		409.54	438.42
Expenses:			
Changes in Inventories of Stock of Shares	19	0.04	(0.00)
Employee Benefit Expenses	20	24.96	31.05
Finance Costs	21	3.78	0.42
Depreciation and Amortization Expense	9	52.43	35.77
Provisions & Write off	22	561.77	899.40
Other Expenses	23	53.29	61.40
Total Expenses		696.27	1,028.036
Profit before Exceptional and Extraordinary Items and Tax		(286.73)	(589.62)
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		(286.73)	(589.62)
Extra Ordinary Items			
Profit before Tax		(286.73)	(589.62)
Tax Expense:			
(1) Current tax		28.52	-
(2) Deferred Tax		-	-
(3) Tax Adjustment for earlier years		-	-
(4) MAT Credit Adjustment		(28.52)	
Profit After Tax		(286.73)	(589.62)
Minority Interest		(0.42)	2.95
Profit/ (Loss) for the Year		(286.31)	
Earnings Per Equity Share			
(1) Basic		(1.29)	(2.66)
(2) Diluted		(1.29)	(2.66)
Notes forming part of the financial statements	1-38		

As per our report of even date attached

For V Sahai Tripathi & Co.
Chartered Accountants
FRN-00262N

For and on behalf of the board of
directors of DCM Financial Services Limited

Manish Mohan
Partner
M. No. 091607

Om Prakash Gupta
Director
DIN: 00024646

Surender Kumar
Executive Director
DIN: 02188166

Place : New Delhi

Dated : 29th May, 2015

	As at 31.03.2015	As at 31.03.2014
Note 1 SHARE CAPITAL		
Authorised		
6,50,00,000 Equity Shares of Rs.10 each	6,500.00	6,500.00
(Previous Year 6,50,00,000 Equity Shares of Rs.10 each)		
	<u>6,500.00</u>	<u>6,500.00</u>
Issued, Subscribed & Paid up		
2,21,25,054 Equity Shares of Rs.10 each Fully paid up	2,212.51	2,212.51
(Previous Year 2,21,25,054 Equity Shares of Rs.10 each)		
	<u>2,212.51</u>	<u>2,212.51</u>

1.1 Reconciliation of the share outstanding as at the beginning and at the end of the reporting year are same:

	As at 31.03.2015		As at 31.03.2014	
	No.	Rs.	No.	Rs.
Equity Shares				
As at beginning of the year	22,125,054	2,212.51	22,125,054	2,212.51
Balance As at end of the year	<u>22,125,054</u>	<u>2,212.51</u>	<u>22,125,054</u>	<u>2,212.51</u>

1.2 Terms/ Rights attached to Shares

Equity Shares

The company has only one class of Equity Shares having a par value of Rs.10 per Share. Each holder of equity is entitled to one vote per share.

1.3 Details of Shareholders holding more than 5% shares of the Company:

	As at 31.03.2015		31.03.2014	
	No.	Percentage	No.	Percentage
Equity Shares				
DCM Services Ltd	6,352,487	28.71%	6,352,487	28.71%
Intellect Capital Services Ltd	2,075,000	9.38%	2,075,000	9.38%
Punjab & Sind Bank	1,319,900	5.97%	1,319,900	5.97%

The above information is furnished on the basis of the shareholder register as at the year end.

Note 2 RESERVES & SURPLUS

		As at 31.03.2015	As at 31.03.2014
(a) Capital Reserve (Refer Note 2.1)			
As per last Balance Sheet	193.87		
Addition during the year	-	193.87	193.87
(b) Securities Premium			
As per last Balance Sheet	1,650.86		
Addition during the year	-	1,650.86	1,650.86
(c) Debenture Redemption Reserve (Refer Note 2.2)			
As per last Balance Sheet	8.75		
Addition during the year	-	8.75	8.75
(d) Special Reserve (Refer Note 2.3)			
As per last Balance Sheet	156.23		
Addition during the year	-	156.23	156.23
(f) Surplus (deficit) in the Statement of Profit & Loss			
Balance as per last financial statements	(9,082.10)		
Profit for the year	(286.31)	(9,368.41)	(9,082.10)
	<u>(286.31)</u>	<u>(7,358.70)</u>	<u>(7,072.39)</u>
Total		<u>(7,358.70)</u>	<u>(7,072.39)</u>

2.1 Capital Reserves

Rs.193.87 lacs in the capital reserve account consists of surpluses realized from settlement with the debentures and other liabilities not payable, which in the opinion of the management have been transferred to Capital Reserve since these amounts do not relate to trading activities.

2.2 Debenture Redemption Reserve

Debenture Redemption Reserve for Series "B" has not been created during the year in view of the carry forward losses suffered by the company in the past.

2.3 Special Reserve

In the year 1996-97, the RBI under the clause 45 IC has made it mandatory for NBFC's to create a reserve of at least 20% before declaration of dividend.

Note 3 Share Application Money

As at	As at
31.03.2015	31.03.2014

Share Application Money (Refer Note 3.1)	-	549.72
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Total	-	549.72
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3.1 Till June, 2007, Group Companies funded expenditure or repayments made by the company worth Rs.549.72 Lacs. The same had 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. Such amounts were not received by the company under any invitation or subscription to any issue and the enabling resolutions passed in this regard have expired & shares cannot be issued as per SEBI Guidelines. Such amount of share application money is covered under Private Placement Rules defined under Companies Act, 2013 stipulates that if a company had received any amount by way of subscriptions to any shares, stock, bonds or debentures before the 1st April, 2014, such share application money should either be allotted till 1st June, 2015 or refunded. During the year ended 31-March-2015, the Company has transferred such amount of Rs.549.71 Lacs from Share Application to Long-Term Liabilities & shall seek permission for payment upon sanction of Fresh Restructuring Scheme by the Hon'ble Delhi High Court.

Note 4 Long Term Borrowings

As at	As at
31.03.2015	31.03.2014

Secured Loans

Debentures (Refer Note 4.1)	2,552.85	2,554.95
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Term Loans from Institution - SIDBI (Refer Note 4.2)	36.30	36.30
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Due to Banks (Refer Note 4.3)	1,380.40	1,380.40
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Unsecured Loans

Fixed Deposits from Public (Refer Note 4.4)	5,631.36	5,632.27
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Term Loan From SBI HF (Refer Note 4.5)	25.00	25.00
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Inter-Corporate Deposits (Refer Note 4.6)	27.17	27.17
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Total	9,653.08	9,656.09
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4.1 Debentures

As at	As at
31.03.2015	31.03.2014

"A" Series Debenture	8.50	8.50
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"B" Series Debenture		
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- 19.5% Regular	1,181.32	1,183.99
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- 19.5% Cumulative	1,060.27	1,059.70
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- Deep Discount Bonds	302.76	302.76
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	2,552.85	2,554.95
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4.1.a On passing of proposed Fresh Restructuring Scheme by Hon'ble Delhi High Court without, Debentureholders of "A" Series as well as "B" Series would be paid the principal amount. The debentureholders holding principal amount of Rs.0.05 lacs shall be paid complete amount within one year of effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The other categories will be paid 85% of the principal amount over a period of five years in five equated installments of effective date mentioned in the order of Hon'ble Delhi High Court. For balance 15% of Principal amount, the Company would have right to pay either in cash or by way of issuance of equity shares of the Company as per applicable SEBI guidelines for issuance of preferential allotment in the sixth year of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The Fresh Restructuring Scheme does not envisage any payment of Interest.

4.1.b During the year ended 31st March, 2015 Rs.2.67 has been paid towards "B" Series Debenture holder (19.5% Regular) on compassionate grounds after getting approval from Hon'ble Delhi High Court. During the year ended 31-March-2015, Rs.0.57 lacs has been transferred from the Stale Cheques account categorized under Other Liabilities to "B" Series Debentures Account. Rs.0.57 lacs were released as per recommendations of Company Law Board, the payment of which were not encashed by Non Convertible Debenture Holders. Such balances were being shown under the account head stale cheques as Other Liabilities. Since management intends to pay the said amount as per the Fresh Restructuring Scheme pending before Hon'ble Delhi High Court, the same has been transferred to "B" Series Debentures Account.

