Date: 30.11.2017

To,	To,	To,
The Head-Listing Compliance	The Head-Listing Compliance	The Manager
BSE Ltd.	**National Stock Exchange of India Ltd.**	**The Calcutta Stock Exchange Ltd.**
PhirozeJeejeebhoy Towers,	Exchange Plaza, Plot No. C/1,	7, Lyons Range, Murgighata,
Dalal Street, Fort,	G Block, Bandra-Kurla Complex	BBD Bagh, Kolkata
Mumbai-400001	Mumbai-400051	West Bengal – 700001
Security Code- 511611	**Symbol: DCMFINSERV**	**Scrip Code: 014032**

Sub: Submission of Annual Report as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Ma'am,

Please find attached herewith Annual Report for the financial year 2016-17 as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of **Annual General Meeting** of the Company held on **Thursday, November30, 2017 at 10:30 A.M at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030**

Submitted for your information and records.

Yours Sincerely,

For and on Behalf of the Board of Directors
DCM Financial Services Limited

(Surender Kumar)
Whole Time Director
DIN: 02188166
Add.: D-7/3 Okhla Industrial Area,
Phase-2 New Delhi-110020

Place New Delhi



26th ANNUAL REPORT
2016-2017

DCM FINANCIAL SERVICES LTD.

BOARD OF DIRECTORS

Mr. Surender Kumar		Whole Time Director
Ms. Richa Kalra	(w.e.f 6.10.2016)	Non-Executive Independent Director
Mr. Om Prakash Gupta	(upto 6.10.2016)	Non-Executive Independent Director
Ms. Medini Jaiswal	(w.e.f 22.5.2016)	Non-Executive Independent Director
Ms. Daman Preet Kaur	(w.e.f 11.08.2017)	Non-Executive Independent Director
Mr. Sehdev Shori	(upto 11.08.2017)	Non-Executive Independent Director

\KEY MANAGERIAL PERSONNEL

Mr. Surender Kumar	Whole Time Director
Ms. Srishti Singh	Company Secretary & Compliance Officer

STATUTORY AUDITOR
V Sahai Tripathi & Co
Chartered Accountants

SECRETARIAL AUDITOR
Latika Chawla & Associates,
Company Secretaries

REGISTRAR & SHARE TRANSFER AGENT
MCS Share Transfer Agent Limited
F-65, Ist Floor, Okhla Industrial Area, Phase-I,
New Delhi- 110020
Ph:- 011-4140 6149, Fax:- 011-4170 9881
email:helpdeskdelhi@mcsregistrars.com

REGISTERED & CORPORATE OFFICE
D-7/3 Okhla Industrial Area, Phase-2,
New Delhi-110020
Tel.: 011-26387750
E-MAIL: info@dfslonline.com
WEBSITE www.dfslonline.com
CIN: 65921DL1991PLC043087

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NOTICE

NOTICE is hereby given that the **26th** Annual General Meeting of the members of DCM Financial Services Limited will be held on **Thursday, 30th November, 2017 at 10:30 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030** to transact the following businesses:

ORDINARY BUSINESS

1. Ordinary Resolution to receive, consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2017 together with the reports of the Auditor's and Directors' thereon and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2017 together with the reports of the Auditor's thereon
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

   "RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, **M/s Mukesh Aggarwal & Co., Chartered Accountant, (Firm Registration No. 011393N)** be and is hereby appointed as the Statutory Auditors of the Company for a term of **five years** to hold the office from the conclusion of ensuing Annual General Meeting till the conclusion of **31st** Annual General Meeting of the Company to be held in the financial year **2022**, subject to ratification as at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors along with their reimbursement of out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

3. APPOINTMENT OF MS. MEDINI JAISWAL AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made read with Schedule IV of the Act (including any other modification(s) or re-enactment thereof for the time being in force) **Ms. Medini Jaiswal (DIN: 07828197)** who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 22nd May, 2017 to hold office up to the date of ensuing Annual General Meeting, and in respect of whom the Company has also received a notice of Intention in writing signifying her intention to propose herself as a candidate for the office of Director of the Company, be and is hereby appointed as Independent Director of the Company for a period of **5 years, not being liable to retire by rotation".**

4. APPOINTMENT OF MS. DAMAN PREET KAUR AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made read with Schedule IV of the Act (including any other modification(s) or re-enactment thereof for the time being in force) **Ms. Daman Preet Kaur (DIN: 07475919)** who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11.08.2017 to hold office up to the date of ensuing Annual General Meeting, and in respect of whom the Company has also received a notice of Intention in writing signifying her intention to propose herself as a candidate for the office of Director of the Company, be and is hereby appointed as Independent Director of the Company for a period of **5 years, not being liable to retire by rotation".**

By order of the Board of Directors
For DCM Financial Services Limited

Surender Kumar
(DIN: 02188166)
Whole Time Director

Add: D-7/3 Okhla Industrial Area,
Phase-2, New Delhi-110020

Date:25.10.2017
Place: Delhi

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business(es) to be transacted at the Meeting is annexed hereto.

2. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ONLY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, PROXY FORMS DULY COMPLETED IN ALL RESPECTS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in 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(s) or shareholder(s).

4. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. A copy of Financial Statements of the Company including Balance Sheet as at 31st March, 2017and Statement of Profit and Loss for the Financial Year ended as on that date together with the reports of the Auditor's and Directors' thereon are enclosed. Members are requested to bring their copy of Annual Report at the AGM.

6. Relevant documents as referred to in the accompanying Notice along with the Statements are open for inspection by members at Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.

7. Brief details of Directors seeking re-appointment at the ensuing Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) forms part of the notice.

8. The Register of Members and Share Transfer Books will remain closed from Friday 24th Nov,2017 to Thursday 30th Nov,2017 (both days inclusive).

9. Shareholders/ Proxy holders are requested to produce attached attendance slip duly completed and signed, at the shareholder registration counter of the AGM hall.

10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or its Registrar & Share Transfer Agent (RTA), for assistance in this regard.

    i. The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to its Registrar & Share Transfer Agent (RTA) promptly.

    ii. The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.

11. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices/ Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above, the Company will send Notices/Documents/Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of service where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, **MCS Share Transfer Agent Ltd.**

12. The shares of the Company are at presently listed on **BSE Limited, National Stock Exchange of India Limited & The Calcutta Stock Exchange Limited.**

13. Pursuant to the provisions under Section 108 of Companies Act, 2013 to be read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time along with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Company is pleased to provide to its members, the facility to exercise their right to vote at the ensuing Annual General Meeting by Electronic Means. The business(s) proposed to be transacted as mentioned in the Annual General Meeting Notice may be transacted through voting by Electronic Means (Remote e-voting) as well. For this, Company is availing the services provided by Central Depository Services (India) Limited ("CDSL").The facility for voting through Ballot Paper will also be made available at the meeting venue, for the members who have not cast their votes by remote e-voting.They shall also be able to exercise their voting rights at the AGM by voting through ballot paper.Members who have already cast their vote by remote e-voting process prior to the date of meeting shall be eligible to attend the Annual General Meeting but shall not be entitled to cast their votes again through ballot process.

The instructions for e-voting by members are annexed to the Notice.

14. The Board of Directors of the company has appointed **Ms. Preeti Jain, Practicing Company Secretary (C. P. No. 17079), as Scrutinizer** for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

15. The Scrutinizer, after scrutinizing the votes cast at the meeting through Poll and through remote e-voting, shall, not later than three days of conclusion of the Meeting, make a **"Consolidated Scrutinizer's Report"** and submit the same to the Chairperson. The results declared along with the consolidated scrutinizer's report shall be placed on website of the Company at www.dfslonline.com and on the website of Stock Exchange at www.bseindia.com and www.nseindia.com.

16. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the General Meeting.

17. The login ID and password for remote e-voting along with Process, Manner and Instructions for remote e-voting is being sent to Members who have not registered their E-mail ID(s) with the Company / their respective Depository Participants along with physical copy of the Notice.

Those Members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for remote e-voting along with Process, Manner and Instructions throughE-mail.

18. Voting rights shall be reckoned on the Paid-up value of shares registered in the name of Member / Beneficial Owner (in case of shares in Dematerialized form) as on the cut-off date i.e. 24th Nov,2017

19. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of e-voting / Poll.

Note: A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

20. No gifts, gift coupons, or cash in lieu of gifts shall be distributed toMembers at or in connection with the General Meeting.

21. The Instructions for shareholders voting electronically are as under:

Date and Time of commencement of e-voting	Monday 27th Nov,2017 9.00 AM
Date and Time of Conclusion of e-voting	Wednesday 29th Nov,2017 5.00 PM

i. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholderswho have already voted prior to the meeting date through remote E-voting would not be entitled to vote at the meeting venue through Poll.

iii. The shareholders should log on to the e-voting website of CDSL "www.evotingindia.com."

iv. Click on Shareholders.

v. Now Enter your User ID

a) For Shareholders holding Demat Account with CDSL: **16 digits beneficiary ID,**

b) For Shareholders holding Demat Account with NSDL: **8 Character DP ID followedby8 Digits Client ID,**

c) 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. If you are holding shares in demat form and had logged on to 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 then follow the steps given below:

	For Members holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach the Company Selection Screen. However, members holding shares in demat form will now reach 'Password Creation' menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by 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.

Note: It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used for remote e-voting on the resolutions contained in this Notice only.

xii. Click on the EVSN 171027003 for the relevant resolution on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same you will find an option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you "Assent to the Resolution" and option "NO" implies that you "Dissent to the Resolution".

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution's details.

xv. 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.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and

the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Note for Non–Individual Shareholders and Custodians:-

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.comand register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues 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.

xxi. To address issues/grievances of shareholders relating to the ensuing AGM, including e-voting, the following official has been designated:

Name of Official	**Devi Prasad**
Designation	Executive
Address	D-7/3 Okhla Industrial Area,Phase-2, New Delhi-110020
Contact	9910180665
E-mail	dp_semwal@yahoo.in

22. EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014)

APPOINTMENT OF MS. MEDINI JAISWAL AS AN INDEPENDENT DIRECTOR

Ms. Medini Jaiswal (DIN: 07828197) was inducted as an Additional (Independent) Director of the Company by Board on 22nd May, 2017 pursuant to the provisions as specified u/s 161(1) of the Companies Act, 2013. Ms. Medini Jaiswal (DIN: 07828197) holds office upto the date of the ensuing Annual General Meeting and is eligible for the appointment as an Independent Director.

Further, Ms. Medini Jaiswal has furnished a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act.

She has a vast experience in general management. Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as an Independent Director.

None of the following persons are interested in the aforesaid resolution, financially or otherwise:-

(i) Any Director(s) or Manager,

(ii) Any Other Key Managerial Personnel(s),

(iii) Relatives of the persons mentioned in sub clauses (i) and (ii) above.

The Board recommends passing of the resolution set out at Item No. 4 as an Ordinary Resolution.

PROFILE OF PROPOSED DIRECTOR

Name	**Ms. Medini Jaiswal**
Director Identification Number (DIN)	07828197
D.O.B.	15.06.1980
Qualification	Master of Business Administration *(Finance & HR)*
Expertise in specific area	She has a rich experience of more than 13 years in handling various positions in stock broking, Pharmaceuticals, Infrastructure, Audit & Compliances in different organizations
Date of First appointment on the Board of the Company	22/05/2017
Shareholding in the Company *(Only In case the Director to be appointed is a Non Executive Director)*	NIL
List of Directorship held in other companies	Global IT Options Limited
Names of Listed Entities in which the person holds membership of Committees of the Board	NA
Relationship between Directors Inter-se	None

APPOINTMENT OF MS. DAMAN PREET KAUR AS AN INDEPENDENT DIRECTOR

Ms. Daman Preet Kaur (DIN: 07475919) was inducted as an Additional (Independent) Director of the Company by Board on 11.08.2017 pursuant to the provisions as specified u/s 161(1) of the Companies Act, 2013. She holds office up to the date of the ensuing Annual General Meeting and is eligible for the appointment as an Independent Director.

Further, she has furnished a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act.

She has a vast experience in the field of law. Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as an Independent Director.

None of the following persons are interested in the aforesaid resolution, financially or otherwise:-

(i) Any Director(s) or Manager,
(ii) Any Other Key Managerial Personnel(s),
(iii) Relatives of the persons mentioned in sub clauses (i) and (ii) above.

The Board recommends passing of the resolution set out at Item No. 5 as an Ordinary Resolution.

PROFILE OF PROPOSED DIRECTOR

Name	**Ms. Daman Preet Kaur**
Director Identification Number (DIN)	07475919
D.O.B.	09.10.1991
Qualification	Pursued the Course of Company Secretary ship
Expertise in specific area	Legal
Date of First appointment on the Board of the Company	11.08.2017
Shareholding in the Company *(Only In case the Director to be appointed is a Non Executive Director)*	NIL
List of Directorship held in other companies	Nil
Names of Listed Entities in which the person holds membership of Committees of the Board	NA
Relationship between Directors Inter-se	None

(Route Map of Venue is given in the end of Annual Report)

DIRECTOR'S REPORT

To

The Members,

Your Directors are pleased to present to the valued stakeholders, the 26th Annual Report of DCM Financial Services Limited along with the Audited Financial Statements of the Company for the Year ended March 31st, 2017.

FINANCIAL HIGHLIGHTS- AT A GLANCE

Overall Performance of your Company

- The Financial Year 2016-17 had been a little tumultuous for the Company as your Company has shown a conventional performance during the year under review. The net Profits of your Company had gone down from Rs. 2,09,18,498/- in 2015-16 to Rs. 1,72,31,740/- in 2016-17.

The financial summary, performance highlights operations/state of affair of your Company for the year are summarized below:

(Amount in Rupees)

PARTICULARS	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Income from Business Operations	-	-	-	-
Other Income	3,67,42,754.00	3,93,22,922.00	3,67,47,613.00	3,95,76,361.00
Total Income	**3,67,42,754.00**	**3,93,22,922.00**	**3,67,47,613.00**	**3,95,76,361.00**
Less: Expenditure except Depreciation	1,20,54,256.84	99,36,283.84	1,21,66,535.50	1,00,53,972.85
Profit/Loss before Interest, Depreciation and Tax	**2,46,88,497.16**	**2,93,86,638.16**	**2,45,81,077.50**	**2,95,22,388.15**
Less: Interest and other Financial Charge(s)	-	36,314.00	-	36,314.00
Profit/Loss before Depreciation and Tax	**2,46,88,497.16**	**2,93,50,324.16**	**2,45,81,077.50**	**2,96,86,074.15**
Less: Depreciation	30,56,757.00	30,71,873.00	31,68,931.00	31,54,605.00
Profit/Loss before Tax	**2,16,31,740.16**	**2,62,78,451.16**	**2,14,12,146.50**	**2,63,31,469.15**
Less: Tax Expense	44,00,000.00	53,59,953.00	44,00,000.00	53,59,953.00
Add: Deferred Tax Asset	-	-	-	-
Net Profit/Loss after Tax	**1,72,31,740.16**	**2,09,18,498.16**	**1,70,12,146.50**	**2,09,71,516.15**
Less: Minority Interest	-	-	(19,459.00)	5,302.00
Net Profit/Loss for the period	**1,72,31,740.16**	**2,09,18,498.16**	**1,70,31,605.50**	**2,09,66,214.15**
Earnings per share: (Basic and Diluted)	0.78	0.95	0.77	0.95

DIVIDEND

With a view of augmenting financial resources for generating stable growth in future, the Board of Directors of the company have decided to carry forward entire profit and hence do not propose to recommend any dividend for the financial year on equity shares.

RESERVES

The Board proposes to transfer no amount to the reserves and an amount of Rs. 1,72,31,740/- is proposed to be retained in Surplus

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section of this Annual Report

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared or paid by the Company, the provisions of Section 125 of the Companies Act, 2013 do not apply.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in nature of business of the Company.

SHARE CAPITAL

The paid up equity share capital outstanding as on 31st March, 2017 was Rs. 2,21,250,540/-.

As on 31st March, 2017 none of the Directors of the Company has held shares of the Company.

FINANCIAL POSITION

Issue of equity shares with differential voting rights

No equity shares with differential voting rights have been issued by the company during the financial year 2016-17.

Issue of Sweat Equity Shares

The Company has not issued any sweat equity shares during the year under review.

Issue of Employee Stock Options

The Company has not issued any shares under employee's stock options scheme during the year under review.

Buy Back of Securities

The Company has not bought back any of its securities pursuant to the provisions of Section 67 and Section 68 of the Companies Act 2013 during the year under review.