4.1.c Scheme "A" Series

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996 respectively. Subject to Note 4.1 (e) these debentures are secured against mortgage / hypothecation / charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs.850,000 were overdue as on March 31,2015 & these are proposed to pay as per Fresh Restructuring Scheme submitted to Hon'ble Delhi High Court.

4.1.d Scheme "B" Series

Debenture 'B' Series were allotted on 5th November, 1996. and subject to Note 4.1 (e) are secured against hypothecation / charge on land and premises situated at Mouje Pirangut, Taluka Mulshi, Distt Pune in the State of Maharashtra alongwith all buildings, structures thereon and all plant and machinery, spares, tools, accessories and other movables of the Company, both present and future, whether installed or not. The total amount of debentures allotted were Rs.2818.04 lacs and matured for redemption on 5th May 1998. Out of total debentures allotted amounting to Rs.2818.04 lacs, debentures of Rs.274.25 lacs have been redeemed upto March 31,2015. The remaining debentures as at March 31, 2015 in the "B" series amounting to Rs.2543.78 lacs consist of the following:-

Particulars	Amount (Rs.)
19.5% Regular	1,181.32
19.5% Cumulative	1,060.27
Deep Discount Bonds	302.76
Total	2,544.35

These outstanding debentures are proposed to pay as per Fresh Restructuring Scheme submitted to Hon'ble Delhi High Court.

4.1.e The value of assets charged in favour of debentures has been depleted over a period of time but the depletion has not been ascertained. To the extent of shortfall, if any, the liability is unsecured.

4.1.f A supplementary trust deed for giving effect to the proposed repayment plans as provided in Clause 44 of the Trust deed has not been prepared by the trustees so far.

4.1.g Provision of interest on debentures up to 31st March, 2015 calculated @ 10% p.a. of simple interest as per renewal offer letter of 1998 on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series amounting to approximately Rs.4312.76 lacs has not been provided since a Fresh Restructuring Scheme that is subject to the approval of the Hon'ble High Court of Delhi has been submitted which does not envisage payment of

any interest. To the extent of the non-provision of interest calculated as per renewal offer letter of 1998, and considering the current year interest of Rs.255.23 lacs, the current period profits are overstated to the extent of Rs.255.23 lacs. and cumulative net losses are understated to the extent of Rs.4312.76 lacs. The difference between the original contracted interest @ 19.5% and as per offer letter @ 10% has also not been ascertained and provided for pending approval of the fresh scheme. To the extent of interest of Rs.4312.77 lacs not provided cumulative net loss is understated.

- 4.1.h.(i) The Central Bank of India, Mumbai, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs.4423.86 lacs on 14th October, 1999 before the Hon'ble Mumbai High Court. As against the claim of Rs.4423.86 lacs by The Central Bank of India, Mumbai, Trustees for The Non-Convertible Debentures "B" Series, Rs.2546.54 lacs on account of principal and interest is reflected in the books as on date. In view of the Fresh Restructuring Scheme seeking waiver of interest payable to debenture holders, no provision has been made for the difference between the claim made by the Central Bank of India and the liability as per the books and to this extent the cumulative net losses of Rs.1877.31 lacs is understated.
- 4.1.h.(ii) The Hon'ble Mumbai High Court vide its interim order dated 24th December, 1999 has passed an order that all receipts from hypothecated assets shall be deposited with the trustees in a separate bank account except for amounts utilized as per orders of The Reserve Bank of India and the Company Law Board.
- 4.1.h.(iii) The suits filed by the Central Bank of India before the Hon'ble Mumbai High Court has been stayed by Hon'ble High Court of Delhi vide order dated 14 September 2005 on application made by the company and there is no change in the status as at 31st March, 2015.

		(Rs. in lacs)
4.2	Term Loans from Institution- SIDBI *	outstanding
	Small Industries Development Bank of India	36.30
		36.30

- 4.2.a (i) Hypothecation / charge on assets financed out of the said loan.
(ii) The aforesaid amount outstanding Rs.36.30 lacs is overdue for payment.
- 4.2.b The value of the assets charged in favour of institutions have depleted over a period of time and the depletion has not been ascertained. To the extent of the shortfall, if any, the liability is unsecured.
- 4.2.c The amount due has been quantified at Rs.45.38 lacs as per the "Old Scheme Under Review". However, under the **Fresh Restructuring Scheme** the interest payable amounting to Rs.9.08 lacs is sought to be waived and has already been written back in the earlier year. The principal amount due as on 30th June, 2004 amounting to Rs.36.30 lacs is proposed to be repaid in 3 equal installments of Rs.12.10 lacs from the 2nd year of the effective date mentioned in the order of Hon'ble Delhi High Court. No such payment has been made for the time being.
- 4.2.d SIDBI has 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 on which stay has been granted by the Hon'ble Delhi High Court. Provision for such liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided for due to waiver of interest sought under the "Fresh Scheme".

4.3 **Due to Banks***

	As at 31.03.2015	As at 31.03.2014
Punjab & Sind Bank (Refer Note 4.3.1 & Note 4.3.2)	803.40	803.40
Indusind Bank (Refer Note 4.3.1 & Note 4.3.3)	577.00	577.00
	1,380.40	1,380.40

*Amount due to banks are secured against the assets financed out of the said facilities and hypothecated to the bank.

- 4.3.1 The value of the assets charged in favour of banks have depleted over a period of time and the depletion has not been ascertained. To the extent of the shortfall, if any, the liability is unsecured.
- 4.3.2 **PUNJAB & SIND BANK (PSB):** As per the **Fresh Restructuring Scheme**, the total amount payable to PSB remains quantified at Rs.901.80 lacs as on 30th June 2004 (after providing interest @10% p.a., compounded quarterly from 30th September 1999 till 31st March, 2000 on the principal debt as on 30.09.1997). The company has till date paid/adjusted Rs.98.40 lacs and the balance of Rs.803.40 lacs as on 30th June 2008 is payable as per the **Fresh Restructuring Scheme** pending before the Hon'ble Delhi High Court. Out of Rs.803.40 lacs i.e. Rs.442.,68 lacs shall be payable in 6 equal yearly installments after one year from the date of approval of the scheme or 1st April,2006 whichever is earlier. The balance of Rs.360.72 lacs shall be converted in equity shares at any time within 3 years of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court in accordance with applicable SEBI Guidelines for issuance of preferential allotment of the effective date or 1st April, 2006 which ever is earlier. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs.395.97 lacs, which has already been paid by way of allotment of equity shares of Rs.10/- each at a premium of Rs.20/- on 31st March 2001 in advance. The same has been adjusted while arriving at balance of Rs.901.80 lacs as on 30th June 2004. In the event of default in the payment of interest and principal, the concessions made by PSB shall stand withdrawn and their claim settled before the Debt Recovery Tribunal of Rs.1217.52 lacs will become payable with immediate effect. Interest payable from 01.04.2005 to 31.03.2015 is also not provided since a Fresh Restructuring Scheme, which is subject to the approval of Hon'ble High Court of Delhi, has been submitted which does not envisage payment of any interest. In case company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the claim of Rs.1217.52 lacs filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided for, the net profit for the year is overstated and cumulative net loss is understated to that extent.
- 4.3.3 **IndusInd Bank:** The amount payable to IndusInd Bank after calculating interest up to March 31, 2000 had been quantified at Rs.651.49 lacs as on 30-June-2004 in accordance with the "Fresh Restructuring Scheme Under Review". Out of which Fixed Deposit of Rs.74.49 lacs has been adjusted by IndusInd Bank. The balance amount of Rs.576.99 lacs shall be payable as per Fresh Restructuring Scheme. Out Rs.576.99 lacs, Rs.283.82 lacs shall be payable in six equal yearly installments of Rs.56.76 lacs from the 2nd year of of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The balance of Rs.293.17 lacs shall be converted in equity shares at any time within 3 years of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court in accordance with applicable SEBI Guidekines for issuance of preferential allotment. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs.300.21 lacs, which has already been paid by way of allotment of equity shares of Rs.10/- each at a premium of Rs.20/- on 31st March 2001 in advance. The same has been adjusted while arriving at balance of Rs.651.49 lacs as on 30th June 2004. The Fresh Restructuring Scheme does not envisage any payment of interest from 1st-April-2000. Interest payable from 01.04.2005 to 31.03.2015 is also not provided since a Fresh Restructuring Scheme, which is subject to the approval of Hon'ble High Court of Delhi, has been submitted which does not envisage payment of any interest.
- In the event that the company fails to pay the interest or principal, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs.1042.42 lacs would be payable with immediate effect. In case company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the claim of Rs.1042.42 lacs filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided for would be payable. the net profit for the year is overstated and cumulative net loss is understated to that extent.
- 4.4 **FIXED DEPOSITS ACCEPTED**
- (a) During the year 31st March, 2015, Rs.12.60 lacs has been paid to Fixed Deposit holder on compassionate ground after getting approval from Hon'ble Delhi High Court. Besides, Interest of Rs.3.77 lacs has been paid on the fixed deposits amounted Rs.2.46 lacs

as per the order of Consumer Forum, Kolkata. During the year ended 31-March-2015, Rs.14.16 lacs has been transferred from the Stale Cheques account categorized under Other Liabilities to Fixed Deposits Account. Rs.14.16 lacs were released as per recommendations of Company Law Board, the payment of which were not encashed by Fixed Depositors. Such balances were being shown under the account head stale cheques as Other Liabilities. Since management intends to pay the said amount as per the Fresh Restructuring Scheme pending before Hon'ble Delhi High Court, the same has been transferred to Fixed Deposits.

- (b) On passing of proposed Fresh Restructuring Scheme by Hon'ble Delhi High Court without, Fixed Depositors would be paid the principal amount. The Fixed Depositors holding principal amount of Rs.0.05 lacs shall be paid complete amount within one year of effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The other categories will be paid 85% of the principal amount over a period of five years in five equated installments of effective date mentioned in the order of Hon'ble Delhi High Court. For balance 15% of Principal amount, the Company would have right to pay either in cash or by way of issuance of equity shares of the Company as per applicable SEBI guidelines for issuance of preferential allotment in the sixth year of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The Fresh Restructuring Scheme does not envisages any payment of Interest.
- (c) In respect of repayment of outstanding deposits with interest vide order dated 17.07.98, the Company Law Board had ordered payment of interest at contracted rates up to the date of maturity and at 10% thereafter. Due to liquidity problems, the company has not fully followed the schedule of repayment ordered by the Company Law Board. However, a **Fresh Restructuring Scheme** of arrangement for re-organization of the share capital of the company and for compromise with its creditors including fixed depositors has been made in which interest dues will be waived and accordingly provision of interest payable amounting to Rs.827.06 lacs has been written back in earlier years.
- (d) The Company has also moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule to fixed depositors of the Company before the **Fresh Restructuring Scheme** was filed before the Hon'ble Delhi High Court.
- (e) Fixed deposits and bills payable as per information retained on the computer is Rs.5627.89 lacs whereas fixed deposits, which also includes bills payable, as per books, amounts to Rs.5617.20 lacs and the difference of Rs.10.69 lacs is un-reconciled. The company, in accordance with a subsequently confirmed order of the Hon'ble Company Law Board dated July 17, 1998 had given an option to the creditors of overdue bills re-discounted to convert their dues into fixed deposits on due dates with retrospective effect. Bills rediscounted, including those converted into fixed deposits, have been shown & reflected under fixed deposits.
- (f) Liability on account of Fixed Deposits received contain certain deposits which appear prima-facie to be suspect due to either lack of identification of depositors or no claim or confirmation having been received by the company. Payment of those deposits that are under a suspicious category will be made under the proposed **Fresh Restructuring Scheme** of arrangement only after the evidence of receipt of money is established.
- (g) Provision for interest on fixed deposits up to March 31, 2015 calculated at simple interest @ 10% p.a. in accordance with the order of The Hon'ble Company Law Board amounting to approx. Rs.10417.26 lacs (including Rs.9855.56 lacs for the earlier years) has not been made in view of the "**Fresh Restructuring Scheme**" pending before the Hon'ble Delhi High Court wherein the company does not envisage payment of any interest. To the extent of non-provision of interest @10% as per the previous CLB order, the current year profits are overstated to the extent of approximately Rs.561.70 lacs and cumulative net losses are understated to the extent of approximately Rs.10417.26 lacs. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.
- (h) Due to a liquidity crises in the past the minimum liquid assets @15% of fixed deposits as per RBI directives has not been maintained by the company. The company has applied to the Reserve Bank of India and the Company Law Board for exemption from maintaining minimum liquid assets and payment of penal interest but the disposal of the application is still pending.

4.5 SBI Home Finance Ltd.(SBIHF): -

The company has already paid Rs.290.00 lacs under the **Old Scheme** and proposes to allot shares worth Rs.25.00 lacs for the balance as per the **Fresh Restructuring Scheme** in the first year from the effective date (Effective date means the date of filing of the certified copy of the order sanctioning the scheme of the Honorable High Court of Delhi at New Delhi with the Registrar of Companies of Delhi & Haryana). SBIHF has removed a charge on its assets and therefore the loan is now categorized as unsecured loan.

4.6 Inter-Corporate Deposits

The value of inter corporate deposits is Rs.27.16 lacs. Provision for interest @10% considering the the order of The Hon'ble Company Law Board for Fixed Deposits which may also be considered for applying Interest rate on inter corporate deposits up to 31st March, 2015 on prudence basis amounting to approximately Rs.113.53 lacs which includes approximately Rs.107.22 lacs for the earlier years, has not been made in view of the "Fresh Restructuring Scheme" pending before the Hon'ble High Court of Delhi wherein the company does not envisage payment of any interest. Considering the above, the current year interest is Rs.6.31 lacs. To the extent of non-provision of interest, the current year's profits are overstated to the extent of approximately Rs.6.31 lacs and cumulative net losses are understated to the extent of approximately Rs.113.53 lacs.

	As at 31.03.2015	As at 31.03.2014
Note 5 Other Long Term Liabilities		
Security Deposits	6.25	6.25
Employees Advances	1.41	1.41
Others Payable	477.09	501.72
Payable to Related Parties (Refer Note 5(i),(ii))	1,052.65	496.96
Total	1,537.40	1,006.34

Note 5 (i) Rs.549.72 lacs were funded by Group Companies till June, 2007 to meet the various types of expenditure. The same had been shown or credited to the Share Application Account in the financial statements of the Company. Presently equity shares cannot be issued against the said amount as per SEBI Guidelines. Depending upon availability of funds post implementation of fresh restructuring scheme, the same would be paid either by payment via release of liquid funds or allotment of equity shares. During the year ended 31-March-2015, the same has been transferred from Share Application Money pending allotment to Long-Term Liabilities.

Note 5(ii) Amount payable to Related parties include payables to:

1. DCM International Ltd	Rs.281.57
2. DCM Services Ltd	Rs.739.24
3. DCM Anubhavi Market Pvt Ltd	Rs.38.14

	As at 31.03.2015	As at 31.03.2014
Note 6 Long Term provisions		
Provision for NPA and advances (Refer to note 6.1)		
- Provision for NPA	2,060.56	2060.57
- Provision for doubtful advances	28.08	38.16
Provision for Employee Benefits::		
- Provision for Gratuity	5.60	4.83
- Provision for Leave Encashment	3.25	2.56
Total	2,097.49	2106.12

Note 6.1 As per the guidelines of Non-Banking Financial Companies Prudential Norms Directions, 1998 issued and prescribed by Reserve bank of India, assets and receivables are required to be classified as NPA and provision for non-performing assets as prescribed is required to be made. The provisions for non-performing asset of Rs.2622.32 lacs as at

31-March-2015 consist of rent receivable, Inter corporate deposits, Bills receivables and other long term trade receivables. **Please also refer Note No. 16.1,11, 11.2, 12 and 21.**

Note 6.2 During the year ended 31st March, 2014 provision has been made on Employee advances and other long term advances considered as doubtful debt by Rs.28.08 lacs.