Voting Rights of Employees

During the year under review, the company has not given any loan to any employee for purchase of its own shares as per section 67 (3) (c) of the Companies Act, 2013. Therefore the company is not required to make any disclosure as per rule 6 (4) of the Companies (Share Capital and Debentures) Rules, 2014.

CONSOLIDATED FINANCIAL STATEMENTS

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

DEPOSITS

During the year under review, the Company has not invited any fixed Deposits. As on 31st March, 2017, there were 50928 fixed deposits aggregating to **Rs. 5637.28 Lacs** which 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. However, since while making the repayments in terms of sanction of the scheme by the Hon'ble Court, all deposits will be verified, as recommended by the One Man Committee of Retd, Justice Anil Kumar. The duplicate or invalid deposits once discovered might be reversed.

SUBSIDIARY / ASSOCIATE/ JOINT VENTURES COMPANIES OF THE COMPANY

The details about the Company's subsidiary **'Global IT Options Limited'** are mentioned in the Form AOC-1marked as **"Annexure B"**.

CHANGE IN DIRECTORS /KEY MANAGERIAL PERSONNEL DURING THE YEAR

The details about the changes in Directors or Key Managerial Personnel by way of Appointment, Re – designation, Resignation, variation made or withdrawn etc. are as follows:

S. No.	Name	Designation	Nature of Change	With Effect From
1.	Richa Kalra	Additional Independent Director	Appointment	06.10.2016
2.	Om Prakash Gupta	Independent Director	Resignation	06.10.2016
3.	Richa Kalra	Independent Director	Re-designation	30.11.2016
4.	Medini Jaiswal	Additional Independent Director	Appointment	22.05.2017
5.	Srishti Singh	Company Secretary	Appointment	22.05.2017
6.	Mr. Sehdev Shori	Independent Director	Resignation	11.08.2017
7.	Ms. Daman Preet Kaur	Additional Independent Director	Appointment	11.08.2017

During the year under review, the Board of Directors appointed **Ms. Richa Kalra (DIN: 07632571),** as the Additional Independent Director w.e.f. from 6th October, 2016 in place of **Mr. Om Prakash Gupta (DIN: 00024646)** who has resigned with effect from the same date due to his personal pre-occupation.

Further, Ms. Richa Kalra who was appointed as the Additional Independent Director on 6th October, 2016 was re-appointed as Independent Director on 30th November, 2016.

RELATIONSHIP BETWEEN DIRECTORS INTERSE

None of the Directors are related to each other within the meaning of term "relative" as per Section 2(77) of the Companies Act, 2013

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF COMPANIES ACT, 2013

All Independent Directors have given declarations under section 149(7)that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Rules made thereunder to be read with SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

DISCLOSURE OF CHANGE IN ACCOUNTING TREATMENT IN FINANCIAL STATEMENTS

During the period under review, there were no changes in the Accounting treatment in the Financial Statements for the financial year 2016-17, different from that as prescribed in Accounting Standards, prescribed by the Institute of Chartered Accountants of India (ICAI).

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return under sub section 3 of Section 92 of the Companies Act, 2013 in Form MGT-9 is annexed herewith as **"Annexure A."**

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES

During the year under review, 6 Board Meetings,4 Audit Committee Meetings, 2 Nomination & Remuneration Committee Meetings, 4 Stakeholders' Relationship Committee Meetings, were convened and held. All the Meetings including Committee Meetings were duly held and convened and the intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 to be read with the SEBI(Listing Obligations & Disclosure Requirements), Regulations 2015.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 to be read with Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 to be read with Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 to be read with Regulation 20 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

BOARD ANNUAL EVALUATION

The provisions of section 134(3)(p) of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated. The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination & Remuneration Committee of the company and adopted by the Board. The evaluation was carried out through a structured evaluation process to judge the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement & contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

The performance evaluation of the Independent Directors was carried out by the entire Board except the participation of concerned Independent Director whose evaluation was to be done. The performance evaluation of the Chairman and the Independent Directors was also carried out by the Independent Directors. The Board was satisfied with the evaluation process and approved the evaluation results thereof.

REMUNERATION POLICY OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board on the recommendation of Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and fixation of their remuneration thereof. The Policy contains, inter-alia, directors' appointment and remuneration including criteria for determining qualifications, positive attributes independence of a Director, etc.

FAMILIARIZATION POLICY

Pursuant to the provisions of Regulation 25(7) of Listing Regulations, 2015, the Board has framed a policy to familiarize Independent Directors about the Company.

STATUTORY AUDITOR AND SECRETARIAL AUDITOR WITH THEIR QUALIFICATION, RESERVATION ORADVERSE REMARKS ALONG WITH THE EXPLANATION OR COMMENTS BY THE DIRECTORS

A. STATUTORY AUDIT AND AUDITOR

The members at the Annual General Meeting held on 30th Nov, 2015 appointed **M/s V. Sahai Tripathi & Co, Chartered Accountants (Registration No. 00262N)** as Statutory Auditors of the Company for a period of two years to hold office till the conclusion of 26th Annual General Meeting of the Company subject to ratification at every AGM. Their period of office will expire at the ensuing Annual General Meeting. Therefore, the Board recommends the appointment of **M/s Mukesh Aggarwal & Co., Chartered Accountants,** as Statutory Auditor of the Company for a term of **five years** subject to approval of members in ensuing Annual General Meeting of the Company.

Qualification(s) and Directors' comments on the report of Statutory Auditor:

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 27.***

Directors' Comment: Going Concern Basis- Para (i) and Note 27–In accordance with section 134 (5) (d) of the Companies Act, 2013, 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 Financial Statement based on such

Going Concern basis. The scheme seeks to restructure relying on debt equity swaps and profits earned by engaging service oriented, fee based business leading to progressive reduction in the debt of the equity. The 'scheme arrangement' would not only enable the company to wipe out its debt but will also enable it to reduce carry forward losses to be a profitable entity.

II. *No provision of Rs. 817.81Lacs (Rs. 1,6465.30 Lacs towards accumulated Interest as at 31st March, 2017)(Previous Year – Rs. 1,5647.48 Lacs) which is simple interest calculated @10% per annum towards Interest on Debentures, Fixed Deposits and Inter Corporate Deposits, have been provided in the financial statements on the outstanding amount of Debentures, Fixed Deposits and Inter Corporate Deposits. Fresh Restructuring Scheme filed before Hon'ble Delhi High Court, does not envisage and seek payment of any interest as the interest has been considered waived off in the proposed scheme. The order of Company Law Board (CLB) which was issued in 1998 in the context of Fixed Deposits stipulated payment of Interest of 10% per annum to Fixed Depositors. The order of Company Law Board (CLB) applies to Fixed Deposits only, however considering the principles of prudence, it is deemed prudent to provide Interest @10% per annum since inception or renewal on outstanding amount of Debentures and Inter Corporate Deposits also.*

Had interest @10% per annum been provided for in the financial statements on outstanding amount of Debentures, Fixed Deposits and Inter Corporate Deposits, the Net Profit before tax would have been lowered by Rs 817.81 Lacs and Net Profit after tax would have been lowered by Rs 651.07 Lacs as at 31st March, 2017. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2017 would have been higher by Rs 16298.55 Lacs. The tax effect will be consequential. The same has been explained in ***Note 3.1.f, Note 3.4(g) and Note 3.6.***

Directors' Comment: **Provision of Interest on Certain Liabilities- Para (ii) and Note 3.1.g and 3.4 (b) (c) (g):** 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.

III. *For redemption of 'B' series debentures of Rs. 2544.36 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2544.36 Lacs has not been created due to insufficient profits. The same has been explained in* ***Note 2.2.***

Directors' Comment: Creation Debenture Redemption Reserve- Para (iii) and Note 2.2: Non-creation of debenture redemption reserve is self-explanatory and cannot be created due to insufficient profits.

IV. *The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in* ***Note 3.1.d and Note 3.2.b & 3.3.1.***

Directors' Comment: **Depletion in the value of Assets charged to Banks/Institution and Debentures-Para (iv) and Notes 3.1.d, 3.2.b& 3.3.1:** It 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 acknowledgments are not feasible.

V. *Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/ payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer* ***Note No-28***

Directors' Comment: Balance Confirmation of Bills Receivable and Payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase and

lease security deposit-Para (v) and Note 28-In view of litigation with creditors mentioned in the para v, it's not possible to obtain the balance confirmations.

VI. *The subsidiary company namely, Global IT Options Limited has till 31st March, 2017 incurred expenditure of Rs 22.84 Lacs for & on behalf of its Holding Company (i.e. DCM Financial Services Limited). It comes under the category of short term funding which is in-fact Inter-Corporate Deposit. In case of Inter-Corporate Deposit, Section 186 of Companies Act, 2013 stipulates to charge interest at a rate not less than the bank declared by Reserve Bank of India. No Interest has not been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options Limited with effect from 1-june-2014.*

Had interest @12% per annum which comes to Rs. 2.74 Lacs been provided for in the financial statements on outstanding amount of Inter Corporate Deposit,the net profit before tax would have been lowered by Rs. 2.74 Lacs and net profit after tax would have been lowered by Rs. 2.18 Lacs towards Interest expense for the year ended 31st March, 2017. The cumulative net loss as well as Current / Non-Current Liabilities / Provision as at 31st March 2017 would have been higher by Rs. 5.16 Lacs on account of cumulative interest with effect from 01-June-2014. The tax effect will be consequential. It is non compliance of Section 186 of the Companies Act, 2013, which could attract penalties.

Directors' Comment: **Short-Term Funding by Global IT Options Limited- Para (vi):** In view of restriction imposed by the Hon'ble High Court of Delhi on the operations of bank accounts since 2006, assistance of Rs. 22.84 lacs has been taken to meet the essential expenses and obligations from Global IT Options Limited. The 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 its payment will be decided once the scheme is approved and liquidity position improves.

VII. *Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees. During the year ended March 31st, 2017, the Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Company has made relevant disclosures in the Board of Directors meeting regarding this issue. It is non compliance of Section 203 of Companies Act, 2013, which could attract penalties. Presently it is not feasible to determine the financial impact on the financial.*

Directors' Comment: Appointment of Whole-Time Company Secretary- Para (vii): The Company has appointed Whole Time Company Secretary, Ms. Srishti Singh on 22nd May, 2017 pursuant to the provisions of Section 203 (1) (ii) of the Companies Act, 2013 read with Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Thus, it has already complied with the requirements.

VIII. *Pursuant to section 149 of Companies Act, 2013 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 every listed company is required to appoint at least one Woman Director. During the year ended March 31st, 2016, the Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non compliance which are Rs. 50,000 from 1-April-2015 to 30th June,2015 and thereafter Rs. 1000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y RS.10.50 Lacs) till date of appointment of women director (i.e. 5th October, 2016). Had provision been provided for in the financial statements, the net profit before tax for the year ended 31st March, 2017 would have been lower by Rs 6.35 Lacs and net profit after tax would have been lowered by Rs. 5.05 Lacs. The cumulative net loss as well as Current/ Non Current Liability/ Provisions as at 31st March, 2017 would have been higher by Rs.15.55Lacs. The tax effect would be consequential.*

Directors' Comment: **Appointment of Woman Director- Para (viii):** The Company had appointed Ms. Richa Kalra (DIN: 07632571) on 6th October, 2016 as Non Executive Independent Director pursuant to the provisions of Section 149 (4) of Companies Act, 2013 read with Rule

3 of Companies (Appointment and Qualification of Directors) Rules, 2014. Thus, it has already complied with the requirements.

IX. *As per the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax, MAT Credit is an asset to be recognized in the Financial Statement when it is 'Probable 'that the future economic benefits associated with it will flow to the enterprise and asset has a cost or value that can be measured reliably. In the previous periods, the company has already recorded MAT Credit Entitlement of Rs 28.52 Lacs in the books of accounts. Considering that the matter is under jurisdiction of Delhi High Court for many years and the company as described in point no (i) of Basis of Qualification and Company is not allowed to carry on its operations except the realization of old debts and permitted payments, there is no virtual certainty that future economic benefit would flow to company. Considering this, we are of opinion that such MAT Credit Entitlement of Rs 28.52 Lacs needs to be derecognized.*

Had MAT Credit of Rs 28.52 Lacs had been reversed in financial statements in year ended March, 2017, the net profit after tax would have been lower by Rs 28.52 Lacs and net profit after tax would have been lowered by Rs. 22.70 Lacs and consequently the net cumulative loss would have been higher by Rs 22.70 Lacs. In addition to, non-current loans and advances would have been lowered by Rs 22.70 Lacs after considering the tax effects.

Directors' Comment: **MAT Credit Entitlement-Para (ix):** The Fresh Restructuring Scheme filed by the Company would be approved by the Hon'ble Delhi High Court. Adequate finances and opportunities would be available in the foreseeable future to enable the Company to start operating on a profitable basis. Therefore, Company can avail MAT Credit in near future when it will become profitable.

X. *Contingent liabilities and Other Commitments*

i. *Mr. Dhruv Prakash had lodged a claim of Rs 6.50 Lacs and winding up petition against the company. The contingent liability arising out of this suit amounts to Rs. 6.50 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.* ***Refer Note No. 22(a)***

Directors' Comment: **Para (ix(a)) –** The Company is contesting claims lodged against it not acknowledged as debts, including claims of Mr. Dhruv Prakash and on account of securitization transaction and underwriting obligations. Rest of the contingent liabilities are being addressed through the Scheme.

ii. *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 whichever is earlier*

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, Punjab & Sind Bank had 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. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 98.40 Lacs, the claim suite of Rs 1,217.52 Lacs is also reduced to Rs. 1119.12 Lacs. Since fresh restructuring scheme was not approved and made effective by 1st April 2006, the claim of Rs. 1119.12 Lacs filed before the Debt Recovery Tribunal could be adjudicated by Debt Recovery Tribunal. No communication has been received from Punjab & Sind Bank or Debt Recovery Tribunal (DRT) regarding any adjudication of claim.

The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 315.72 Lacs has been made. The company contends that 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 Punjab & Sind bank shall stand withdrawn and their claim before the Debt Recovery Tribunal of Rs. 1119.12 Lacs (after taking effect of payment of Rs 98.40 Lacs) will become payable upon adjudication by Debt Recovery Tribunal. ***Refer Note No 3.3.2 and 22(b)***

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. 577.00 Lacs shall be payable as per Fresh Restructuring Scheme.

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 Lacs against which the amount payable to them as per books is Rs. 577.00 Lacs. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 74.49 Lacs, the claim suite is also correspondingly reduced to Rs 96,793,133 from Rs. 1042.42 Lacs. The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 390.93 Lacs has been made. In the event that the company fails to pay the interest or principal or company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs 967.93 Lacs (after taking effect of payment of Rs 74.49 Lacs) would become payable upon adjudication by Debt Recovery Tribunal. ***Refer Note No3.3.3 and 22(c)***

***Directors' Comment*: Para (ix(b)) &(ix(c)):** 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.

iii. *During the year 1999, the company had received Rs. 100.00 Lacs from one of its debtors i.e. Pure Drinks New Delhi Ltd. where the winding up petition proceedings was already initiated. Upon receipt of payment, the Company reduced the recoverable amount accordingly. Subsequently, the Hon'ble Punjab and Haryana Court deemed that payment is out of turn/preferential payment made by Pure Drinks New Delhi Ltd where winding up petition proceedings was already initiated and asked the company to deposit back the said amount with Hon'ble Punjab and Haryana Court. 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 is 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 which still pending to be addressed.* ***Refer Note No. 22(d)***

***Directors' Comment:* Para (ix(d)):** 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.

iv. *During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs.100.00 Lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2017.* ***Refer Note No. 22(e)***

***Directors' Comment:* Para (ix (e)):** There are certain disputes with the tenant and the claim of tenant is contested .

v. *There is a demand of Rs. 34.59 Lacs raised by Income Tax Department for the Assessment Year 2006-07 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities. Refer Note No. 22(f)*

***Directors' Comment:* Para viii (ix (f)):** the Company has filed necessary application for the rectification application for the deletion of said demand, however the same is pending.

vi. *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. the claim amount, along with Rs. 306.80 Lacs towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost*

which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 5.49 Lacs, had been awarded to the company. The total financial impact comes to Rs. 363.58 Lacs which has been contested by Company before Hon'ble Delhi High Court. **Refer Note No. 22(g)**

Directors' Comment: **Para viii (ix(g)):** 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.

vii. *Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 288.30 Lacs on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs 288.30 Lacs mentioned supra is as follows* ***Refer Note No. 22(h):-***

S. No.	Description	Amount (In Lacs)
1.	Difference in super area Vs. provisional area	229.28/-
2.	Claim of property tax	3.19/-
3.	Claim of ground rent	21.67/-
4.	Allied charges	7.83/-
5.	Augmentation of Electric sub station	1.33/-
6.	Loss of profit	20.00/-
7.	Arbitration cost	5.00/-
TOTAL		**288.30/-**

Directors' Comment: **Para (ix (h)):** Company is contesting the claim of NBCC, which is pending before arbitration under the Indian Arbitration Act.

viii. *SIDBI had filed a petition for winding-up on alleged non-payment of Rs. 54.40 Lacs which consist of interest, overdue interest and other charges, before the Hon'ble Delhi High Court. Out of which the company has recorded Rs. 36.30 Lacs in the books of account. Provision for Rs. 18.10 Lacs liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided in the books due to waiver of interest sought under the proposed "Fresh Restructuring Scheme" filed with Hon'ble Delhi High Court.* ***Refer Note No. 22(i)***

Directors' Comment: **Para (ix(i)):** it is submitted that the scheme of restructuring, pending before the Hon'ble Delhi High Court and repayment issue to SIDBI is being addressed in the scheme of arrangement with creditors.