	As at 31.03.2015	As at 31.03.2014
Note 7 Other Current Liabilities		
Other Liabilities (Refer Note 7.1)	190.44	187.85
TOTAL	190.44	187.85

	As at 31.03.2015	As at 31.03.2014
7.1 Other Liabilities Includes:		
Rent payable	7.07	7.07
Statutory Dues Payable (Refer Note 7.1.1)	44.62	45.93
Employees Advances	6.19	6.19
Other Liabilities (Refer Note 7.1.2)	132.56	128.66
TOTAL	190.44	187.85

	As at 31.03.2015	As at 31.03.2014
7.1.1 Statutory Dues Payable Includes		
Tax Deducted at source	0.76	0.89
ESI Payable	0.02	0.03
Provident Fund Payable	0.54	0.65
Service Tax Payable	43.30	44.36
Delhi Labour Fund Payable	0.00	0.00
TOTAL	44.62	45.93

7.1.2 Other Liabilities includes an amount of Rs.14.73 lacs under the heading Stale Cheques. Such Stale Cheques balance of Rs.14.73 lacs denotes payments made to Fixed Deposits of Rs.14.16 lacs and Non Convertible Debenture Holders of Rs.0.57 lacs as per recommendations of Company Law Board. Out of Rs.14.73 lacs Rs.13.73 lacs were released prior to the submission of **Fresh Restructuring Scheme** and Rs.0.994 lacs after the submission, which were not encashed by the Fixed Depositors and Non Convertible Debenture Holders. Such balances were being shown under the account head stale cheques as Other Liabilities. During the year ended 31-March-2015, the Company has transferred such balances from stale cheque account to the account of Fixed Deposits & Debentures respectively. Management intends to pay the said amount as per the **Fresh Restructuring Scheme** pending before Hon'ble Delhi High Court.

Rs.0.57 lacs were released as per recommendations of Company Law Board, the payment of which which were not encashed by Non Convertible Debenture Holders. Such balances were being shown under the account head stale cheques as Other Liabilities. Since management intends to pay the said amount as per the Fresh Restructuring Scheme pending before Hon'ble Delhi High Court, the same has been transferred to respective accounts head.

	As at 31.03.2015	As at 31.03.2014
Note 8 Short-Term Provisions		
Provision for Employee Benefits:		
- Provision for Gratuity	0.13	0.12
- Provision for Leave Encashment	0.07	0.07
Provision for Income Tax	28.52	-
TOTAL	28.72	0.19

Note 9. FIXED ASSETS

Particulars	Gross Block			Depreciation / Adjustment			Net Block			
	As On 01.04.2014	Additions	Deletions / Adjustment	As at 31.03.2015	As On 01.04.2014	For the year	Transfer / Adjustment	As on 31.03.2015	As On 31.03.2015	As on 31.3.2014
A TANGIBLE ASSETS										
(a) Own Assets										
1 Land	3.06	-	-	3.06	-	-	-	-	3.06	3.06
2 Plant & Machinery	41.97	-	-	41.97	41.36	0.10	-	41.46	0.51	0.61
3 Buildings	1,855.17	-	-	1,855.17	493.57	28.63	-	522.20	1,332.97	1,361.60
4 Vehicles	8.38	-	2.14	6.24	3.21	0.65	2.05	1.81	4.43	5.17
5 Furniture & Fixtures	59.15	-	1.94	57.21	37.64	11.76	1.94	47.46	9.75	21.51
6 Office Equipment & Appliances	37.69	0.05	4.73	33.01	23.06	11.10	3.53	30.63	2.38	14.63
7 Computers	14.77	-	14.36	0.41	14.10	0.19	14.01	0.28	0.14	0.67
Total (a)	2,020.19	0.05	23.17	1,997.07	612.94	52.43	21.53	643.84	1,353.24	1,407.25
(b) Leased Assets										
1 Plant & Machinery	1,158.17	-	-	1,158.17	1,158.17	-	-	1,158.17	-	-
2 Vehicles	409.91	-	-	409.91	409.91	-	-	409.91	-	-
3 Office Equipment & Appliances	126.18	-	-	126.18	126.18	-	-	126.18	-	-
Total (b)	1,694.26	-	-	1,694.26	1,694.26	-	-	1,694.26	-	-
Total (a+b)	3,714.45	0.05	23.17	3,691.33	2,307.20	52.43	21.53	2,338.10	1,353.24	1,407.25
B INTANGIBLE ASSETS										
(c) Own Assets										
1 Computer Software	-	-	-	-	-	-	-	-	-	-
Total (c)	-	-	-	-	-	-	-	-	-	-
Grand Total (a +b +c)	3,714.45	0.05	23.17	3,691.33	2,311.20	52.43	21.53	2,338.10	1,353.24	1,407.25
Previous year	3,708.71	6.00	0.26	3,714.45	2,271.43	35.77	-	2,308.20	1,407.25	-

9.1 During the course, physical verification of Fixed Assets (own) conducted by the management and few assets of Rs.71.46 lacs (Gross) which were not physically or verifiable available with the company since long or obsolete or defective or not in working condition to use and having NIL or Negligible WDV, have been retired from the schedule of fixed assets in compliance of Accounting Standard-10 Fixed Assets (Accounting Standard Rules,2006).

Note 10 NON CURRENT INVESTMENTS**10.1 LONG TERM INVESTMENTS - AT COST**

Particular	As at 31 March 2015	As at 31 March 2014
Trade Investments		
- Investment in Equity Shares	209.20	209.20
Less: Provision for diminution in the value of Investments	122.03	122.03
Total	87.17	87.17

10.2 DETAILS OF INVESTMENTS

Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares/ Unit	Quoted / Unquoted	Party Paid / Fully paid	Value of Investment (Amount in Rs.)	Provision for diminution (Amount in Rs.)	Value of Investment (Amount in Rs.)	Provision for diminution (Amount in Rs.)	Basis of Valuation
Investments in Equity Shares		As at 31 March 2014							
Non - Trade Investments									
Punj Llyod Ltd. *	Others	200,000	Quoted	Fully Paid	45.48	-	45.48	-	At Cost
Profin Money Market Ltd	Others	25,000	UnQuoted	Fully Paid	2.50	2.50	2.50	2.50	At Cost less prov. Diminution in the value of investments
RFB Latex Ltd	Others	220,000	UnQuoted	Fully Paid	40.10	-	40.10	-	At Cost
World Tex Ltd	Others	437,500	UnQuoted	Fully Paid	119.53	119.53	119.53	119.53	At Cost less prov. Diminution in the value of investments
Cepham Milk Specialities Ltd.	Others	30,000	UnQuoted	Fully Paid	0.00	-	0.00	-	At Cost
Cebon India Ltd.	Others	30,000	UnQuoted	Fully Paid	0.00	-	0.00	-	At Cost
Hindaico Industries Limited	Others	82	Quoted	Fully Paid	0.08	-	0.08	-	At Cost less prov. Diminution in the value of investments
Digjam Limited	Others	58	Quoted	Fully Paid	0.01	0.00	0.01	0.00	
Federal Bank Limited	Others	3,000	Quoted	Fully Paid	1.50	-	1.50	-	At Cost
Relig Tech. Ltd.	Others	25	Quoted	Fully Paid	-	-	-	-	At Cost
Religare Technova Ltd. *	Others	20	Quoted	Fully Paid	0.00	-	0.00	-	At Cost
Religare Technologies Ltd.	Others	5	Quoted	Fully Paid	0.00	-	0.00	-	At Cost
Rajasthan Antibiotics Ltd.	Others	30,000	UnQuoted	Fully Paid	0.00	-	0.00	-	At Cost
		973,290			209.20	122.03	209.20	122.03	

(Rs. in lacs)

S No.	Particulars	As at 31 March 2015	As at 31 March 2014
1	Aggregate amount of Market value of Quoted investments	110.50	151.70
2	Aggregate amount of UnQuoted investments	162.13	182.13
3	Aggregate provision for diminution in value of investments	122.03	122.03

Note 11	Long Term Loans & Advances	As at 31.03.2015	As at 31.03.2014
	Security Deposits		
	- Unsecured Considered Good	13.91	16.18
	Other Loans & advances		
	Considered Good (Refer Note 11.1)	7.72	-
	Considered Doubtful (Refer Note 11.2)	214.84	214.83
	TOTAL	236.47	231.01
11.1	Other Loans & Advances	As at 31.03.2015	As at 31.03.2014
	Unsecured - Considered Good		
	Employees Advances	7.60	-
	Others	0.12	-
		7.72	-
11.2	Unsecured - Considered Doubtful		
	Inter Corporate Deposit*	79.58	79.58
	Bills Receivable*	107.17	107.17
	Employees Advances* (Refer Note 11.3)	17.69	17.69
	Others*	10.40	10.39
	TOTAL	214.84	214.83
	* & ** Provision of Rs.214.83 lacs towards Non Performing Assets have been made on Inter Corporate Deposits and Bills Receivables as per Prudential Norms Direction, 1998 issued & prescribed by Reserve Bank of India. Please also refer Note no 6.1 and 22.		
11.3	Employees Advances		
	Being doubtful of recovery, provision had been made against the employees advances upto 100% amounted to Rs.17.69 lacs during the previous year ended 31st March, 2014.		
Note 12	Other Non Current Assets	As at 31.03.2015	As at 31.03.2014
	Long Term Trade Receivable		
	Considered Doubtful**	1,873.81	1,883.88
	Others		
	Secured, Considered Good		
	Fixed Deposits with Banks (Refer Note 12.1)	4,206.93	3,964.34
	Advance Tax & TDS Recoverable	218.37	179.29
	MAT Credit Entitlement	28.52	-
	TOTAL	6,327.63	6,027.51

** Net of Rs.601.93 lacs received from the customers as a security deposits.

** The provision of Rs.183.81 lacs towards Non Performing Assets has been made on Inter Corporate Deposits and Bills Receivables as per Non Banking Prudential Norms Direction 1998, issued by Reserve Bank of India, during the year ended 31st March, 2014. Please also refer Note No. 6.1 and 22.

Note 12.1 Fixed Deposits with banks include Fixed Deposits having maturity less than 12 months from the Balance Sheet date.

However, on such Fixed Deposits there are restrictions imposed by Hon'ble Delhi High Court till the disposal of Fresh Restructuring Scheme pending, to utilise such Funds and since such Fixed Deposits would be renewed the same has been categorised in Other Non-Current Assets.

Note 13	Inventory	As at 31.03.2015	As at 31.03.2014
	Securities held as Stock in Trade (Refer Note 13.1)	4.16	4.20
		<u>4.16</u>	<u>4.20</u>

13.1 Inventory Valuation Method:-

- (a) During the year there were no transactions relating to sale/purchase of stocks/ investment in shares. During the period ended 31st March, 2015, those shares which were held as bad deliveries have been removed from the schedule of stock in trade. The same will be shown when such shares/stock which are termed as bad deliveries are actually transferred in the name of company.

During the year there were no transactions relating to sale/purchase of stocks/ investment in shares. During the period ended 31st March, 2015, those shares which were held as bad deliveries have been removed from the schedule of stock in trade. The same will be shown when such shares/stock which are termed as bad deliveries are actually transferred in the name of company.

- (b) The inventory of Securities is valued at Market value & Cost which ever is lower. Cost has been determined on weighted average method.
- (c) For the untraded shares, value has been taken as Re.1/= per Company.
- (d) For partly paid-up shares, Re.1 for untraded company has been taken.
- (e) Bonus shares for which original shares not available is valued at Re.Zero per shares

Note 14	Cash and Bank Balances	As at 31.03.2015	As at 31.03.2014
	Cash and Cash Equivalents		
	(a) Cash in Hand	0.22	0.09
	(b) Current Accounts		
	- Bank Balances	0.28	6.31
	(c) Other Bank Balances		
	(i) Restricted Bank Balances	27.78	24.88
	(Refer Note 14.1, 14.2 & 14.3)		
	(ii) Fixed Deposits with bank (Refer Note 14.4)	2.00	-
	Less : Provision for bank written off (Refer Note-14.2)	1.36	2.07
		<u>28.92</u>	<u>29.21</u>

14.1	Cash and Bank Balances	As at 31.03.2015	As at 31.03.2014
	Canara Bank	4.09	4.21
	IDBI Bank Limited	9.32	7.10
	Axis Bank	9.05	15.88
	Other Bank	5.32	3.99
	Total	<u>27.79</u>	<u>31.19</u>

- 14.2** Bank Balance of Rs.1.36 lacs appearing in the books of accounts pertaining to 10 Banks were yet to be confirmed by the Banks as at 31st March, 2015. Appropriate provision made for such bank balances. During the Year provision for bank has been reversed by Rs.0.71 lacs against those banks for which balance confirmation have been received.
- 14.3** These are restricted bank balance and cannot be operated with out getting prior approval of Hon'ble Delhi High Court.
- 14.4** Fixed Deposits with banks include Fixed Deposits having maturity less than 12 months from the Balance Sheet date.

Note 15	Short-Term Loans and Advances	As at	As at
		31.03.2015	31.03.2014
	Others		
	Unsecured, considered good		
	- Service Tax (input) recoverable	-	1.50
	- Prepaid expenses	-	-
	- Employee Advance	5.35	5.69
	- Others	<u>0.85</u>	<u>0.89</u>
		<u>6.20</u>	<u>8.08</u>

Note 15.1 Service Tax Input Credit of Rs.1.51 lacs being not recoverable or adjustable, has been written off.

Note 16	Other Current Assets	As at	As at
		31.03.2015	31.03.2014
	- Rent Receivable (Refer Note 16.1)	561.77	567.70
	Less: Provision for Doubtful receivables	(561.77)	
	- Interest Receivable	319.61	287.66
	- Other	0.49	0.00
	TOTAL	<u>320.10</u>	<u>855.36</u>

Note 16.1 During the year ended 31-March-2015, provision for doubtful receivables of Rs.561.77 lacs towards overdue rent receivable has been provided for.

Note 17	Other Operating Revenue	For the	For the
		Year	Year
		ended	ended
		31.03.2015	31.03.2014
	Income on Settlement with Debtors	0.11	0.10
	TOTAL	<u>0.11</u>	<u>0.10</u>

Note 18	Other Income	For the	For the
		Year	Year
		ended	ended
		31.03.2015	31.03.2014
	Interest on Fixed Deposits	394.56	365.40
	Dividend Income	0.15	0.14
	Rent Income	-	68.26
	Balances Written Back (Refer Note 5 & 14.2)	14.45	-
	Miscellaneous Income	0.27	0.02
	Other Income	-	4.50
	TOTAL	<u>409.43</u>	<u>438.32</u>

Note 19	Changes in Inventory of Securities held as Stock in Trade	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Closing Stock	4.16	4.20
	Less : Purchases/Transfer	-	-
	Opening Stock	4.20	4.20
	Changes	<u>0.04</u>	<u>(0.00)</u>
Note 20	Employee Benefit Expenses	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Salaries,Wages,Bonus and other employees'benefit	22.12	24.88
	Contribution to Provident and Other funds (Refer Note 20.1)	2.70	3.74
	Workmen and Staff Welfare Exp.	0.14	0.19
	Final Payment to Employee	-	2.24
	TOTAL	<u>24.96</u>	<u>31.05</u>
20.1	Contribution to Provident and Other funds	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Employee state Insurance (ESI)	0.18	0.30
	Provident Fund	1.06	0.99
	Gratuity Fund Contribution	0.77	1.37
	Leave Encashment Contribution	0.69	1.08
	TOTAL	<u>2.70</u>	<u>3.74</u>
Note 21	Finance Costs	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Interest Paid on FD	3.78	0.42
	TOTAL	<u>3.78</u>	<u>0.42</u>
Note 22	Provisions & Write off	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Bad Debts & Write off *	-	365.48
	Provision for Non Performing Assets	-	503.77
	Provision for Doubtful Advance	561.77	30.15
	TOTAL	<u>561.77</u>	<u>899.40</u>

* During the year ended 31st March, 2014 Inter Corporate Deposits and Other Trade Receivables worth Rs.365.48 lacs, being not recoverable, have been written off as bad debts.