All the other notes are self-explanatory.

B. SECRETARIAL AUDITOR

Pursuant to provision of section 204 of the Companies act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Company has appointed **M/s Latika Chawla & Associates, Company Secretaries** to undertake Secretarial Audit of the Company.

The Secretarial Audit was conducted by Ms. Latika Chawla, Practicing Company Secretary, and the report thereon is annexed herewith as **"Annexure- D".**

Qualification(s) and Directors' comments on the report of Secretarial Auditor:

Observations in the report are on the basis of facts and self explanatory.

INTERNAL AUDIT

The Company had appointed **M/s SVTG & Co., Chartered Accountants,** as Internal Auditor to carry out the Internal Audit functions. The Internal Auditor submits a "Quarterly Report" to the Audit Committee.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR

There were no instances of fraud, those have been observed by the Statutory Auditor during audit of the financial statements for the financial year 2016-17, which are required to be disclosed by the company in its Board Report under Section 143 (12) of the Companies Act, 2013.

PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees or investments made by the company, if any pursuant to the provisions of section 186 of the Companies Act, 2013can be found in the balance sheet

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPAIES ACT, 2013

During the period under review, the Company had not entered into any contract/ arrangement/ transaction with any related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Form AOC-2 is also 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 accesses on the Company's website www.dfslonline.com under Investor Information.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures.

MATERIAL CHANGES AND COMMITMENTS, IF ANY

There are no material changes or commitments noticed by the Board between the end of Financial Year of the company as on 31st March, 2017 and the date of this Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Hon'ble High Court of Delhi, in a winding up petition filed by the Reserve Bank of India, in the year 2006 has restricted the Company to operate its bank accounts.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO

The provisions of Section 134(3)(m) of the Companies Act, 2013 are not applicable to your Company since your Company being engaged in financing business, does not have any activity relating to conservation of energy neither does it undertake any Research and Development Activity or derive any benefit out of it. No effort made towards technology absorption. There was no foreign exchange inflow or outflow during the year under review.

RISK MANAGEMENT

The provisions of SEBI Regulations for formation of Risk Management Committee are not applicable to the Company. However, as per section 134 (3) (n) of Companies Act 2013, the company regularly maintains a proper check in normal course of its business regarding risk management. Currently, the company does not identify any element of risk which may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company does not fall under the criteria of net worth, turnover or profit for applicability of Corporate Social Responsibility (CSR) provisions as per Section 135 of the Companies Act, 2013, hence the same are not applicable to the company for the period under review.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per Regulation 22 of the SEBI Regulations, 2015, in order to ensure that the activities of the Company & its employees are conducted in a fair & transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the company has adopted a vigil mechanism policy. This policy is explained in "Corporate Governance Report" and is also posted on website of the company.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act, 2013" and Rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) at its workplaces.

CORPORATE GOVERNANCE REPORT

As per Reg. 34 of SEBI Regulation, 2015 to be read with Part A of Schedule V of the said regulations, a separate section on corporate governance practices followed by the company, together with the certificate from the Practicing Company Secretary confirming compliance forms an integral part of this Report.

HUMAN RESOURCE

The relationship with employees continues to be harmonious. The company always considers its human resource as its most valuable asset. Imparting adequate and specialized training to its employees is ongoing exercise in the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust and comprehensive Internal Financial Control system commensurate with the size, scale and complexity of its operation. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources.

The Company has performed an evaluation and made an assessment of the adequacy and the effectiveness of the Company's Internal Financial Control System. The Statutory Auditors of the Company have also reviewed the Internal Financial Control system implemented by the Company on the financial reporting and in their opinion, the Company has, in all material respects, adequate Internal Financial Control system over Financial Reporting and such Controls over Financial Reporting were operating effectively as on 31stMarch, 2017 based on the internal control over financial reporting criteria established by the Company.

The policies and procedures adopted by the Company ensures the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors, accuracy & completeness of the records and the timely preparation of reliable financial information.

The Internal auditors continuously monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management with regard to the internal control framework.

Audit committee meets regularly to review reports submitted by the Internal Auditors. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures followed by the Company.

LISTING AGREEMENT

The shares of the Company are presently listed at BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.

All statutory dues including Annual Listing Fees for the Financial Year 2017-18 have been paid by the Company except the fees of The Calcutta Stock Exchange Limited.

PERSONNEL RELATIONS

Your Directors hereby place on record their appreciation for the services rendered by executives, staff and other workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the Employees and the Management continued to remain cordial.

CODE OF CONDUCT

The Board of Directors has laid down the code of conduct for all Board Members and members of the Senior Management of the Company. Additionally, all Independent Directors of the company shall be bound by duties of Independent Directors as set out in Companies Act, 2013 to be read with SEBI Listing Regulations, 2015.

All Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct.

PARTICULARS OF EMPLOYEES

The company has one Executive Director and remuneration paid to him, is disclosed in MGT-9.

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 197, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

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 – C** and forms an integral part of this Report.

Further, no sitting fee has been paid to any director during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

a)	Employed throughout the year	As per Annexure-C
a)	Employed for part of the year	As per Annexure-C

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Companies Act 2013, the Directors, would like to state as follows:

(a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the Company for that period ;

(c) The Directors had taken proper & 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 & detecting fraud & other irregularities;

(d) The Directors had prepared the Annual Accounts on a going concern basis;

(e) The Directors had laid down Internal Financial Controls to be followed by the Company and such controls are adequate and are operating effectively;

(f) 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.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including Financial Institutions, Banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company, who have contributed significantly towards Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued stakeholders.

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

Surender Kumar
(DIN: 02188166)
Whole Time Director

Richa Kalra
(DIN: 07632571)
Director

Date: 25.10.2017
Place: Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

We submit herewith the "Management Discussion and Analysis Report" on the business of the Company as applicable to the extent relevant.

INDUSTRY STRUCTURE AND DEVELOPMENT

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises of commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

So far, Non-banking Finance Companies (NBFC(s)) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds. In terms of financial assets, NBFC(s) have recorded a healthy growth. With the ongoing stress in the public sector banks due to mounting of bad debts, their appetite to lend (especially in rural areas) is deteriorating.

Industry Overview

Non-banking finance companies (NBFCs) form an integral part of the Indian financial system. They play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation. NBFCs' ground-level understanding of their customers' profile and their credit needs give them an edge, as does their ability to innovate and customise products as per their clients' needs. This makes them the perfect conduit for delivering credit to the unbanked and SMEs. However, NBFCs operate under certain regulatory constraints, which put them at a disadvantage position vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realise their full potential and thereby perform their duties with greater efficiency.

The asset financing NBFCs in the recent past, akin to banks, have witnessed muted growth with the primary sales of assets somewhat tapered down due to high interest, inflation and back to back below par monsoon. Some of the sectors which have been majorly impacted include Commercial Vehicle (CV), Construction Equipment (CE) and passenger auto sectors. However, the past year saw initial signs of revival of these sectors giving hope for brighter days ahead, especially with softening of interest rates and a projected better monsoon in FY-2018.

OPPORTUNITIES, CHALLENGES AND OUTLOOK

Opportunities

NBFCs have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. Following variables in the external environment may be seen as opportunities for the Company:

- NBFCs aspire to emerge as a one-stop shop for all financial services
- The sector has witnessed moderate consolidation activities in recent years, a trend expected to continue in the near future
- New banking license- related guidelines issued by RBI in early 2013 place NBFCs ahead in competition for licenses owing largely to their rural network
- New RBI guidelines on NBFCs with regard to capital requirements, provisioning norms & enhanced disclosure requirements are expected to benefit the sector in the long run

Challenges

Competitive rivalry between big players is intense in the industry

- Financial services companies often compete on the basis of offering lower financing rates, higher deposit rates and investment services;
- Stringent regulatory norms prevent new entrants;

- Customers prefer to invest their money with a reputed financial services company offering a wide range of services;
- Low bargaining power of suppliers as the industry is highly regulated by RBI;
- Medium bargaining power of customers. Although customers do not have much bargaining power, they can easily switch to another company based on the terms and quality of services provided.

Outlook

However, FY-2017 has started on a positive note. Inflation continues to be low, RBI has cut rates further and most importantly, monsoon forecast by both Skymet as well as Indian Met Department is good. Infrastructure is also expected to see positive traction especially in Roads and Mining sector. Crude prices remain low and green shoots of economic recovery are visible.

Faster and more effective decision making and implementation of various initiatives already launched by the incumbent government are key drivers for the economic recovery. Reduction in global crude oil prices and consumer inflation numbers has provided the Indian government with a window of opportunity to put in place the building blocks for a sustained growth trajectory. The government continues to focus on roads and infrastructure projects by removing bottlenecks. Ongoing process of launching small banks and payment banks are key growth drivers for the asset finance industry. While signs of recovery are clearly seen in certain product segments, FY 2016-17 is expected to be a year of consolidation, so that the industry is ready for the next phase of growth. GDP growth is expected to improve on the back of proactive government initiatives and revival ofcommercial activity.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this annual report.

INTERNAL CONTROL SYSTEM

Given the magnitude and nature of its business, the Company has maintained sound and commercial practice with an effective internal control system. The system ensures that all transactions are authorized, recorded and reported correctly to safeguard the assets of the Company and protect them from any loss due to unauthorized use or disposition. The adequate internal information system is in place to ensure proper information flow for the decision- making process. The Company also has well-established processes and clearly defined roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses, adherence to which is strictly ensured. Internal audit is carried out frequently to create awareness and to take corrective actions on the respective units or areas, which need rectification. These reports are then reviewed by the “Management Team” and the “Audit Committee” for follow-up action.

HUMAN RESOURCE DEVELOPMENT

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation.

Your Company believes in trust, transparency & teamwork to improve employees productivity at all levels.

CAUTIONARY STATEMENT

The management discussion and analysis report containing your Company’s objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the

meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

On behalf of the Board of Directors
For DCM Financial Services Limited

Surender Kumar
Whole-time Director
DIN: 02188166

Date: 25.10.2017
Place: New Delhi

Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

DCM FINANCIAL SERVICES LIMITED

As on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (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 of the Company	:	Company Limited by shares
(v)	Sub-category of the Company	:	Indian Non-Government Company
(vi)	Address of the Registered office & contact details	:	D-7/3 Okhla Industrial Area, Phase-2, New Delhi-110020 Phone No.: 91-11-26387750
(vii)	Whether listed company	:	Yes
(viii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	M/s MCS Share Transfer Agent Ltd. F-65, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 Ph.: 011-4140 6149, Fax. 011-4170 9881

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)

S. 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 (formely known as DFS Securities Limited)	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 [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	0.00	15	0	15	0.00	-
b.	Central Government	0	0	0	0.00	0	0	0	-	-
c.	State Government(s)	0	0	0	0.00	0	0	0	-	-
d.	Bodies Corporate	8739937	0	8739937	39.50	8739937	0	8739937	39.50	-
e.	Banks /Financial Institutions	0	0	0	0.00	0	0	0	-	-
f.	Any Others	0	0	0	0.00	0	0	0	-	-
	Sub-total (A) (1)	**8739952**	**0**	**8739952**	**39.50**	**8739952**	**0**	**8739952**	**39.50**	**-**
(2)	**Foreign**									
a.	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b.	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c.	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d.	Any Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)	**8739952**	**0**	**8739952**	**39.50**	**8739952**		**8739952**	**39.50**	**-**
B.	**Public Shareholding**									
1.	***Institutions***									
a.	Mutual Funds	0	33700	33700	0.15	0	33700	33700	0.15	-
b.	Banks / FI	0	1352700	1352700	6.11	0	1352700	1352700	6.11	-
c.	Central Government	0	0		0.00	0	0	0	-	-
d.	State Government(s)	0	0		0.00	0	0	0	-	-
e.	Venture Capital Funds	0	0		0.00	0	0	0	-	-
f.	Insurance Companies	0	0		0.00	0	0	0	-	-
g.	FIIs	0	0		0.00	0	0	0	-	-
h.	Foreign Venture Capital Funds	0	0		0.00	0	0	0	-	-
i.	Others (specify)	0	0		0.00	0	0	0	-	-
	Sub-total (B)(1)	**0**	**1386400**	**1386400**	**6.27**		**1386400**	**1386400**	**6.27**	**-**
2.	***Non-Institutions***									
a.	Bodies Corporate									
i)	Indian	1330133	67817	1397950	6.32	1373883	67817	1441700	6.52	0.20
ii)	Overseas	0	0		0.00	0	0	0	-	-
b.	Individuals		0							
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	5899621	1800244	7699865	34.80	5673267	790434	6463701	33.73	(1.07)
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2225266	100500	2325766	10.51	2420636	100500	2521136	11.39	0.88
c.	Others (specify)	0	0	0	0.00	0	0	0	-	-
	Non Resident Indians	110071	465050	575121	2.60	109915	462250	572165	2.59	(0.01)
	Overseas Corporate Bodies	0	0	0	0.00	0	0	0	-	-
	Foreign Nationals	0	0	0	0.00	0	0	0	-	-
	Clearing Members	0	0	0	0.00	0	0	0	-	-
	Trusts	0	0	0	0.00	0	0	0	-	-
	Foreign Bodies - D R	0	0	0	0.00	0	0	0	-	-
	Sub-total (B)(2):-	**9565091**	**2433611**	**11998702**	**54.23**	**9577701**	**9577701**	**10998702**	**54.23**	
	Total Public (B)	**9565091**	**3820011**	**13385102**	**60.50**	**9577701**	**10964101**	**12385102**	**60.50**	
C. Shares held by Custodian for GDRs & ADRs		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**-**	**-**
Grand Total (A+B+C)		**18305043**	**3820011**	**22125054**	**100.00**	**18317653**	**10964101**	**21125054**	**100.00**	

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2016]			Shareholding at the end of the year [As on 31-March-2017]			% 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 / encum-bered to total shares	
1.	Mr. Vivek Bharat Ram	15	0.00%	NIL	15	0.00%	NIL	0.00%
2	DCM Services Limited	6,352,487	28.71%	NIL	6,352,487	30.07%	NIL	0.00%
3	Intellect Capital Services Private Ltd.	2,075,000	9.38%	NIL	2,075,000	9.82%	NIL	0.00%
4	Shriram Global Enterprises Ltd.	312,450	1.41%	NIL	312,450	1.48%	NIL	0.00%
TOTAL		**8,739,952**	**39.50%**	NIL	**8,739,952**	**41.37%**	NIL	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			8,739,952	39.50%	8,739,952	39.50%
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)			NIL	No Change in Promoter's Shareholding		NIL
	At the end of the year			8,739,952	39.50%	8,739,952	39.50%

(iv) Shareholding Pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDR's and ADR's)

Sl. No.	Name	Shareholding		Date	In-crease/ De-crease in share-holding	Reason	Cumulative shareholding dur-ing the year		Category
		No of Shares at the Begin-ning (31-03-16) /end of the Year (31-03-17)	% of shares of the company				No. of shares	% of total shares of the Com-pany	
1	Punjab & Sind Bank	1319900	5.96	31.3.2016					Nation-alised Banks
		1319900	5.96	31.03.2017	NIL	NIL	1319900	5.96	
2	Centennial Corporation Private Ltd	600000	2.71	31.3.2016					Other Bodies Corpo-rates
		600000	2.71	31.03.2017	NIL	NIL	600000	2.71	
3	Kokilaben Bharatkumar Parikh	0	0.00	31.3.2016					Indian Public
				25.11.2016	129000	Purchase	129000	0.58	
				31.12.2016	146391	Purchase	275391	1.24	
		275391	1.24	31.3.2017					