**During the year ended 31-March-2015, provision for doubtful receivables of Rs.561.77 lacs towards overdue rent receivable has been provided for.

Note 23	Other Expenses	For the Year ended 31.03.2015	For the Year ended 31.03.2014
	Travelling & Conveyance	2.31	5.87
	Repairs - Building	5.69	5.90
	- Others	0.31	0.05
	Electricity & Water	0.44	1.23
	Legal & Consultancy Charges	15.40	22.74
	Fees to Auditors for --Statutory Audit	2.75	2.28
	--Tax Audit	0.90	0.90
	Rent	5.19	5.12
	Telephone Expenses	0.88	0.82
	Advertisement & Publicity	1.08	0.99
	Share Transfer Expenses	1.67	1.84
	AGM Expenses	7.79	7.43
	Internal Audit Fees	0.22	0.22
	Lisiting Fees	3.52	2.15
	Fixed Assets Written off (Refer Note 9.1)	1.64	0.26
	Rates and Taxes	2.40	2.40
	Prior Period Expenses (Refer Note 23.1)	0.17	0.54
	Other Expenses	0.93	0.66
	TOTAL	<u>53.29</u>	<u>61.40</u>

23.1 Prior period includes Expense of Conveyance and Consultancy in the current year ended 31st March 2015 and expense of Electricity in previous year.

24 SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on accrual basis and are in accordance with the applicable accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). These Accounting policies have been consistently applied, except where a newly issued Accounting Standard is initially adopted by the company

As required & mandated by relevant guidelines prescribed under Companies Act, 2013, Company has prepared its financials as per Schedule III. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has considered a period of twelve months for the purposes of classification of assets and liabilities as current and non-current

B. Revenue Recognition

- (a) Revenue is being recognized on accrual basis in accordance with the Accounting Standard-9 on 'Revenue Recognition' as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, if there are any uncertainties in realization, income is not accounted for.
- (b) Dividend on shares is accounted for as and when received.
- (c) In respect of other heads of income, the company follows the accrual basis of accounting.
- (d) Overdue Interest on debtors has been accounted for at the time of settlement with debtors in accordance with the principle of virtual certainty.

C. Investments

Investments are classified into current and long term investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. A provision for diminution in value is made to recognize a decline other than temporary in the value of long term investments.

D. Fixed Assets

- (a) Fixed assets are stated at cost of acquisition inclusive of inward freight, duties and taxes (excluding tax and duties recoverable) and other incidental expenses related to their acquisition.
- (b) The company's own assets and the assets given out on lease are valued at cost. In respect of vehicles on lease, cost excludes insurance and road tax, which is recovered from the customer.

E. Inventory

Securities held as stock in trade are valued at lower of estimated cost or market value. Cost has been determined by Weighted Average Cost Method.

F. Earnings Per Share

The basic and diluted earnings per share (EPS) are computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. However, it does not include potential equity shares which are contingent on the decision of the judiciary.

G. Depreciation

Depreciation is computed at the following rates: -

- (a) On its own fixed assets on a pro-rata basis on the straight line method at rates and in the manner specified in Schedule II to the Companies Act, 2013.
- (b) On assets given out on operating lease, on a pro-rata basis, on the straight-line method at rates and in the manner specified in Schedule II to the Companies Act, 2013.
- (c) In the case of purchase/sale of asset, depreciation is computed on pro rata basis from the date of such addition or as the case may be, up to the date on which such asset has been

sold, discarded, demolished or destroyed.

- (d) The life of fixed assets are considered in accordance with the Schedule-II of the Companies Act-2013

H. Repossessed Stock

Assets on hire purchase and lease, which have been repossessed, are recorded at the end of the year on the basis of the value estimated by the company but a financial entry adjusting the account of the customer is passed only when the asset is disposed off.

I. Retirement and Other Employee Benefits

(a) Short Term Employee Benefits

All employee benefits falling due within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment Benefits

- (i) **Defined Contribution Plans:** The State governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.
- (ii) **Defined Benefit Plans:** Gratuity liability is covered under the defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity years approximating to the terms of related obligations

Actuarial gains and losses are recognized immediately in the profit & loss account.

(c) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated leave or encashment of leave accrued up to the specified period are recognized in the manner similar to the case of Gratuity.

J. Provisions and Contingencies

Provisions are recognized when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Liabilities are disclosed after an evaluation of the facts and legal aspects of the matters involved. Contingent assets are neither recognized, nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

K. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, provision for estimated liabilities and the useful lives of fixed assets and intangible assets. Actual results could differ from those estimates. Any revision in the accounting estimate is recognized prospectively in the current and future periods.

25. CONTINGENT LIABILITIES & OTHER COMMITMENTS

- (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.

- (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.
- (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.1042.42 Lacs would be payable with immediate effect.
- (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.
- (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.
- (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.
- (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.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.
- (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.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.

26. RESTRUCTURING SCHEME

The management for a structured debt repayment had prepared two schemes of arrangement for reorganization of share capital of the company and for compromise with its secured and unsecured creditors. Both the schemes of arrangement envisage a viable, just & equitable settlement with its secured and unsecured creditors while simultaneously increasing the risk and stake of the promoters and their shareholding through fresh infusion of funds by the promoter company.

The company has also moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations, 1991 proposing a fresh repayment schedule to fixed depositors of the Company. The same repayment schedule has been included in the "**Fresh Restructuring Scheme**" filed before the Hon'ble High Court of Delhi at New Delhi on 24th September 2004.

The implementation of the schemes is subject to the fulfillment of all the conditions of section 391 to section 394 of the Companies Act, 1956 and approval/orders of the Hon'ble Delhi High Court.

The Hon'ble Delhi High Court did not approve the company's first scheme filed in May 2000, though approved by the secured and unsecured creditors in their respective meetings convened pursuant to the orders of the Hon'ble Court, yet the Hon'ble Court did not accord sanction to the scheme on technical grounds. An application for review had been filed before the Hon'ble Delhi High Court on 30th May 2003, which is yet to be listed for hearing and which is hereinafter, wherever applicable, referred to as the "**old scheme under review**". The company intends not to pursue the review application filed for the old scheme under review before the Hon'ble Delhi High Court and it is proposed to be withdrawn at an appropriate stage of the proceedings for the sanction of the "**Fresh Restructuring Scheme**".

The company has filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "**Fresh Restructuring Scheme**" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

Pursuant to the orders of the Hon'ble Delhi High Court, the unsecured creditors and debenture holders in their meeting convened under the Chairpersonship of court appointed Chairpersons (retired Judges of Hon'ble Delhi High Court) on 1st April 2005 and 2nd April, 2005 have approved the scheme without any modifications with the requisite majority. The meeting of the other secured creditors (banks/ institutions) was held on 17th September 2005 and has also approved the scheme by the requisite majority after considering some modifications proposed by the Punjab & Sind Bank.

The promoter company has undertaken, subject to sanction of the scheme by the Hon'ble Delhi High Court, to contribute to Rs.19.50 crore of which Rs.15.60 crore were deposited with the Registrar of the Hon'ble Delhi High Court Registrar, as per court order by the promoter group, and the balance amount of Rs.3.90 crore has been deposited on 27th April, 2012.

The fresh restructuring scheme is conditional upon the following approvals and shall be deemed to be effective on obtaining the last of the approvals and the occurrence of the last of the following events: -

- i. Sanction of the scheme by the Hon'ble High Court of Delhi under Sections 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act, Rules and Regulations, as the case may be;
- ii. Filing of certified copies of the order of the Hon'ble High Court of Delhi with the Registrar of Companies (Delhi and Haryana).

The restructured debts of the company for each category of debt is on the basis of outstanding as envisaged in the **fresh restructuring scheme** filed in the year 2004 excluding interest not provided for and all liquidated damages/penal charges and interest on unpaid interest. The "Fresh Scheme of Arrangement" is drawn on the basis of acceptance of waiver of payment of past and future interest, penal charges, liquidated damages, and any other charges, costs and claims etc. except as provided and for values contained therein which is subject to the approval of the Hon'ble Delhi High Court.

The accounts of the company have been drawn on the assumption that the "**fresh restructuring scheme**" will be accepted and implemented. If it is not accepted and cannot be implemented for any reason the total liability before the proposed restructuring scheme including those for which no provision has been made and has been quantified under appropriate heads, shall become payable.

The fresh restructuring scheme is pending before the Hon'ble Delhi High Court as at 31st March, 2015 & there is no change in the status at the time of signing of the financials for the period ended 31st March, 2015 by the Board of Directors.

27 Deposit of Rs.1,950.00 Lacs by DCM Services Limited

DCM Services Ltd as a promoter has committed to bring in Rs.1,950.00 Lacs as a promoter contribution upon sanction of their restructuring scheme u/s 391 of the Indian Companies Act, 1956 which is presently pending for sanction before the Hon'ble Delhi High Court.

The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs.1,950.00 Lacs with the Court and pursuant to the court order, They have deposited Rs.500.00 Lacs on 16.07.2010, Rs.670.00 Lacs on 18.11.2010, Rs.390.00 Lacs on 21.04.2011 & Rs.390.00 Lacs on 27.04.2012 aggregating to Rs.1,950.00 Lacs on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. No financial impact of this has been recorded in the financials of the company for the period ended 31st March, 2015.

28. INCOME TAX**(a) Deferred Tax Assets**

In accordance with Accounting Standard-22 as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, deferred tax assets on accumulated depreciation and losses have not been accounted for since as per certain operational restrictions imposed, the company is unable to conduct any new business and therefore it is uncertain whether there will be sufficient future taxable income against which such deferred tax assets can be realized. Accordingly in view of absence of virtual certainty of sufficient taxable income in future no provision for deferred tax has been made.

(b) Tax Provision

The company has made provision for Minimum Alternative Tax (MAT) during the year ended 31st March, 2015.

29. EMPLOYEE BENEFITS**(a) Defined Contribution Plans:**

The Company has recognized the contribution/liability in the profit & loss account for the financial year 2014-15.

(Rs. in Lacs)

PARTICULARS	Gratuity (Non Funded Plan)	Leave Encashment (Non Funded Plan)
Amount recognized in Balance Sheet		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	5.72	3.32
Unrecognized past service cost	-	-
Net Liability/(Assets)	5.72	3.32
Amount in Balance Sheet		
Liability	5.72	3.32
Assets	-	-
Net Liability/(Assets)	5.72	3.32
Expenses recognized in the Profit & Loss Account		
Opening defined benefit obligation less benefits paid	-	-
Current service cost	0.36	0.23
Interest on defined benefit obligation	0.38	0.20
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized in the year	0.03	0.26
Past service cost	-	-
Losses/(gains) on "Curtailments and Settlements"	-	-
Total, included in "Employee Benefit Expense"	0.77	0.69
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period	-	-
Change in defined benefit obligation	-	-
Opening defined benefit obligation	4.95	2.63
Current service cost	0.36	0.23
Interest cost	0.38	0.20
Actuarial losses/(gains)	0.03	0.26
Liabilities extinguished on curtailments	-	-

Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	(5.72)	(3.32)
Change in fair value of assets	-	-
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial gain/(Losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-
Assets information		
Category of assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Equity shares of listed companies	-	-
Property	-	-
Insurer Managed Funds	-	-
Others	-	-
Grand Total	-	-
Summary of the actuarial assumptions		
Discount rate	7.76%	7.76%
Expected rate of return on assets	N.A.	N.A.
Future salary increase	6.00%	6.00%

Notes:

- (a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors;
- (b) The liability towards gratuity & the earned leave for the period ended 31st March, 2015, based on actuarial valuation amounting to Rs.0.77 & Rs.0.69 have been recognized in the profit & loss account.

30. GOING CONCERN BASIS

To comply with the directives of the Reserve Bank of India the company ceased to accept deposits from September 1997. Despite cessation of business, substantial accumulated losses, provision for full NPA's and interest payable, rejection of the "old scheme under review" and winding up petition filed by the Reserve Bank of India and various creditors of the company, the accounts of the company have been prepared on a "going concern" basis on an assumption & premises made by the management that

- (a) the fresh restructuring scheme would be approved by the Hon'ble Delhi High Court,
- (b) adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis,
- (c.) injection of Rs.19.50 crores as promoters quota infused by the management group

31. BALANCE CONFIRMATION

(a) 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, the financial impact cannot be ascertained.

32. Payment to Directors

The company has obtained the approval for payment of managerial remuneration from Ministry of Corporate Affairs, Government of India for the amount not exceeding Rs.3.99 Lacs per annum for the period of three years starting from 01-12-2011 to 30-11-2014. The proportionate amount of Managerial Remuneration of pertaining to the period from 01-April-2014 to 30th November-2014 is Rs.2.66 Lacs.

33. Related Party disclosure

As required by Accounting Standard – **AS 18 “Related Party Disclosure”** as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 are as follows:

List of related parties with whom transactions have taken place during the year:

I	Control Exist - Subsidiary Company	(i)	Global IT Options Limited
II	Significant Influence Exist	(i)	DCM Services limited
		(ii)	DCM International Limited
		(iii)	DCM Anubhavi Marketing Private Limited
III	Key Management Personnel	(i)	Mr. O. P. Gupta - Chairman
		(ii)	Mr. Surender Kumar Sharma – Executive Director
		(iii)	Mr. Rajeshwar Singh- Non Executive Director

Details of Transactions are as follows:

(Rs. in Lacs)

Particulars		Year ended 31.03.2015	Year ended 31.03.2014
A.	Remuneration to key management personnel - Executive Director	2.66	3.95
B.	Advances Received - DCM Services Limited	5.76	19.51

Outstanding Balances:**(Rs.in Lacs)**

Particulars		Year ended 31.03.2015	Year ended 31.03.2014
(i)	DCM Services limited	739.24	496.96
(ii)	DCM International Limited	281.57	281.57
(iii)	DCM Anubhavi Marketing Private Limited (Cr. Balance)	31.84	31.84

34. Earnings Per Share (EPS)

Particulars		Year ended 31.03.2015	Year ended 31.03.2014
a)	Profit/(Loss) after taxation as per profit and Loss Account	(286.73)	(589.62)
b)	Basic number of Equity shares	2,21,25,054	2,21,25,054
c)	Nominal value of Equity Shares (Rs.)	10	10
d)	Basic/ Diluted Earnings per share	(1.29)	(2.66)

35. The company's application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The company had made an appeal to the Appellate Authority, Ministry of Finance which directed the RBI to keep its order of rejection of CoR in abeyance for a period of six months and directed the company to file Fresh Restructuring Scheme before Hon'ble Delhi High Court. RBI has preferred an appeal before the Hon'ble Delhi High Court against the order of the appellate authority, which is still pending.
36. The company had no outstanding dues to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2015.
37. As the Company's business activity falls within a single primary business segment "Financing Operations viz., inter corporate deposits and investments", the disclosure requirements of Accounting Standard (AS 17) "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 are not required to be furnished.

38. PREVIOUS YEARS FIGURES

Previous year figures have been re-grouped/reclassified, wherever necessary. The figures of current reporting period as well as previous period consist of 12 months ended on 31 March, 2015.