4	Bharatkumar Harikrishna Parikh	2000	0.01	31.3.2016					Indian Public
				4.11.2016	25967	Purchase	27967	0.13	
				25.11.2016	124315	Purchase	152282	0.69	
				2.12.2016	77988	Purchase	230270	1.04	
				31.12.2016	10000	Purchase	240270	1.09	
		240270	1.09	31.03.2017					
5	Amazing Capital Services Private Ltd	176602	0.80	31.3.2016					Other Bodies Corporates
		176602	0.80	31.03.2017	NIL	NIL	176602	0.80	
6	Pradeep Kumar Sharma	123200	0.56	31.3.2016					Indian Public
		123200	0.56	31.03.2017	NIL	NIL	123200	0.56	
7	Vinod Kumar G	110034	0.50	31.3.2016					Indian Public
		110034	0.50	31.03.2017	NIL	NIL	110034	0.50	
8	Mumbai Stock Brokers Pvt. Ltd	0	0.00	31.3.2016					Other Bodies Corporates
				2.12.2016	68565	Purchase	68565	0.31	
				13.01.2017	25000	Purchase	93565	0.42	
		93565	0.42	31.03.2017					
9	Ajay Gupta	51466	0.23	31.3.2016					Indian Public
				13.05.2016	1	Purchase	51467	0.23	
				20.5.2016	100	Purchase	51567	0.23	
				3.06.2016	900	Purchase	52467	0.24	
				17.06.2016	2175	Purchase	54642	0.25	
				30.06.2016	500	Purchase	55142	0.25	
				1.07.2016	475	Purchase	55617	0.25	
				8.07.2016	20	Purchase	55637	0.25	
				15.7.2016	100	Purchase	55737	0.25	
				22.07.2016	703	Purchase	56440	0.26	
				29.07.2016	2400	Purchase	58840	0.27	
				5.08.2016	1865	Purchase	60705	0.27	
				12.08.2016	3445	Purchase	64150	0.29	
				19.08.2016	300	Purchase	64450	0.29	
				26.08.2016	1100	Purchase	65550	0.30	
				9.09.2016	2550	Purchase	68100	0.31	
				16.09.2016	185	Purchase	68285	0.31	
				23.09.2016	415	Purchase	68700	0.31	
				30.09.2016	100	Purchase	68800	0.31	
				7.10.2016	1800	Purchase	70600	0.32	
				10.02.2017	400	Purchase	71000	0.32	
				24.02.2017	1200	Purchase	72200	0.33	
				30.03.2017	1900	Purchase	74100	0.33	
		74100	0.33	31.03.2017					

10	Master Capital Services Ltd	18378	0.08	31.3.2016					Other Bodies Corpo-rates
				13.05.2016	-5	Sale	18373	0.08	
				3.06.2016	-500	Sale	17873	0.08	
				10.06.2016	-10000	Sale	7873	0.04	
				15.07.2016	100	Purchase	7973	0.04	
				29.07.2016	4000	Purchase	11973	0.05	
				5.08.2016	810	Purchase	12783	0.06	
				12.08.2016	-700	Sale	12083	0.05	
				19.08.2016	1999	Purchase	14082	0.06	
				26.08.2016	2000	Purchase	16082	0.07	
				2.09.2016	2693	Purchase	18775	0.08	
				9.09.2016	-3704	Sale	15071	0.07	
				16.09.2016	-4472	Sale	10599	0.05	
				23.09.2016	5000	Purchase	15599	0.07	
				14.10.2016	150	Purchase	15749	0.07	
				21.10.2016	-6000	Sale	9749	0.04	
				28.10.2016	-1750	Sale	7999	0.04	
				11.11.2016	4100	Purchase	12099	0.05	
				18.11.2016	-1000	Sale	11099	0.05	
				25.11.2016	5351	Purchase	16450	0.07	
				16.12.2016	50	Purchase	16500	0.07	
				23.12.2016	25	Purchase	16525	0.07	
				31.12.2016	25	Purchase	16550	0.07	
				6.01.2017	1674	Purchase	18224	0.08	
				23.01.2017	9071	Purchase	27295	0.12	
				20.01.2017	-266	Sale	27029	0.12	
				27.01.2017	6484	Purchase	33513	0.15	
				3.02.2017	-7417	Sale	26096	0.12	
				10.02.2017	17000	Purchase	43096	0.19	
				17.02.2017	-1090	Sale	42006	0.19	
				24.02.2017	2950	Purchase	44956	0.20	
				3.03.2017	-4200	Sale	40756	0.18	
				10.03.2017	3174	Purchase	43930	0.20	
				17.03.2017	22097	Purchase	66027	0.30	
				24.03.2017	4000	Purchase	70027	0.32	
		71527	0.32	31.03.2017	1500	Purchase			

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

Sl. No.	Name	Shareholding at the beginning of the year [As on 31-March-2016]		Cumulative Shareholding during the year [As on 31-March-2017]	
		No. of shares	% of total shares	No. of shares	% of total shares
1.	Mr. Om Prakash Gupta*	150	0.00%	150	0.00%
	Total	**150**	**0.00%**	**150**	**0.00%**

* Mr Om Prakash Gupta (DIN: 00024646) resigned from the directorship on 6th October, 2016.

V. **INDEBTEDNESS**

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

	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	3,969.00	52.17	5,637.28	9,658.45
ii)	Interest due but not paid				-
iii)	Interest accrued but not due				-
Total (i+ii+iii)		3,969.00	52.17	5,637.28	9,658.45
Change in Indebtedness during the financial year					
•	Addition				-
•	Reduction	2.09			
Net Change		2.09	-	8.24	10.33
	Indebtedness at the end of the financial year				
i)	Principal Amount	3,966.91	52.17	5,629.04	9,648.12
ii)	Interest due but not paid				-
iii)	Interest accrued but not due				-
Total (i+ii+iii)		3,966.91	52.17	5,629.04	9,648.12

Element of interest as is dependent on sanction of scheme by the Honble High Court of Delhi, hence could not be ascertained and shown above

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

S. No.	Particulars of Remuneration		Name of MD/WTD/ Manager	Total Amount (Rupees)
	Name		**Surrender Kumar**	
	Designation		**Whole Time Director**	
1	Gross salary		398,864.00	**398,864.00**
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission			-
	- as % of profit		-	-
	- others, specify		-	-
5	Others, please specify			-
	Total (A)		**398,864.00**	**398,864.00**
	Ceiling as per the Act		**399,000.00**	**399,000.00**

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount (Rupees)
1	Independent Directors		**Nil**
	Fee for attending board committee meetings		-
	Commission		-
	Others, please specify		-
	Total (1)		-
2	Other Non-Executive Directors		-
	Fee for attending board committee meetings		-
	Commission		-
	Others, please specify		-
	Total (2)		-
	Total (B)=(1+2)		-
	Total Managerial Remuneration		**398,864.00**
	Overall Ceiling as per the Act		**399,000.00**

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

S. No.	Particulars of Remuneration		Name of Key Managerial Personnel			Total Amount (Rupees)
			CEO	CFO	CS	
	Name					
	Designation					
1		Gross salary				**Nil**
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option					-
3	Sweat Equity					
4	Commission					-
	- as % of profit					-
	- others, specify					
5	Others, please specify					-
	Total		-	-	-	-

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					

Annexure-B

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.)

S. No.	Particulars	Details
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	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4	Share capital	1,00,00,200
5	Reserves & surplus	(71,88,904)
6	Total assets	29,26,174
7	Total Liabilities	1,14,878
8	Investments	15,809
9	Turnover	-
10	Profit before taxation	(1,94,594)
11	Provision for taxation	-
12	Profit after taxation	(1,94,594)
13	Proposed Dividend	NIL
14	% of shareholding	90% approx.

1. Names of subsidiaries which are yet to commence operations. **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year. **NIL**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associate/Joint Venture	
1.	Latest audited Balance Sheet Date	NA
2.	Shares of Associate/Joint Venture held by the company on the year end	NA
	No.	NA
	Amount of Investment in Associate/Joint Venture	NA
	Extend of Holding%	NA
3.	Description of how there is significant influence	NA
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
6.	Profit/Loss for the year	NA
	Considered in Consolidation	NA
	Not Considered in Consolidation	NA

1. Names of Associate Companies/Joint Ventures which are yet to commence operations. **NIL**
2. Names of Associate Companies/Joint Ventures which have been liquidated or sold during the year. **NIL**

On behalf of the Board of Directors
For DCM Financial Services Limited

	Surender Kumar	**Richa Kalra**	**Srishti Singh**
Date:25.10.2017	DIN:02188166	(Director)	Company Secretary
Place: Delhi	(Whole Time Director)	DIN: 07632571	M.No. 50820

Annexure-C

A Statement showing details of top ten employees in terms of remuneration drawn as required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of Employees	Designation of the employee	Remu-neration received Rs in Lacs	nature of employment, whether contractual or otherwise	qualifications and experi-ence of the employee	date of com-mencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percent-age of eq-uity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	whether any such employee is a relative of any director or manager of the com-pany and if so, name of such director or manager
1	Surender Kumar	Whole Time Director	3.98	Contractual	Bachelor of Science	1.12.2015*	78	Punjab National Bank	Nil	No
2	Vikram Dogra	Vice President-Operations	16.77	Regular	B.Com	23.6.1998	60	Usha International Ltd.	100	No
3	Ajit Kumar	Executive Ac-counts	3.78	Regular	B.Com	25-08-2006	37	First Employment	Nil	No
4	Devi Prasad Semwal	Assistant	2.97	Regular	12th	03-11-1997	52	Pertech Computers Ltd	100	No
5	Rajender Prasad	Assistant	2.19	Regular	B.A	01-05-1998		Cure Fast Remedies Ltd	100	No
6	Hari Bahadur	Peon	1.86	Regular	4th	01-07-1995	48	First Employment	Nil	No

* For the Current tenure.

B. No employee of the Company has drawn remuneration aggregating to Rs. 1.02 Cr per annuam or Rs. 8.50 per month during the year under report.

ANNEXURE-D

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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-1 10020

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by 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 our opinion thereon.

We report that:

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.

c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our 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, We hereby report that in our opinion, the company has during the audit period covering the Financial Year ended on March 31, 2017 ("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.

We 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, 2017 according to the provision of:

I. The companies Act, 2013 (the Act) and rules made thereunder and the applicable provisions of companies Act, 1956;

II. The Securities Contract Regulation Act, 1956 ("SCRA") and rules made thereunder;

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

   b. The Securities Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;

   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 and The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 **(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 regarding the Companies Act and dealing with client;

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. The Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

We 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 the Stock Exchange(s) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; -However, as per the requirements of Regulation 24 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015- In case of Subsidiary Companies, at least one of the Independent Directors on Board of the Holding Company shall act as the Director on the Board of Directors of its "Material Unlisted Subsidiary". During the audit period, the Company has not complied with the said requirement; however the same is complied with at the later stage.

During the period under review the company has complied the provision of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director, Independent Directors*, However no Whole Time Company Secretary is appointed by the company as mandated by section 203 of the Companies Act, 2013 till the audit period, subsequently the same is appointed by the company.
- 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.

**The company has two independent directors at the time of audit period , but there is requirement of minimum three independent director for remuneration committee is not fulfilled by the company till the audit period , However the later on the same requirement is fulfilled by the company.*

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

1. It is imperative to mention here that the R.B.I. had 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 shall not operate its bank accounts without the permission of the court. It is further pertinent to mention 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.

Latika Chawla & Associates

Sd/-
Latika Chawla
ACS - 30554
COP No. 11096

Date: 30/05/2017
Place: Delhi

Annexure-E

Form AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for 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 arms length transactions under third proviso thereto

	Details of contracts or arrangements or transactions not at Arm's Length basis		
1	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
	Detail of material contracts or arrangement or transactions at Arm's Length basis		-
2	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

On behalf of the Board of Directors
For DCM Financial Services Limited

Surender Kumar
DIN:02188166
(Whole Time Director)

Richa Kalra
DIN: 07632571
(Director)

Date:25.10.2017
Place: Delhi

Annexure-F

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

S.No.	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. Surender Kumar Ratio: 1.34:1
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	Nil
3	The percentage increase in the median remuneration of employees in the financial year	30%
4	The number of permanent employees on the rolls of the Company	5 as on 31st March 2017& 1 Whole Time Director
5	The explanation on the relationship between average increase in remuneration and Company performance	Factors considered for giving increments: A Performance of the Company B Inflation C Employee performance
6	Comparison of remuneration of the Key Managerial Personnel against the performance of the Company	During the FY 2016-17 the remuneration paid to KMP aggregate to approximately 1.085 % of the Gross Revenue. The Gross Revenue was Rs367.43 Lacs(previous year Rs 393.23 lacs)
7	Variations in the market capitalization of the Company, price earnings ratio as the closing date of current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalization of the Company has increased from Rs 1.70 Cr as on 31st March 2016 to Rs 6.42 Cr as on 31st March 2017. Over the same period, the price earnings ratio moved from0.95 to 0.77. The stock price of the Company as at 31stMarch 2017 has decreased by 67% since the last rights offer in April 1997
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Salary increment KMP = NIL Salary Increment other than KMP = 26%
9	Comparison of each remuneration personnel against the performance of the Company	**Mr. Surender Kumar :** A Remuneration for FY 2016-17: Rs 3.99 lacs B % of gross Revenue for FY 2016-17: Rs 3.67 Cr C % of Profit for FY 2016-17 : 46%
10	The key parameters for any variable component of remuneration availed by the directors	N.A (as no variable component in remuneration paid during the year)
11	Affirmation that the remuneration is as per the remuneration policy	Affirmed

COMPLIANCE WITH CODE OF CONDUCT

I, **Surender Kumar, Whole Time Director** of the Company hereby certify that all the Directors and Senior Management Personnel have affirmed compliance with the code of the conduct of the company for the financial year ended on March 31, 2017.

Surender Kumar
Whole Time Director
(DIN: 02188166)

Date:25.10.2017
Place: New Delhi

CEO/ CFO CERTIFICATION

I, **Surender Kumar,** being **Whole Time Director,** of **DCM Financial Services Limited** do hereby confirm and certify that:

1. I have reviewed the financial statements and the cash flow statement for the financial year and that to the best of my knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. there are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. I accept responsibility for establishing and maintaining internal control for financial reporting and have evaluated the effectiveness of internal control system of the listed entity pertaining to financial reporting and have disclosed to the auditor along with the audit committee, deficiencies in the design or operation of such internal control(s), if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies.
4. during the year under reference:
   a. there were no significant changes in internal control system over financial reporting;
   b. there were no significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements; and
   c. there were no instance(s) of significant fraud involved therein, if any, of which the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: New Delhi
Date : 25.10.2017

Surender Kumar
Whole Time Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,
DCM Financial Services Limited

We have examined the report of Corporate Governance presented by the Board of Directors of **DCM Financial Services Limited** for the year ended **31st March, 2017** as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the 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 hereby certify that the Company has complied with the conditions of Corporate Governance to the extent applicable except as mentioned below, as stipulated in the provisions specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement of the said Company with stock exchange(s). The certain provisions to which the company has not complied are:

1. As required under the provisions of Regulation 24, the Company had not appointed the "Independent Director" of the Company on Board of its "Material Unlisted Subsidiary Company". However, the same requirement has been complied with in the current financial year.
2. As required by Regulation 6, the Company had not appointed a qualified "Company Secretary" to act as "Compliance Officer" in the Company. However, the same requirement has been complied with at the later stage.
3. The Composition of the Nomination & Remuneration Committee was not in compliance with the Regulation 19 of SEBI (LODR) Regulations, 2015. However, same has been complied later on.

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

For Jain P & Associates
Company Secretaries

CS Preeti Jain
Memb. No. -41759
COP -17079

Date: 25.10.2017
Place: New Delhi

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company is committed to practice good Corporate Governance in all its activities and processes. The Directors' endeavor is to create an environment of fairness, equity and transparency with the underlying objective of securing long-term shareholder value, while, at the same time, respecting the rights of all stakeholders. Endeavor is also made to ensure the best possible management team with adequate number of professional experienced people.

The Company adheres to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015 or SEBI Regulations) and your management is taking all possible steps to fulfill its commitment in a judicious, fair and transparent manner.

II. BOARD OF DIRECTORS

The Board is entrusted with the ultimate responsibility of management, general affairs, direction and performance of the Company and had been vested with the requisite powers, authorities and duties.

A. Composition and Category of the Board of Directors

As on 31st March 2017, there were three Directors comprising of one Executive Director and two Non-Executive Independent Directors. The Chairman of the Company is Non-Executive Director.

The Board of Directors had appointed Ms. Richa Kalra (DIN: 07632571)as Additional Director of the Company w.e.f.6th October, 2016 who was re-appointed as Independent Director on 30th November, 2016.

Mr. Om Prakash Gupta (DIN: 00024646) resigned from the directorship w.e.f. 6th October, 2016 due to personal reasons.

The board consists of eminent persons with considerable professional experience in business, industry, finance, audit and law. None of the Director is a member of more than ten committees and Chairman of more than five Committees across all the Companies in which they are directors. All the members have made disclosures regarding their directorship and memberships on various committees.

As on 31st March, 2017, the composition of Board of Directors was not in conformity with Regulation 17 of SEBI Regulations, 2015 and the provisions of Companies Act, 2013. Also, Company could not appoint Chief Financial Officer in view of restrictions imposed by the Hon'ble High Court of Delhi on company's bank account. No candidate opted to join in view of these restrictions. *None of the Non-Executive Directors are responsible for the day to day affairs of the Company.*

Category and attendance of each of the Directors at the Board Meetings held during 2016 -17 and the last Annual General Meeting is given below:

Name	Category	Number of Board Meetings held during the year 2016-2017 and in the tenure of Director		Whether attended last AGM held on 30th Nov, 2016	Committee positions held as on 31.03.2017	
					Membership	Chairmanship
		Held	Attended			
1 Mr. Om Prakash Gupta*	Non-Executive Independent Director	3	3	N.A.	N.A.	N.A.
2. Ms. Richa Kalra*	Independent Director	3	3	Yes	Nil	3
3. Mr. Surender Kumar	Whole Time Director	6	6	Yes	3	Nil
4. Mr. Sehdev Shori	Independent Director	6	6	Yes	3	Nil

*Mr. Om Prakash Gupta resigned on 06.10.2016 and on the same date Ms. Richa Kalra was appointed on the Board.

**None of the Directors is representing a Lender or Equity Investor.

B. Board Meetings

During the period, the Board of Directors of your Company met six times. The dates on which the meetings were heldare **30th May, 2016, 10th August, 2016, 6th October, 2016, 28th October, 2016, 14th November, 2016 and 13th February, 2017.** The gap requirement of 120 days between two meetings has been complied with. The necessary quorum was present for all the meetings.

C. Disclosure of Relationships between Directors Inter-Se

None of the present Directors are "Relative" of each other as defined in Section 2 (77) of Companies Act, 2013 and Rule 4 of the companies (Specification of definitions details) Rules, 2014.

D. Number of shares and convertible instruments held by Non-Executive Directors:

As on 31st March, 2017, None of the Directors of the Company held shares or convertible instruments of the Company.

E. Board Procedure

The Board Meetings of the Company are convened on the direction of the Chairman. Sufficient notice in writing is given to all Directors for the Board Meetings and Committee Meetings. All important matters concerning the working of the Company along with requisite details are placed before the Board.

F. Information supplied to the Board

The Board has complete access to all information of the Company, Inter-alia, the information as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 to the Board as a part of the agenda.The important decisions taken at the Board and Committee meetings are communicated to the concerned Departments/Divisions.

G. Compliance reports of all applicable laws to the Company

The periodical reports submitted by the Internal Auditors and by the concerned executives of the Company with regard to compliance of all laws applicable to the Company including steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by the Audit Committee and the Board.

H. Independent Directors

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience in the deliberations of the 'Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest.

The appointment of the Independent Directors is carried out in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain laid down criteria and takes into consideration the diversity of the Board. The company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013.

The company has also formulated a policy to familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

None of the Independent Directors serve as "Independent Directors" in more than seven listed companies.

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(i) Separate Meetings of Independent Directors

As stipulated in the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 13th Feb, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its

Committee which is necessary to effectively and reasonably perform and discharge their duties.

(j) Familiarization Programme for Directors

The Independent Directors of DCM Financial Services Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, .core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. Board members are also requested to access the necessary documents and brochures, Annual Reports and internal policies are available at our website www.dfslonline.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent directors during the year are available on the website of the Company.

I. Code of Conduct

The Board has approved the code of conduct for all board members and senior management personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

J. Non-Executive Directors Compensation and Disclosures

The Company does not have any pecuniary relationship with any Non-Executive Directors. No remuneration was given to any of the Non-Executive Director during the financial year 2016-17.

III. COMMITTEES OF THE BOARD

The terms of reference of Board Committees are determined by the Board from time to time. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

A. Audit Committee

i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 ofSEBI Regulations, 2015 read with Section 177 of Companies Act, 2013.

ii. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Companies Act 2013.

iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the headof the finance function), representatives of the statutory auditors and representatives of the internalauditors to be present at its meetings.

iv. The previous Annual General Meeting (AGM) of the Company was held on **30th November, 2016** and was attended by Ms. Richa Kalra (DIN: 07632571), Chairperson of the Audit Committee.

v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

S. No.	Name	Designation	Category	No. of Committee Meetings held during the year	No. of Committee Meetings Attended
1.	Mr. Om Prakash Gupta*	Independent Director	Chairman	2	2
2.	Ms. Richa Kalra*	Independent Director	Chairperson	2	2
3.	Mr. Surender Kumar	Whole Time Director	Member	4	4
4.	Mr. SehdevShori	Independent Director	Member	4	3

**Mr. Om Prakash Gupta resigned on 06.10.2016 and on the same date Ms. Richa Kalra was appointed on the Board.*

vi. Four Audit Committee meetings were held during the year 2016-17 on **30th May, 2016, 10th August, 2016, 14th November, 2016 and 13th February, 2017.**

vii. The necessary quorum was present for all the meetings.

viii. **The role of the audit committee** includes the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statementsare correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditor;
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 director's responsibility statement to be included in the 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 ofjudgment by management;
   d. significant adjustments made in the financial statements arising out of auditfindings;
   e. compliance with listing and other legal requirements relating to financialstatements;
   f. disclosure of any related party transactions;
   g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements beforesubmission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of fund sraised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization 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 listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors,adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the 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 investigation by the internal auditors in to 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. To look into 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. Approval of appointment of chief financial officer after assessing the qualification, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

ix. The audit committee shall **mandatorily** review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

x. Audit & other duties

1. 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.
2. Discussion with internal auditors of any significant findings and follow up there on.
3. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Internal Auditors considering their independence and effectiveness and their replacement and removal.
4. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
5. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

B. Stakeholders Relationship Committee (erstwhile Shareholders' Grievance Committee)

i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders and other security holders.

ii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

S. No.	Name of the Member	Designation	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Mr. Om Prakash Gupta*	Independent Director	Chairman	2	2
2.	Ms. Richa Kalra*	Independent Director	Chairperson	2	2
3.	Mr. Surender Kumar	Whole Time Director	Member	4	4
4.	Mr. Sehdev Shori	Independent Director	Member	4	3

**Mr. Om Prakash Gupta resigned on 06.10.2016 and on the same date Ms. Richa Kalra was appointed on the Board.*

iii. Four Stakeholders' Relationship Committee meetings were held during the year 2016-17 viz; **30th May, 2016, 10th August, 2016,14th November, 2016** and **13th February, 2017.** The necessary quorum was present for all the meetings.

iv. Functions and Terms of Reference:

The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The functioning and broad terms of reference of the Stakeholders' Relationship Committee of the Company are as under:

a) To consider and resolve the grievance of security holders of the Company.

b) To review important circulars issued by SEBI /Stock Exchanges

c) To take note of compliance of Corporate Governance during the quarter/year.

d) To approve request for share transfer and transmissions.

e) To approve request pertaining to demat of shares/sub-division/consolidation/issue of renewed/duplicate share certificate etc.

v. Name, designation and address of Compliance Officer:

Name of Official	Mr. Devi Prasad
Designation	Executive
Address	D-7/3 Okhla Industrial Area,Phase-2 New Delhi- 110020
Contact	9910180665
E-mail	dp_semwal@yahoo.in

vi. Details of investor complaints received and redressed during the year 2016-17 are as follows:

No. of Complaints pending as on 1st April, 2016	No. of Complaints received during the year 2016-17	No. of Complaints resolved during the year	No. of Complaints not resolved during the year to the satisfaction of shareholders	No. of Complaints pending as on 31st March, 2017
Nil	16	16	Nil	Nil

C. Nomination & Remuneration Committee

i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted the Nomination & Remuneration Committee, with Non-Executive Directors and Independent Director as Chairperson of the committee. The composition of the Committee and the details of meetings attended by its members are given below:

S. No.	Name of the Member	Designation	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Mr. Om Prakash Gupta*	Independent Director	Chairman	1	1
2.	Ms. Richa Kalra*	Independent Director	Chairperson	1	1
3.	Mr. Surender Kumar	Whole Time Director	Member	2	2
4.	Mr. Sehdev Shori	Independent Director	Member	2	2

**Mr. Om Prakash Gupta resigned on 06.10.2016 and on the same date Ms. Richa Kalra was appointed on the Board.*

ii. The terms of reference of the committee are as follows:

a) Formulation of the criteria for determining qualification, positive attributes and independence of a director and to recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

c) Devising a policy on diversity of board of directors;

d) 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 of directors their appointment and removal.

e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The remuneration policy as adopted by the company envisages the payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

iii. The committee meetings were held on **30th May, 2016 and 13th Feb, 2017.**

iv. Performance Evaluation Criteria For Independent Directors:

Performance Evaluation Criteria of Board members including Independent Directors as approved by the Board provides:

a) Each of the director(s) are required to assign the rating on different parameters for the evaluation of board, independent director(s) and committees of the Board of Directors and has to submit the same to the Nomination & Remuneration Committee.

b) The rating is to be assigned on a scale of five for the purpose of evaluation of performance as under:

Rating Scale	Scale Performance
5	Exceptionally Good
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

c) The Nomination & Remuneration Committee shall receive the Evaluation Forms in sealed cover and summarize the results. The Chairperson of the Nomination & Remuneration Committee may have discussions with individual director where clarification or interpretation is required.

d) The Chairperson of the NRC shall develop a report on the basis of evaluation rating received. The Committee shall review the result and submit its recommendation for the consideration of Board.

e) The Board shall review the recommendations of the Nomination & Remuneration Committee and issue necessary directions.

v. Remuneration of Directors

The remuneration payable to all Directors is decided by the shareholders in the General Meeting. As per the Companies Act, 2013, the Board of Directors of the Company is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

None of the Independent Directors were paid any sitting fees during the financial year 2016-17.

The Company had not given any stock options during the year 2016-17.

Except as mentioned above, there was no pecuniary relationship or transaction with Non-Executive Directors vis-a-vis the Company during the financial year 2016-17.

FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination & Remuneration Committee discussed and thereafter decided upon the policy for selection & appointment of Directors and their remuneration. The highlights of this policy are as follows:

A. Criteria of selection of Non-Executive Directors

i. The Non- Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

ii. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

iii. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

iv. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

B. Qualification, expertise and experience of Directors in their respective fields;

C. Personal, Professional or business standing;

D. Diversity of the Board.

E. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

I. In determining the remuneration of Senior Management Employees, the Committee shall ensure / consider the following:

a) the relationship of remuneration and performance benchmark is clear;

b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

d) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

The Independent Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

IV. GENERAL BODY MEETING

a) Annual General Meeting

The details of last three Annual General Meetings (AGM) of shareholders held were as under:

Financial Year	Venue	Day and Date	Time	No. Special Resolution passed
2013-14	Executive Club, 439, Village Shahoorpur, P.O. FatehpurBeri, New Delhi 110030	31-12-2014	10:00 AM	01
2014-15	Executive Club, 439, Village Shahoorpur, P.O. FatehpurBeri, New Delhi 110030	30-11-2015	10.00 AM	01
2015-16	Executive Club, 439, Village Shahoorpur, P.O. FatehpurBeri, New Delhi 110030	30-11-2016	10:00 A.M	NIL

b) No Extraordinary General Meeting of Members was held during the year 2016-17.

c) No Postal Ballot was conducted during the year 2016-17.

V. SUBSIDIARY COMPANIES

i. Global IT Options Limited

Global IT Options Limited, subsidiary of the Company,is managed by its respective Board having the rights and obligations to manage company in the best interest of their stakeholders. The Company monitors performance of subsidiary Company, inter-alia, by the following means:-

- During the year, the minutes of the meetings of the Board of Directors of Global IT Options Limited were placed before the Board of Directors of DCM Financial Services Limited.
- The Board of the Company was also apprised about the significant transactions and arrangements entered into by the Company at periodical intervals.

Global IT Options Limited is aUn-Listed Material Indian Subsidiary Company of the Company as per Regulation 24 of SEBI Regulations, 2015.

Ms. Medini Jaiswal (DIN: 07828197), Additional Independent Director of the Company has joined the board of Global IT Options Limited w.e.f. 22nd May, 2017 in compliance of the requirements of Regulation 24(1) of LODR Regulations.

VI. MEANS OF COMMUNICATION

The Annual, half yearly & Quarterly results are submitted to the Stock Exchanges in accordance with the listing regulations and the 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.dfslonline.com in accordance with the requirement of SEBI(LODR) Regulations, 2015 for the information of all shareholders.

-NSE Electronic Application Processing System (NEAPS):

The NEAPS is web-based application designed for corporates. All periodical compliance, filings like shareholding pattern, corporate governance reports etc. are filed electronically on NEAPS

-BSE Corporate Compliance & Listing Centre (the Listing Centre)

BSE's Listing Centre is web-based application designed for corporates. All periodical compliance filing like shareholding pattern, corporate governance report etc. are filed electronically on the Listing Centre.

The Company has not displayed any official news release in any media.

VII. WHISTLE BLOWER POLICY

The Company has a well defined Whistle Blower Policy for reporting the instances of unethical/ improper conduct and taking suitable steps to investigate and take remedial action. No personnel have been denied access to the Audit Committee. In addition to this, a policy to prevent frauds has also been adopted by the Company for reporting on frauds or suspected frauds, involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing any type of business with the company. All reports on frauds or suspected frauds are investigated with utmost speed. The mechanism for prevention of frauds is also included in the policy.

During the year 2016-17, no complaint(s) have been reported under Whistle Blower Policy.

VIII. VIGIL MECHANNISM

The Vigil Mechanism of the Company incorporates a whistle blower policy in terms of the Regulation 22 of Listing Regulations, 2015. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or letter to the Chairperson of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

The vigil mechanism has provided for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

IX. RISK MANAGEMENT

As per Regulation 21 of SEBI Regulations, 2015, the Company is not required to constitute Risk Management Committee.

X. RELATED PARTY TRANSACTIONS:

During the financial year 2016-17, the Company has not entered into any material transaction with any of its related party. Form AOC-2 is also attached herewith as **Annexure E.**

XI. PREVENTION OF INSIDER TRADING

Pursuant to SEBI Regulations, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

Disclosures

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years which has a bearing on the going concern status of the company.

In accordance with requirement of Companies Act as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairperson of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliance, rules & regulations as laid down by various statutory authorities have always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming that they do not have any material financial or commercial interest in transactions with the company at large.

Compliance with Accounting Standards

In the preparation of financial statements, the Company has followed Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to Financial Statements.

XII. DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2017 ARE GIVEN BELOW:

S. No.	Name	No. of Share held	Percentage
NIL			

XIII. GENERAL SHAREHOLDER INFORMATION

S. No.	Particulars	Information
1.	Annual General Meeting:	
	- Day & Date	30th Nov,2017
	Venue	Executive Club, 439, Village Shahoorpur, P.O. FatehpurBeri, New Delhi 110030
2.	Financial year	2016-17
3.	Book Closure	24th Nov 2017 to 30th Nov 2017
4.	Listed on	NSE, BSE & CSE
5.	Dividend payment date	The Company has not recommended or paid any dividend during the financial year 2016-17

XIV. ANNUAL LISTING FEES

The Company has paid all dues of the Stock Exchange(s) where the shares of the Company are listed including Annual Listing Fees for the financial year 2017-18 except the listing fees of Calcutta Stock Exchange.

XV. Statutory Compliance, Penalties and Strictures

The Company has continued to comply with the requirements of Stock Exchange(s), SEBI, and other statutory authorities on all matters relating to the capital market during the last three years. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any other statutory authority for any violation related to the Capital market during the last three years except as under:

S. No.	Nature of Litigation (eg. Civil, Criminal, Tax, etc)	Name of Parties	Forum	Remarks
1.	Nil			

XVI. Listing Regulations Compliance

The company complies with the mandatory requirements of the SEBI (LODR) Regulations, 2015.