For V Sahai Tripathi & Co.
Chartered Accountants
Firm Registration No.00262N

(Manish Mohan)
Partner
M.No. 091607

(Om Prakash Gupta)
Director
DIN: 00024646

(Surender Kumar)
Executive Director
DIN: 02188166

Place: New Delhi
Dated: 29th May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2015

(Rs. In Lacs)

	For the Year ended 31.03.2015	For the Year ended 31.03.2014
A. Cash Flow of Operating Activities		
Net Profit (Loss) for the Year	(286.71)	(598.13)
Add: Adjustments for		
Depreciation	52.43	35.77
Loss on sale of Fixed Assets / FA written off	-	0.26
Income from Creditors Written Back	(13.74)	-
Loss on sale of Fixed Assets	1.59	-
Dividend Received	(0.14)	(0.14)
Interest paid	3.77	0.42
Provision & Written Off	561.77	905.82
Sub Total	605.68	942.13
Operating Profit (Loss) before Working Capital changes	318.97	344.00
Adjustments for :		
Decrease/(Increase) in Other Noncurrent Assets	(255.54)	(43.19)
Decrease/(Increase) in Short Term Loan and Advances	(14.44)	(5.50)
Decrease/(Increase) in Other current Assets	(15.58)	(45.85)
Decrease/(Increase) in Inventories	0.05	(0.00)
Decrease/(Increase) in Long Term Loan and Advances	2.26	-
(Decrease)/Increase in Short Term Provision	0.01	0.06
(Decrease)/Increase in LONG Term provisions	(6.27)	2.40
(Decrease)/Increase in LONG Term borrowings	(7.92)	-
Increase/(Decrease) in Other Current Liability	18.89	40.33
Sub Total	(278.54)	(51.75)
Cash generated from operations	40.42	292.25
Less: Income Tax (Including TDS)	39.08	-
Cash In Flow (Out Flow) before extraordinary items	1.34	292.25
Prior Period Adjustment	-	-
Net Cash In Flow(Out Flow) from Operations	1.34	292.25
B. Cash Flow from Investing Activities		
Fixed Assets purchased	-	(6.00)
Proceeds of Long Term Loans & Advances	-	(0.34)
Proceeds of Other Non Current Assets	-	(277.73)
Dividend Received	0.14	0.14
Net Cash In flow(Out Flow) in investing activity	0.14	(283.93)
C. Cash In Flow (Out Flow) from Financing Activities		
Redemption of Long Term borrowing	-	(2.69)
Interest Paid	(3.77)	(0.41)
Net cash available(Paid) from financing activities	(3.77)	(3.10)
Net Increase in Cash and Cash Equivalents(A+B+C)	(2.29)	5.22
Cash & cash equivalents as at March 31, 2014	29.21	23.99
Cash & cash equivalents as at March 31, 2015	26.92	29.21
Net Increase / (Decrease) in cash & cash equivalents	(2.29)	5.22

As per our report of even date attached

For V Sahai Tripathi & Co.
Chartered Accountants
FRN-00262N

For and on behalf of the board of
directors of DCM Financial Services Limited

Manish Mohan
Partner
M. No. 091607

Om Prakash Gupta
Director
DIN: 00024646

Surender Kumar
Executive Director
DIN: 02188166

Place : New Delhi
Dated : 29th May, 2015

INFORMATION REGARDING SUBSIDIARY COMPANY

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs in Lacs)

1	Name of the subsidiary	Global IT Options Limited
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period	-
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-
4	Share capital	100.00
5	Reserves & surplus	(70.47)
6	Total assets	30
7	Total Liabilities	0.49
8	Investments	-
9	Turnover	-
10	Profit before taxation	(4.20)
11	Proposed Dividend	Nil
12	% of shareholding	90
13	Names of subsidiaries which are yet to commence operations	Nil
14	Names of subsidiaries which have been liquidated or sold during the year.	Nil

For and on behalf of the board of directors of DCM Financial Services Limited

Om Prakash Gupta
Chairman

Surender Kumar
Director

New Delhi
29th May, 2015



PROXY FORM (MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

CIN : L65921DL1991PLC043087

Name of the Company : DCM Financial Services Limited

Registered & Corporate Office : DCM Financial Services Limited Regd Office: D 7/3, Okhla Industrial Area- II, New Delhi 110020, TEL : 011 26387750, Fax: 91- 11-26385996

email ID : info@dfsionline.com, Website : www.dfsionline.com

Name of the Member:
 Registered Address :
 Email ID :
 Regd. Folio No./Client ID:
 DP ID :

I/We, being a member/members of shares of the above named Company, hereby appoint

1.	Name:	
	Address:	
	E-mail Address:	or failing him:
2.	Name:	
	Address:	
	E-mail Address:	or failing him:
3.	Name:	
	Address:	
	E-mail Address:	or failing him:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Monday, November 30, 2015 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 10:00 A.M and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO.	ORDINARY BUSINESS
1.	To receive, consider and adopt the Audited Annual Accounts of the Company for the financial year ended March 31, 2015 the Reports of the Directors' and Auditors thereon.
2.	To appoint M/s V. Sahai Tripathi & Co., Chartered Accountants (Registration number 00262N) as Statutory Auditors of the Company to hold office for a period of two years from the conclusion of this annual general meeting until the conclusion of the Annual General Meeting to be convened in the year 2017, subject to ratification of the appointment by the members in every annual general meeting.
SPECIAL BUSINESS	
3.	Appointment of Mr. Sehdev Shori as an Independent Director
4.	Re-appointment of Mr. Surender Kumar as a Whole-Time Director

Signed this.....day of.....2015

Signature of Shareholder

Signature of Proxy Holder(s)

Affix Revenue Stamp Re.1/-

Notes:

This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



ATTENDANCE SLIP

FOR 24th Annual General Meeting to be held on Monday, the 30th day of November, 2015 at 10:00 A.M. at Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi 110030

Please fill attendance slip and hand it over at the entrance of the meeting venue:

Name	
Address	
DP ID*	
Client ID*	
Folio No.	
No. of Shares held	

[*Applicable for investors holding shares in Electronic form/Applicable for shareholders holding shares in electronic form.]

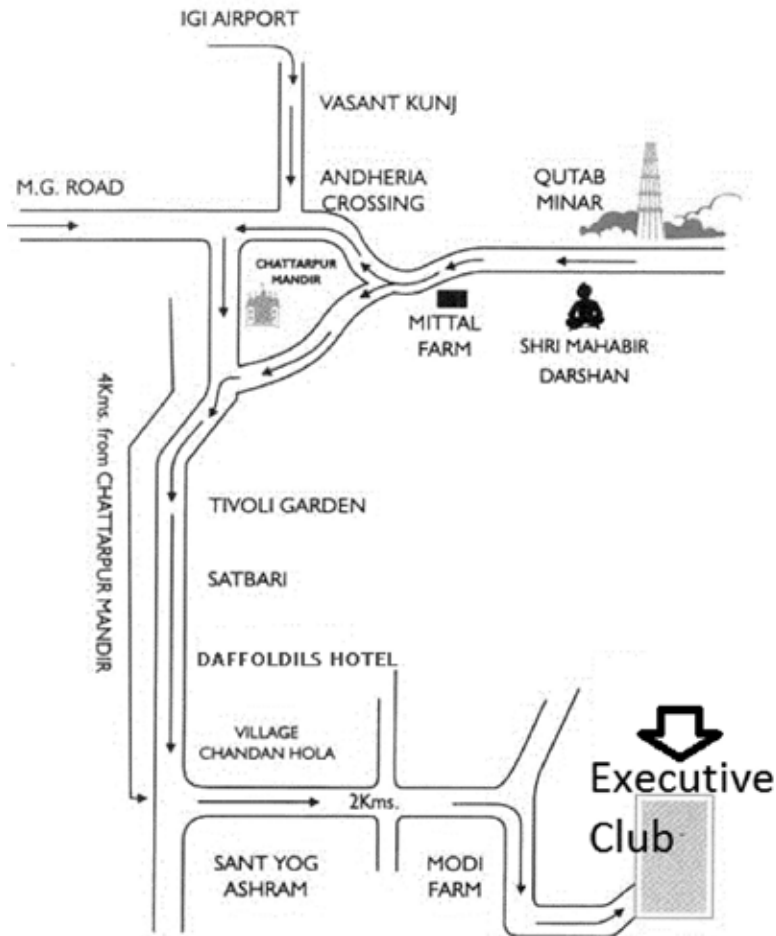
I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the Annual General Meeting of the Company on Monday the 30th day of November, 2015 at 10:00 A.M. at Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi 110030.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over.

ROUTE MAP FROM QUTAB MINAR



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