XVII. The disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:

According to the criteria laid down in Regulation 15(2) of the SEBI (LODR) Regulations, 2015, as on the last date of closure of financial year 2016-17, the paid up share capital of the Company was **Rs. 22,12,50,540/-** (i.e. above the stipulated limit of Rs. 10 crores). Accordingly, the Company is under an obligation to adhere to the requirements of Regulations **17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.**

Therefore, in order to follow best practices of corporate governance, the Company has complied with and is committed regularly towards complying with the requirements of the following:

1. The composition of the Board of Directors of the Company is in accordance with the requirements of Regulation 17;
2. The Audit Committee has been constituted in accordance with Regulation 18 with role as mentioned therein read with Part C of Schedule II;
3. Nomination & Remuneration Committee has been constituted in accordance with Regulation 19 read with Part D of Schedule II however, there was a deficiency as regards to the composition of the Committee which has been cleared out at later stage;
4. Stakeholders' Relationship Committee has been constituted to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders in accordance with Regulation 20 with role as mentioned in Part D of Schedule II;
5. Provisions of Regulation 21 with respect to Risk Management Committee does not apply to Company.
6. Vigil Mechanism has been adopted by the Company pursuant to Regulation 22 of the Listing Regulations, 2015.
7. The Company has also formulated a policy on materiality of related party transactions and on dealing with related party transactions pursuant to Regulation 23 of the Listing Regulations, 2015.
8. It has also complied with the requirements of Regulation 24, 25, 26 and 27.

XVIII. Outstanding DRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on date, there is no outstanding warrants /bonds/ other instruments having an impact on equity.

XIX. Disclosure of commodity price risks, foreign exchange risks and hedging activities:

The Company is not exposed to any foreign exchange risk or commodity price risks and therefore, is not involved in commodity hedging activities.

XX. STOCK EXCHANGE CODE

Stock Exchange	Scrip Code/Symbol
BSE Limited	511611
NSE Limited	DCMFINSERV

XXI. Market price data- high, low during each month in last financial year and performance in comparison to broad-based indices:

National Stock Exchange:

The trading in shares of the Company is currently being suspended. Therefore, market price data is not available for the financial year 2016-17.

Calcutta Stock Exchange

The trading in shares of the Company is currently being suspended. Therefore, market price data is not available for the financial year 2016-17.

BSE Limited:

Month	High (Rs.)	Low (Rs.)	Closing (Rs.)
April '16	0.77	0.68	0.75
May '16	0.79	0.69	0.70
June '16	0.70	0.61	0.63
July '16	0.96	0.65	0.96
August '16	1.46	0.95	1.38
Sep '16	1.32	1.00	1.04
Oct '16	2.18	1.00	2.18
Nov '16	5.91	2.28	5.91
Dec '16	8.55	3.89	3.89
Jan '17	4.70	3.52	3.95
Feb '17	4.09	2.68	3.24
March '17	4.03	3.08	3.34

XXII. REGISTRAR& SHARE TRANSFER AGENT

The details of Registrar & Share Transfer Agent of the Company are as follows:

MCS Share Transfer Agent Limited
Add.: F-65, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020
Ph:- 011-4140 6149, Fax:- 011-4170 9881
email: helpdeskdelhi@mcsregistrars.com

XXIII. 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.

XXIV. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017:

Shareholding of Nominal value of Rs. 10/-	No. of Share-holders	% of Share-holders	No. of Shares held	Amount	% to total
1-500	19388	86.41	2907297	2,90,72,970	13.14
501-1000	1570	07.00	1366913	1,36,69,130	06.18
1001-2000	716	03.19	1155175	1,15,51,750	05.22
2001-3000	256	01.14	675912	67,59,120	03.05
3001-4000	115	00.51	420986	42,09,860	01.90
4001-5000	134	00.60	646814	64,68,140	02.92
5001-10000	145	00.64	1053339	1,05,33,390	04.77
10001-50000	97	00.43	1959965	1,95,99,650	08.86
50001-100000	5	00.03	353319	35,33,190	01.59
And Above	10	00.05	11585334	11,58,53,340	52.37
	22436	100	22125054	22,12,50,540	100

Categories of Equity shareholders as on March 31, 2017

	Category	No. of Shares	% of Holding
1.	**Promoters Holding**		
	Promoters		
	- Indian Promoters	87,39,952	39.50%
	- Foreign Promoters	-	-
	- Persons acting in concert	-	-
	Sub Total	**87,39,952**	**39.50%**
2.	**Non Promoters Holding**		
	Institutional Investor	-	-
	Mutual Fund and UTI	33,700	0.15%
	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	13,52,700	6.11%
	FII's	-	-
	Sub Total	**13,86,400**	**6.26%**
3.	**Others**		
	Corporate Bodies	14,41,700	6.53
	Indian Public	99,84,837	45.13
	NRI with Repat	52,264	0.23
	NRI without Repat	5,19,901	2.35
	Any Other (HUF/Firm/Foreign Companies) Clearing Member		
	Sub Total	**1,19,98,702**	**54.24%**
	Grand Total	**2,21,25,054**	**100%**

XXV. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are in the compulsory dematerialized segment and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Share Capital Audit Report regarding reconciliation of the total issued, listed and capital held by depositories in a dematerialized form with respect to the Equity Share Capital of the Company was obtained from the Practicing Company Secretary for each quarter during the year and submitted to the Stock Exchanges within the stipulated time.

Number of shares held in dematerialized and physical mode as on **31st March 2017.**

Particulars	Total Shares	% to Equity
Shares in dematerialized form with NSDL	158,03,218	71.43%
Shares in dematerialized form with CDSL	25,14,435	11.36%
Physical	3807,401	17.21%
Total	2,21,25,054	100%

ISIN of the Company : INE891B01012

The names and addresses of the depositories are as under:

1. **National Securities Depository Limited**
   Trade World, A-Wing, 4th & 5th Floors,
   Kamala Mills Compound,
   SenapatiBapatMarg,
   Lower Parel, Mumbai - 400 013

2. **Central Depository Services (India) Limited**
   PhirozeJeejeebhoy Towers,
   17th Floor, Dalal Street, Fort, Mumbai - 400 001

XXVI. Policy for determining material subsidiaries is available on the website of the company.

XXVII. Policy on dealing with Related Party Transactions is available on the website of the company

XXVIII. Company Details:

Registered Office	**:**	D-7/3 Okhla Industrial Area, Phase-2, New Delhi- 110020
Address for communication	**:**	D-7/3 Okhla Industrial Area, Phase-2, New Delhi- 110020
Phone No.	**:**	011-26387750
E-mail ID.	**:**	info@dfslonline.com

As per the requirements of Circular of the Securities & Exchange Board of India dated 22.01.2007, an exclusive e-mail address for redressal of Investor Complaints is required which is info@dfslonline.com

On behalf of Board of Directors
For DCM Financial Services Limited

Surender Kumar
(DIN: 02188166)
Whole-time Director

Date: 25.10.2017
Place: Delhi

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 comprises the Balance Sheet as at March 31, 2017, 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 o 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. 1950.00 Lacs as promoters quota which has already been infused by the management group. The same has been explained in Note 27.

(ii) No provision of Rs. 817.81 Lacs (Rs. 1,6465.30 Lacs towards accumulated Interest as at 31st March, 2017)(Previous Year – Rs. 1,5647.48 Lacs) which is simple interest calculated @10% per annum towards Interest on Debentures, Fixed Deposits and Inter Corporate Deposits, have been provided in the financial statements on the outstanding amount of Debentures, Fixed Deposits and Inter Corporate Deposits. Fresh Restructuring Scheme filed before Hon'ble

Delhi High Court, does not envisage and seek payment of any interest as the interest has been considered waived off in the proposed scheme. The order of Company Law Board (CLB) which was issued in 1998 in the context of Fixed Deposits stipulated payment of Interest of 10% per annum to Fixed Depositors. The order of Company Law Board (CLB) applies to Fixed Deposits only, however considering the principles of prudence, it is deemed prudent to provide Interest @10% per annum since inception or renewal on outstanding amount of Debentures and Inter Corporate Deposits also.

Had interest @10% per annum been provided for in the financial statements on outstanding amount of Debentures, Fixed Deposits and Inter Corporate Deposits, the Net Profit before tax would have been lowered by Rs 817.81 Lacs and Net Profit after tax would have been lowered by Rs 651.07 Lacs as at 31st March, 2017. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2017 would have been higher by Rs 16298.55 Lacs. The tax effect will be consequential. The same has been explained in Note 3.1.f, Note 3.4(g) and Note 3.6.

(iii) For redemption of 'B' series debentures of Rs. 2544.36 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2544.36 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 3.1.d and Note 3.2.b & 3.3.1.

(v) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/ payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer Note No-28

(vi) The subsidiary company namely, Global IT Options Limited has till 31st March, 2017 incurred expenditure of Rs 22.84 Lacs for & on behalf of its Holding Company (i.e. DCM Financial Services Limited). It comes under the category of short term funding which is in-fact Inter-Corporate Deposit. In case of Inter-Corporate Deposit, Section 186 of Companies Act, 2013 stipulates to charge interest at a rate not less than the bank declared by Reserve Bank of India. No Interest has not been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options Limited with effect from 1-june-2014.

Had interest @12% per annum which comes to Rs. 2.74 Lacs been provided for in the financial statements on outstanding amount of Inter Corporate Deposit,the net profit before tax would have been lowered by Rs. 2.74 Lacs and net profit after tax would have been lowered by Rs. 2.18 Lacs towards Interest expense for the year ended 31st March, 2017. The cumulative net loss as well as Current / Non-Current Liabilities / Provision as at 31st March 2017 would have been higher by Rs. 5.16 Lacs on account of cumulative interest with effect from 01-June-2014. The tax effect will be consequential. It is non compliance of Section 186 of the Companies Act, 2013, which could attract penalties.

(vii) Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees. During the year ended March 31st, 2017, the Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Company has made relevant disclosures in the Board of Directors meeting regarding this issue. It is non compliance of Section 203 of Companies Act, 2013, which could attract penalties. Presently it is not feasible to determine the financial impact on the financial.

(viii) Pursuant to section 149 of Companies Act, 2013 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 every listed company is required to appoint at least one Woman Director. During the year ended March 31st, 2016, the Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non compliance which are Rs. 50,000 from 1-April-2015 to 30th June,2015 and thereafter Rs. 1000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y RS.10.50 Lacs) till date of appointment of women director (i.e. 5th October, 2016). Had provision been provided for in the financial statements, the net profit before tax for the year ended 31st March, 2017 would have been lower by Rs 6.35 Lacs and net profit after tax would have been lowered by Rs. 5.05 Lacs. The cumulative net loss as well as Current/ Non Current Liability/ Provisions as at 31st March, 2017 would have been higher by Rs.15.55 Lacs. The tax effect would be consequential.

(ix) As per the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax, MAT Credit is an asset to be recognized in the Financial Statement when it is 'Probable 'that the future economic benefits associated with it will flow to the enterprise and asset has a cost or value that can be measured reliably. In the previous periods, the company has already recorded MAT Credit Entitlement of Rs 28.52 Lacs in the books of accounts. Considering that the matter is under jurisdiction of Delhi High Court for many years and the company as described in point no (i) of Basis of Qualification and Company is not allowed to carry on its operations except the realization of old debts and permitted payments, there is no virtual certainty that future economic benefit would flow to company. Considering this, we are of opinion that such MAT Credit Entitlement of Rs 28.52 Lacs needs to be derecognized.

Had MAT Credit of Rs 28.52 Lacs had been reversed in financial statements in year ended March, 2017, the net profit after tax would have been lower by Rs 28.52 Lacs and net profit after tax would have been lowered by Rs. 22.70 Lacs and consequently the net cumulative loss would have been higher by Rs 22.70 Lacs. In addition to, non-current loans and advances would have been lowered by Rs 22.70 Lacs after considering the tax effects.

(x) Contingent liabilities and Other Commitments

x(a) Mr. Dhruv Prakash had lodged a claim of Rs 65.00 Lacs and winding up petition against the company. The contingent liability arising out of this suit amounts to Rs. 65.00 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. **Refer Note No. 22(a)**

x(b) 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 whichever is earlier

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, Punjab & Sind Bank had 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. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 98.40 Lacs, the claim suite of Rs 1,217.52 Lacs is also reduced to Rs. 1119.12 Lacs. Since fresh restructuring scheme was not approved and made effective by 1st April 2006, the claim of Rs. 1119.12 Lacs filed before the Debt Recovery Tribunal could be adjudicated by Debt Recovery Tribunal. No communication has been received from Punjab & Sind Bank or Debt Recovery Tribunal (DRT) regarding any adjudication of claim.

The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 315.72 Lacs has been made. The company contends that 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 Punjab & Sind bank shall stand withdrawn and their claim before the Debt Recovery Tribunal of Rs. 1119.12 Lacs (after taking effect of payment of Rs 98.40 Lacs) will become payable upon adjudication by Debt Recovery Tribunal. **Refer Note No 3.3.2 and 22(b)**

x(c.) 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. 577.00 Lacs shall be payable as per Fresh Restructuring Scheme.

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 Lacs against which the amount payable to them as per books is Rs. 577.00 Lacs. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 74.49 Lacs, the claim suite is also correspondingly reduced to Rs 96,793,133 from Rs. 1042.42 Lacs. The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 390.93 Lacs has been made. In the event that the company fails to pay the interest or principal or company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs 967.93 Lacs (after taking effect of payment of Rs 74.49 Lacs) would become payable upon adjudication by Debt Recovery Tribunal. **Refer Note No3.3.3 and 22(c)**

x.(d) During the year 1999, the company had received Rs. 100.00 Lacs from one of its debtors i.e. Pure Drinks New Delhi Ltd. where the winding up petition proceedings was already initiated. Upon receipt of payment, the Company reduced the recoverable amount accordingly. Subsequently, the Hon'ble Punjab and Haryana Court deemed that payment is out of turn/preferential payment made by Pure Drinks New Delhi Ltd where winding up petition proceedings was already initiated and asked the company to deposit back the said amount with Hon'ble Punjab and Haryana Court. 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 is 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 which still pending to be addressed. **Refer Note No. 22(d)**

x.(e) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 100.00 Lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2017. **Refer Note No. 22(e)**

x.(f) There is a demand of Rs. 34.59 Lacs raised by Income Tax Department for the Assessment Year 2006-07 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities. **Refer Note No. 22(f)**

x.(g) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 51.28 Lacs i.e. the claim amount, along with Rs. 306.80 Lacs towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 5.49 Lacs, had been awarded to the company. The total financial impact comes to Rs. 363.58 Lacs which has been contested by Company before Hon'ble Delhi High Court. **Refer Note No. 22(g)**

x.(h) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 288.30 Lacs on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs 288.30 Lacs mentioned supra is as follows **Refer Note No. 22(h) :-**

S. No.	Description	Amount (In Lacs)
1.	Difference in super area Vs. provisional area	229.28/-
2.	Claim of property tax	3.19/-
3.	Claim of ground rent	21.67/-
4.	Allied charges	7.83/-
5.	Augmentation of Electric sub station	1.33/-
6.	Loss of profit	20.00/-
7.	Arbitration cost	5.00/-
TOTAL		**288.30**

x.(i) SIDBI had filed a petition for winding-up on alleged non-payment of Rs. 54.40 Lacs which consist of interest, overdue interest and other charges, before the Hon'ble Delhi High Court. Out of which the company has recorded Rs. 36.30 Lacs in the books of account. Provision for Rs. 18.10 Lacs liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided in the books due to waiver of interest sought under the proposed "Fresh Restructuring Scheme" filed with Hon'ble Delhi High Court. **Refer Note No. 22(i).**

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 2017, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("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, 2014;

e. 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.

f. Pursuant to section 167 of Companies Act, 2013, the office of one of director is vacated due to disqualification incurred under section 164(2) of Companies Act, 2013 which is due to non redemption of debentures and repayment of public deposits. As explained by the Company, the matter presently is sub–juiced as Company had already submitted Fresh Restructuring Scheme with Hon'ble Delhi High Court.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

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 22 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 for fixed depositors, debenture-holders and other creditors 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 on 24th September 2004 mentioning therein repayment schedule. All the unpaid matured Public Fixed Deposits of Rs 5,629.04 Lacs Unpaid Matured Debentures of Rs. 2'550.21 Lacs and refundable Share application money of Rs 549.72 Lacs which was more than seven year old.

      The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Fresh Restructuring Scheme which is pending before Hon'ble Delhi High Court. Accordingly except the matter stated above, there has been no delay in transferring amounts or *there were no amounts which were required to* be transferred to the Investor Education and Protection Fund by the Company Refer Note No. 3.1,3.4 and 4(i)

   d. The Company has provided requisite disclosures in the financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S. O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by company. **Refer Note 34** to the standalone financial statements.

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

MANISH MOHAN
Partner
M. N. - 091607

Place: New Delhi
Date : May 29, 2017

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, 2017

1) In respect of Fixed Assets:-

   (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) Physical verification of fixed assets was conducted by the management at reasonable intervals during the financial year ended 31st March, 2017.

   (c) The title deeds of all the immovable properties are held in the name of the company.

2) Inventory consists of shares considered stock-in-trade. Physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on verification between the physical stocks and the book records were not material.

3) The Company has not granted loans to Companies, Firms, Limited Liability Partnership (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4) The company has not granted any loans, investments, guarantees and securities during the year in terms of provisions of Section 185 and 186 of Companies Act, 2013.

5) 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 are not applicable on all the unpaid matured public Fixed Deposits of Rs 5,629.04 Lacs Unpaid Matured Debentures of Rs. 2550.21 Lacs standing as at 31st March, 2017 which were accepted in prior periods in view of filing of Fresh Restructuring Scheme filed with Hon'ble Delhi High Court on 25th September, 2004. The company contends that the aforesaid Public Deposits and payment to Debenture-holders shall be settled as per the outcome of Fresh Restructuring Scheme.

6) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of business carried out by the Company. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2017.

7) In respect of statutory dues:

   (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, 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 31st March,2017 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and records of the company produced before us, there are disputed demands as mentioned below for the payment of tax under Income tax Act, 1961, which is disputed by the company with various authorities.

Name of the Statuses	Assessment years	Tax Demand in (Rs.)	Forum where dispute is pending	Remarks
Income Tax Act, 1961	2006-2007	Rs. 34.59 Lacs	CIT(A)	Case to be listed

8) The company had defaulted in the repayment of dues to financial institutions, banks and debenture holders as explained in **Note Nos. 3.1 to 3.3 and Note No. 3.5 of Notes to Accounts**

Lender wise details is as follows for defaults to Banks and Financial Institutions:-

Particulars	Amount	Default Period
IndusInd Bank Limited	Rs. 576.99 Lacs	Default since Financial Year 1997-98. Refer Note-1
Punjab and Sind Bank	Rs. 803.40 Lacs	Default since Financial Year 1997-98. Refer Note-1
SIDBI	Rs. 36.30 Lacs	Default since Financial Year 1997-98. Refer Note-1

Note-1

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, before the Hon'ble Delhi High Court at New Delhi on 24th September 2004 and the same is pending as at 31st March, 2017. The matter of payment to aforesaid Banks and Financial Institutions are covered in the Fresh Scheme and payment shall be released aforesaid Banks and Financial Institutions in accordance with decision regarding Fresh Scheme by Hon'ble Delhi High Court.

9) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Company during the year ended 31stMarch, 2017.

10) According to the information and explanations given to us, no fraud on the Company or by the Company by its officers or employees has been noticed or reported during the year ended 31st March, 2017.

11) Managerial remuneration amounting to Rs.5,14Lacs to the Key Managerial Personnel defined under Section 2(51) of Companies Act, 2013 has been provided for the period relating to 1-Dec-2015 to 31-March-2017 on the basis of post facto approval received from Central Government on 9th May, 2017. Since the matter pertains to financial year 2016-17 same has been recorded in the period ended 31st March 2017.

12) The company is not a Nidhi Company and since this clause does not apply to the Company it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.

13) According to the information and explanations given to us and the records of the company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence Section 42 of the Companies Act, 2013 is not applicable.

15) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.

16) Initially the company was NBFC. However, renewal of application for registration has been rejected by RBI in 2004. In view of rejection of NBFC license, Section 45-IA of Reserve Bank of India Act, 1934 is not applicable on this company.

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

MANISH MOHAN
Partner
M. N. - 091607

Place: New Delhi
Date : May 29, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DCM FINANCIALS SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DCM Financials Services Limited("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention and timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, volume of transactions, materiality, timing, and extent of audit test applied in our audit of the standalone financial statement of the company and the disclaimer does not affect our opinion on the standalone financial statements of the company.

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

(Manish Mohan)
Partner
Membership No. 91607

Place : New Delhi
Dated :29 May, 2017

BALANCE SHEET AS AT 31st MARCH, 2017

(Rs.In Lacs)

		Note No.	As at 31.03.2017	As at 31.03.2016
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Funds**			
	(a) Share Capital	1	2,212.51	2,212.51
	(b) Reserves and Surplus	2	(6,987.79)	(7,158.08)
2)	**Non-Current Liabilities**			
	(a) Long-Term Borrowings	3	9,648.12	9,658.45
	(b) Other Long Term Liabilities	4	1,535.91	1,537.50
	(c) Long-Term Provisions	5	2,086.14	2,084.33
3)	**Current Liabilities**			
	(a) Other Current Liabilities	6	231.99	208.32
	(b) Short-Term Provisions	7	133.57	88.21
	Total		**8,860.45**	**8,631.24**
II.	**ASSETS**			
1)	**Non-Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	8	1,283.07	1,317.69
	(ii) Intangible Assets		-	-
	(b) Non-Current Investments	9	103.58	103.59
	(c) Long-Term Loans and Advances	10	221.26	221.27
	(d) Other Non-Current Assets	11	6,898.69	6,627.34
(2)	**Current Assets**			
	(a) Inventories	12	0.81	0.81
	(b) Cash & Bank Balances	13	41.75	13.50
	(c) Short-Term Loans and Advances	14	5.03	7.03
	(d) Other Current Assets	15	306.26	340.01
	Total		**8,860.45**	**8,631.74**
Notes forming part of the financial statements		1-35		

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	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place : New Delhi
Dated : 29th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Rs.In Lacs)

	Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Income :			
Revenue from Operations		-	-
Other operating revenues		-	-
Less : Excise duty		-	-
Net Revenue from Operations		-	-
Other Income	**16**	367.43	393.23
Total Revenue		**367.43**	**393.23**
Expenses:			
Changes in Inventories of Stock of Shares	**17**	0.00	3.34
Employee Benefit Expenses	**18**	41.58	23.58
Finance Costs	**19**	-	0.36
Depreciation and Amortization Expense	**8**	30.57	30.72
Other Expenses	**20**	81.00	72.44
Total Expenses		**153.15**	**130.44**
Profit before Exceptional and Extraordinary			
Items and Tax		**214.28**	**262.78**
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		**214.28**	**262.78**
Extra Ordinary Items			
Profit before Tax		**214.28**	**262.78**
Tax Expense:			
(1) Current tax		44.00	53.60
(2) Deferred Tax		-	-
(3) Tax Adjustment for earlier years		-	-
(4) MAT Credit Adjustment		-	-
Profit After Tax		**170.28**	**209.18**
Profit/ (Loss) for the Year		**170.28**	**209.18**
Earnings Per Equity Share			
(1) Basic		0.77	0.95
(2) Diluted		0.77	0.95
Notes forming part of the financial statements	**1-35**		

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	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place : New Delhi
Dated : 29th May, 2017

		As at 31.03.2017	As at 31.03.2016
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)		
		6,500.00	**6,500.00**
	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)		
		2,212.51	**2,212.51**

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

	31.03.2017		31.03.2016	
	No.	**Rs.**	**No.**	
Equity Shares				
As at beginning of the year	221.25	2212.51	221.25	2,212.51
Balance As at end of the year	**221.25**	**2212.51**	**221.25**	**2,212.51**

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 31.03.2017		31.03.2016	
	No.	**Percentage**	**No.**	**Percentage**
Equity Shares				
DCM Services Ltd	63.52	28.71%	63.52	28.71%
Intellect Capital Services Ltd	20.75	9.38%	20.75	9.38%
Punjab & Sind Bank	13.20	5.97%	13.20	5.97%

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

Note 2	**RESERVES & SURPLUS**		**As at 31.03.2017**	**As at 31.03.2016**
	(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	(9,167.78)		
	Profit for the year	170.28	(8,997.50)	(9,167.78)
	Total		**(6,987.79)**	**(7,158.08)**

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 manadatory for NBFC's to create a reserve of at least 20% before declaration of dividend.

The application for licence was rejected by RBI in 2004, however out of abundant precaution this Special Reserve amounting to Rs. 156.23 Lacs has been continuously shown separately.

Note 3	**Long Term Borrowings**	**As at 31.03.2017**	**As at 31.03.2016**
	Secured Loans		
	Debentures **(Refer Note 3.1)**	2,550.21	2,552.30
	Term Loans from Institution - SIDBI **(Refer Note 3.2)**	36.30	36.30
	Due to Banks **(Refer Note 3.3)**	1,380.40	1,380.40
	Unsecured Loans		
	Fixed Deposits from Public **(Refer Note 3.4)****	5,629.04	5,637.28
	Term Loan From SBI HF **(Refer Note 3.5)**	25.00	25.00
	Inter-Corporate Deposits **(Refer Note 3.6)**	27.17	27.17
	Total	**9,648.12**	**9,658.45**

3.1	**Debentures**	**As at 31.03.2017**	**As at 31.03.2016**
	"A" Series Debenture	8.50	8.50
	"B" Series Debenture		
	- 19.5% Regular	1,180.84	1,181.15
	- 19.5% Cumulative	1,059.33	1,059.89
	- Deep Discount Bonds	301.54	302.76
		2,550.21	**2,552.30**

3.1.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 5,000 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.

3.1.b Scheme ''A'' Series

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996 respectively. **Subject to Note 3.1 (e)** these debentures are secured against mortgage / hypothecation / charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs. 8.50 Lacs were overdue as on March 31, 2017 & these are proposed to be paid as per Fresh Restructuring Scheme submitted to Hon'ble Delhi High Court.

3.1.c Scheme ''B'' Series

Debenture 'B' Series were allotted on 5th November, 1996 and subject to **Note 3.1 (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 alloted were Rs 2818.04 Lacs which matured for redemption on 5th May, 1998. Out of total

debentures alloted amounting to Rs 2818.04 lacs, debentures of Rs. 276.33 Lacs have been redeemed till March 31st, 2017. The remaning debentures as at March 31, 2017 in the ''B'' series amounting to Rs 2541.71 Lacs consist of the following :-

Particulars	Amount (in Rs. Lacs)
19.5% Regular	1,180.84
19.5% Cumulative	1,059.33
Deep Discount Bonds	301.54
Total	**2,541.71**

During the year ended 31st March, 2017, Rs. 0.87 Lacs has been paid towards "B" Series Debenture holders (both 19.5% Regular and 19.5% Cumulative) on compassionate grounds after getting approval from Hon'ble Delhi High Court.

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

3.1.d 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.

3.1.e 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.

3.1.f Provision of interest on debentures up to 31st March, 2017 from the date of renewal offer letter of 1998 is calculated @ 10% p.a. of simple interest on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series amounting to approximately Rs. 4822.30Lacs 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. The rate of 10% per annum issued for Dentureholders is based on the order of Company Law Board (CLB) which was pronounced for Fixed Depositors. Though Fresh Scheme does not envisage payment of any interest, it has been considered prudent to provide Interest of 10% per annum on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series since date of renewal offer letter in 1998 by following principles of prudence. 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. 253.65Lacs the current period profits before tax are overstated to the extent of Rs. 253.65Lacs and after tax overstated by Rs201.93 Lacs and cumulative net losses are understated to the extent of Rs.201.93 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. 4770.58 Lacs not provided cumulative net loss is understated.The tax effect will be consequential.

3.1.g. The Central Bank of India, Bombay, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs. 4421.76 Lacs on 14th October, 1999 before the Hon'ble Bombay High Court. it includes interest of Rs. 1553.61 Lacs and Rs. 2867.96 Lacs towards principal. No provision has been made in the books of accounts for such interest.

The Hon'ble Bombay 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.

The suit filed by the Central Bank of India before the Hon'ble Bombay High Court has been stayed by Hon'ble High Court of Delhi vide order dated September 14th, 2005 on application made by the company and there is no change in the status as at 31st March, 2017.

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

3.2.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.

3.2.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.

3.2.c 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.

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. 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". Consequently no provision of Rs. 18.10 Lacs towards overdue int & other charges has been made by the company in the books of accounts.

3.3 Due to Banks* **(Rs. in lacs)**

	As at 31.03.2017	As at 31.03.2016
Punjab & Sind Bank (Refer Note 3.3.1 & Note 3.3.2)	803.40	803.40
Indusind Bank (Refer Note 3.3.1 & Note 3.3.3)	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.

3.3.1 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.

3.3.2 **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 Lac 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 Lac 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 1st, 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 the claim filed before the Debt Recovery Tribunal amounting to Rs. 1217.52 Lacs would be payable. Interest payable from 01.04.2005 to 31.03.2017 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.

Since fresh restructuring scheme was not approved and made effective by 1st April 2006, 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.

In the event scheme is not approved by Delhi High Court, the concessions made by **PUNJAB & SIND BANK** will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs 1217.52 Lac would be payable as per the adjudication of Debt Recovery Tribunal along with 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.

3.3.3 **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. 283.83 Lacs shall be payable in six equal yearly installments of Rs 56,76,400 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 31.03.2017 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 scheme is not approved by Delhi High Court, 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 as per the adjudication of Debt Recovery Tribunal along with 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.

3.4 **FIXED DEPOSITS ACCEPTED**

(a) During the year ended March 31st, 2017, Rs. 8.24 Lacs has been paid to Fixed Deposit holders on compassionate ground after getting approval from Hon'ble Delhi High Court .

(b) On passing of proposed Fresh Restructuring Scheme by Hon'ble Delhi High Court, Fixed Depositors would be paid the principal amount. The Fixed Depositors holding principal amount of Rs 5,000 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 residual 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 filed with Hon'ble Delhi Hogh Court in 2004 does not envisage payment of interest accordingly provision of interest payable amounting to Rs. 827.06 Lac 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) ** Balance of fixed deposits as on fixed deposits and bills payable as per information retained on the computer and as per books of accounts stood un-reconciled by Rs. 10.69 Lacs. During the year ended March 31st, 2016, the same has been reconciled by the company and accordingly the liability has increased by Rs. 10.69 Lacs.

Statement on Reconciliation of FDs Accepted:

Particulars	Amount
Balance as on 1st April 2016	5637.28
Add: Addition Due to Reconciliation made during the year	0.00
Less: Redemption made during the year	(8.24)
Balance as on 31st March 2017	5629.04

(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, 2017 calculated at simple interest @ 10% p.a. in accordance with the order of The Hon'ble Company Law Board amounting to approx. Rs. 11588.66 Lacs (including Rs. 11027.21 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 before tax are overstated to the extent of approximately Rs.561.45 Lacs and after tax are overstated to the extent of Rs446.98 Lacs and cumulative net losses are understated to the extent of approximately Rs.11474.19 Lacs .The tax effect will be consequential. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.

3.5 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.

3.6 Inter-Corporate Deposits

The value of inter corporate deposits is Rs 27.17 lacs. Considering the the order of The Hon'ble Company Law Board for Fixed Deposits which states to charge interest @10% p.a. which should also be considered for Inter Corporate Deposits on prudence basis. Considering the interese rate of 10% p.a. the total interest lability comes to be approximately Rs. 54.33 Lacs which includes approximately Rs. 51.62 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.

To the extent of non-provision of interest, the current year's profits before tax are overstated to the extent of approximately Rs. 2.72 Lacs and after tax are overstated to the extent of Rs 2.16 Lacs and cumulative net losses are understated to the extent of approximately Rs. 53.78Lacs .The tax effect will be consequential.

Note 4	Other Long Term Liabilities	As at 31.03.2017	As at 31.03.2016
	Security Deposits	6.25	6.25
	Employees Advances	1.39	1.39
	Other Payables	475.62	477.21
	Payable to Related Parties (Refer Note 4(i))	1,052.65	1,052.65
	Total	**1,535.91**	**1,537.50**

Note 4 (i) Rs 549.72 Lacs were funded by Group Companies to meet the various types of expenditure. 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.

Note 4(ii) Amount payable to Related parties include payables to:

1. DCM International Ltd	281.57
2. DCM Services Ltd	739.24
3. DCM Anubhavi Market Pvt Ltd	31.84

Note 5	Long Term provisions	As at 31.03.2017	As at 31.03.2016
	Provision for NPA and advances (Refer to note 5.1)		
	- Provision for NPA	2,060.56	2,060.56
	- Provision for doubtful advances (Refer to note 5.2)	21.47	21.47
	Provision for Employee Benefits::		
	- Provision for Gratuity	3.41	1.99
	- Provision for Leave Encashment	0.70	0.31
	Total	**2,086.14**	**2,084.33**

Note 5.1 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. It represents provision for non-performing assets. The aforesaid provisions for non-performing asset of Rs 2060.56 Lac as at 31-March-2017 consist of rent receivable, Inter corporate deposits, Bills receivables and other long term trade receivables. **Please also refer Note No. 15, 10.2, 11.**

Note 5.2 During the year ended 31st March, 2016 the Employee advances amounting to Rs. 6.61 Lacs has been written off.

Note 6	Other Current Liabilities	As at 31.03.2017	As at 31.03.2016
	Other Liabilities **(Refer Note 6.1)**	231.99	208.32
	TOTAL	**231.99**	**208.32**

6.1	Other Liabilities Includes:	As at 31.03.2017	As at 31.03.2016
	Rent payable	6.72	6.72
	Statutory Dues Payable (ReferNote 6.1.(i))	44.99	45.87
	Employees Advances	9.66	7.61
	Other Liabilities	170.62	148.11
	TOTAL	**231.99**	**208.32**

		As at	As at
6.1.(i)	**Statutory Dues Payable Includes**	**31.03.2017**	**31.03.2016**
	Tax Deducted at source	1.35	1.62
	ESI Payable	0.02	0.03
	Provident Fund Payable	0.32	0.18
	Service Tax Payable	43.30	43.30
	Vadodara Municipal Tax Payable	-	0.74
	Delhi Labour Fund Payable	-	-
	TOTAL	**44.99**	**45.87**

		As at	As at
Note 7	**Provision for Employee Benefits:**	**31.03.2017**	**31.03.2016**
	- Provision for Gratuity	6.24	4.19
	- Provision for Leave Encashment	1.21	0.62
	Provision for Income Tax	126.12	83.40
	TOTAL	**133.57**	**88.21**

Note 8. FIXED ASSETS

	Particulars	Gross Block				Depreciation / Adjustment				Net Block	
		As On 01.04.2016	Additions	Deletions / Adjustment	As at 31.03.2017	As On 01.04.2016	For the year	Transfer / Adjustment	As on 31.3.2017	As On 31.03.2017	As On 31.3.2016
A	**TANGIBLE ASSETS**										
(a)	**Own Assets**										
1	Land	3.06	-	-	3.06	-	-	-	-	3.06	3.06
2	Plant & Machinery	41.97	-	41.42	0.55	41.54	-	41.01	0.53	0.03	0.44
3	Buildings	1,855.17	-	-	1,855.17	551.83	28.62	-	581.45	1,273.72	1,303.34
4	Vehicles	0.87	-	-	0.87	0.87	-	-	0.87	-	-
5	Furniture & Fixtures	57.21	-	0.17	57.04	49.29	1.81	0.15	50.95	6.09	7.92
6	Office Equipment & Appliances	32.66	-	30.47	2.19	30.73	0.14	28.85	2.02	0.17	1.93
	Total (a)	**1,990.94**	**-**	**72.06**	**1,918.88**	**674.25**	**30.57**	**70.01**	**635.82**	**1,283.07**	**1,317.69**
(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)	**3,685.21**	**-**	**72.06**	**3,613.14**	**2,368.51**	**30.57**	**70.01**	**2,330.08**	**1,283.07**	**1,317.69**
B	**INTANGIBLE ASSETS**										
(c)	**Own Assets**										
1	Computer Software	-	-	-	-	-	-	-	-	-	-
	Total (c)	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (a +b +c)	**3,685.21**	**-**	**72.06**	**3,613.14**	**2,368.51**	**30.57**	**70.01**	**2,330.08**	**1,283.07**	**1,317.69**
	Previous year	3,685.21	-	-	3,685.21	2,336.79	30.72	-	2,336.79	1,348.41	1,399.94

Note 9 NON CURRENT INVESTMENTS

9.1 LONG TERM INVESTMENTS - AT COST

Particular	As at 31 March 2017	As at 31 March 2016
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**

9.2 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.)	Provision for diminution (Amount in Rs.)	Value of Investment (Amount in Rs.)	Provision for diminution (Amount in Rs.)	Basis of Valuation
		As at 31 March 2017	As at 31 March 2065			As at 31 March 2017		As at 31 March 2016		
Investments in Equity Shares										
Trade Investments										
Global IT Options Ltd	Subsidiary	900,000	900,000	UnQuoted	Fully Paid	90.00	72.00	90.00	72.00	At Cost less prov. Diminution in the value of investments
TOTAL		**900,000**	**900,000**			**90.00**	**72.00**	**90.00**	**72.00**	
Non -Trade Investments										
Punj Llyod Ltd.	Others	200,000	200,000	Quoted	Fully Paid	45.48	-	45.48	-	At Cost
Profin Money Market Ltd	Others	25,000	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	220,000	UnQuoted	Fully Paid	40.10	-	40.10	-	At Cost
World Tex Ltd	Others	437,500	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	30,000	UnQuoted	Fully Paid	0.00	-	0.00	-	At Cost
Cebon India Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	0.00	-	0.00	-	At Cost
Rajesthan Antibiotics Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	0.00	-	0.00	-	At Cost
		972,500.00	**972,500.00**			**207.61**	**122.03**	**207.61**	**122.03**	

Amount (Rs. in Lakhs)

S No.	Particulars	As at 31 March 2017	As at 31 March 2016
1	**Aggregate amount of Market value of Quoted investments**	38.70	44.90
2	**Aggregate amount of UnQuoted investments**	252.13	252.13
3	**Aggregate provision for dimunition in value of investments**	194.03	194.03

Note 10	Long Term Loans & Advances	As at 31.03.2017	As at 31.03.2016
	Security Deposits		
	Unsecured Considred Good	12.90	12.90
	Other Loans & advances		
	Considered Good **(Refer Note 10.1)**	0.12	0.12
	Considered Doubtful **(Refer Note 10.2)**	208.24	208.25
	TOTAL	**221.26**	**221.27**

10.1	Other Loans & Advances	As at 31.03.2017	As at 31.03.2016
	Unsecured - Considered Good		
	Employees Advances	-	-
	Others	0.12	0.12
		0.12	**0.12**
10.2	**Unsecured - Considered Doubtful**		
	Inter Corporate Deposit*	79.58	79.58
	Bills Receivable*	107.17	107.17
	Employees Advances* **(Refer Note 10.3)**	11.10	11.10
	Others*	10.39	10.39
	TOTAL	**208.24**	**208.25**

*&** Provision of Rs. 208.25 Lacs towards Non Performing Assets have been made on Inter Corporate Deposits and Bills Receivables**. Please also refer Note no 5.1**

10.3 Employees Advances

Being doubtful of recovery, provision was made in earlier years against the employees advances upto 100% amounting to Rs. 17.69 Lacs. During the year ended March 31st, 2016 the Employee advances amounting to Rs. 6.61 Lac has been fully written off.

Note 11	Other Non Current Assets	As at 31.03.2017	As at 31.03.2016
	Long Term Trade Receivable		
	Considered Doubtful*&**	1,873.81	1,873.81
	Others		
	Secured, Considered Good		
	Fixed Deposits with Banks **(Refer Note 11.1)**	4,687.71	4,445.13
	Advance Tax & TDS Recoverable (Net of Provision of Tax)	308.65	279.88
	MAT Credit Entitlement	28.52	28.52
	TOTAL	**6,898.69**	**6,627.34**

* 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 issued by Reserve Bank of India, during the year ended 31st March, 2014. Please also refer Note No. 5.1

Year wise break up of Advance tax & TDS recoverable is as follows:

Year	Amount (In Rs. lacs)
1998-1999	0.15
1999-2000	20.37
2005-2006	0.32
2006-2007	9.89

2007-2008	12.74
2009-2010	0.20
2010-11	3.96
2011-12	37.36
2012-13	34.10
2013-14	43.19
2014-15	39.40
2015-16	62.15
2016-17	**44.41**
TOTAL	**308.24**

Note 11.1 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 12	**Inventory**	**As at 31.03.2017**	**As at 31.03.2016**
	Securities held as Stock in Trade **(Refer Note 12.1)**	0.81	0.81
		0.81	**0.81**

12.1 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, 2017, 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 share

Note 13	**Cash and Bank Balances**	**As at 31.03.2017**	**As at 31.03.2016**
	Cash and Cash Equivalents		
	(a) Cash in Hand	0.02	0.03
	Other Bank Balances		
	(a) Restricted Bank Balances	41.84	13.57
	(Refer Note 13.1, 13.2 & 13.3)		
	Less : Provision for bank written off **(Refer Note 13.2)**	0.11	0.11
		41.75	**13.49**

13.1	Restricted Bank Balances Includes **(Refer Note 13.2 & 13.3)**	**As at 31.03.2017**	**As at 31.03.2016**
	Canara Bank	7.49	3.62
	IDBI Bank Limited	26.19	2.39
	Axis Bank	5.77	4.78
	Other Bank	2.39	2.78
	Total	**41.84**	**13.57**

13.2 Bank Balances amounting to Rs. 1.39 Lacs have been written off during the year ended March 31st, 2016, out of which Rs. 1.24 Lacs has been written off against provisions created in earlier years and Rs. 0.14 Lacs has been written off and transferred to Statement of Profit and Loss. Such accounts were inoperative and no comfirmation were available.

13.3 These are restricted bank balance and cannot be operated without getting prior approval of Hon'ble Delhi High Court.

Note 14	**Short-Term Loans and Advances**	**As at 31.03.2017**	**As at 31.03.2016**
	Others		
	Unsecured, considered good		
	- Employee Advance	4.39	6.39
	- Others	0.64	0.64
	TOTAL	**5.03**	**7.03**

Note 15	**Other Current Assets**	**As at 31.03.2017**	**As at 31.03.2016**
	- Rent Receivable	561.77	561.77
	Less: Provision for Doubtful receivables	(561.77)	(561.77)
		-	
	- Interest Receviable	306.26	340.01
	- Other	-	-
	TOTAL	**306.26**	**340.01**

Note 16	**Other Income**	**For the Year ended 31.03.2017**	**For the Year ended 31.03.2016**
	Interest on Fixed Deposits	367.13	392.94
	Dividend Income	0.20	0.24
	Balances Written Back	-	-
	Miscellaneous Income	0.10	0.05
	TOTAL	**367.43**	**393.23**

Note 17	**Changes in Inventory of Securities held as Stock in Trade**	**For the Year ended 31.03.2017**	**For the Year ended 31.03.2016**
	Closing Stock	0.81	0.81
	Less : Purchases/Transfer	-	-
	Opening Stock	0.81	4.16
	Changes	**0.00**	**3.34**

Note 18	**Employee Benefit Expenses**	**For the Year ended 31.03.2017**	**For the Year ended 31.03.2016**
	Salaries,Wages,Bonus and other employees'benefit	35.07	21.00
	Contribution to Provident and Other funds (Refer Note 18.1)	6.51	2.41
	Workmen and Staff Welfare Expenses	-	0.16
	Final Payment to Employee	-	-
	TOTAL	**41.58**	**23.58**

Note 18.1	Contribution to Provident and Other funds	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Employee state Insurance (ESI)	0.19	0.21
	Provident Fund	1.87	1.03
	Gratuity Fund Contribution	3.47	0.46
	Leave Encashment Contribution	0.98	0.71
	TOTAL	**6.51**	**2.41**

Note 19	Finance Costs	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Interest Paid on FD	-	0.36
	TOTAL	**-**	**0.36**

Note 20	Other Expenses	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Travelling & Conveyance	1.68	1.04
	Repairs - Building	-	0.28
	- Others	0.02	0.10
	Electricity & Water	0.83	0.78
	Legal & Consultancy Charges	42.57	37.11
	Fees to Auditors for --Statutory Audit	2.82	2.81
	--Tax Audit	0.92	0.92
	-- Other	0.10	0.11
	Rent	5.05	4.67
	Telephone Expenses	0.87	1.01
	Advertisement & Publicity	0.76	1.13
	Share Transfer Expenses	2.30	1.34
	AGM Expenses	9.50	8.21
	Internal Audit Fees	0.23	0.23
	Lisiting Fees	6.79	5.10
	Rates and Taxes	2.40	3.14
	Prior Period Expenses	0.07	1.98
	Penalty for A.Year 2008-09	-	1.28
	Penalty on late deposit of EPF Challan	0.66	-
	Bank Balance/ Receivables written off	-	0.60
	Fa Write Off	2.04	-
	Other Expenses	1.39	0.59
	TOTAL	**81.00**	**72.44**

21 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 when rights to receive arise.

(c) In respect of other heads of income, the company follows the accrual basis of accounting.

C. Investments

Investments are classified into current and non current 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 non current 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.

22. CONTINGENT LIABILITIES & OTHER COMMITMENTS

(a) Mr. Dhruv Prakash had lodged a claim of Rs 65.00 Lacs and winding up petition against the company. The contingent liability arising out of this suit amounts to Rs. 65.00 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) 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 whichever is earlier

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, Punjab & Sind Bank had filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1217.52 Lacs against which the amount payable to them as per books is Rs. 803.40 Lacs. After taking effect of interim payments made to Punjab& Sind Bank till date of Rs 98.40Lacs the claim suite of Rs 1217.52 Lacs is also reduced to Rs.1119.12. Since fresh restructuring scheme was not approved and made effective by 1st April 2006, the claim of Rs.1119.12 Lacs filed before the Debt Recovery Tribunal could be adjudicated by Debt Recovery Tribunal. No communication has been received from Punjab & Sind Bank or Debt Recovery Tribunal (DRT) regarding any adjudication of claim.

The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 315.72 Lacs has been made. The company contends that 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 Punjab & Sind bank shall stand withdrawn and their claim before the Debt Recovery Tribunal of Rs. 1119.12 Lacs (after taking effect of payment of Rs 98.40 Lacs) will become payable upon adjudication by Debt Recovery Tribunal.

(c) 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. 577.00 Lacs shall be payable as per Fresh Restructuring Scheme.

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 Lacs against which the amount payable to them as per books is Rs. 577.00 Lacs. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 74.49 Lacs, the claim suite is also correspondingly reduced to Rs 967.93 Lacs from Rs. 1042.42 Lacs. The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 390.93 Lacs has been made. In the event that the company fails to pay the interest or principal or company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs 967.93 Lacs (after taking effect of payment of Rs 74.49Lacs) would become payable upon adjudication by Debt Recovery Tribunal..

(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. where the winding up petition proceedings was already initiated. Upon receipt of payment, the Company reduced the recoverable amount accordingly. Subsequently, the Hon'ble Punjab and Haryana Court deemed that payment is out of turn/preferential payment made by Pure Drinks New Delhi Ltd where winding up petition proceedings was already initiated and asked the company to deposit back the said amount with Hon'ble Punjab and Haryana Court. 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 is 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 which still pending to be addressed.

(e) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 100.00 Lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2017.

(f) There is a demand of Rs. 34.59 Lacs raised by Income Tax Department for the Assessment Year 2006-07 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities as on 31st march 2017.

(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. the claim amount, along with Rs. 306.81 Lacs towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 5.49Lacs, had been awarded to the company. The total financial impact comes to Rs. 363.58 Lacs which has been contested by Company before Hon'ble Delhi High Court.

(h) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 288.30 Lacs on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 288.30 Lacs mentioned supra is as follows:

(Rs. In lacs)

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	229.28 /-
2.	Claim of property tax	3.19/-
3.	Claim of ground rent	21.68/-
4.	Allied charges	7.82/-
5.	Augmentation of Electric sub station	1.33/-
6.	Loss of profit	20.00/-
7.	Arbitration cost	5.00/-
TOTAL		**288.30/**

(i) SIDBI had filed a petition for winding-up on alleged non-payment of Rs. 54.40 Lacs which consist of interest, overdue interest and other charges, before the Hon'ble Delhi High Court. Out of which the company has recorded Rs. 36.30 Lacs in the books of account. Provision for Rs. 18.10 Lacs liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided in the books due to waiver of interest sought under the proposed "Fresh Restructuring Scheme" filed with Hon'ble Delhi High Court.

23. 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. 1950.00 Lacs of which Rs. 1560.00 Lacs 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 390.00 Lacs 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, 2017& there is no change in the status at the time of signing of the financials for the period ended 31st March, 2017 by the Board of Directors.

24 Deposit of Rs 1950.00 Lacs by DCM Services Limited

DCM Services Ltd as a promoter has committed to bring in Rs 1950.00 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 1950.00 Lacs with the Court and pursuant to the court order, They have deposited Rs 500.00 Lacs on 16.07.2010, Rs 670.00 Lacson 18.11.2010, Rs. 390.00 Lacs on 21.04.2011 &Rs. 390.00 Lacs on 27.04.2012 aggregating to Rs. 1950.00 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, 2017.

25. 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, 2017.

26. EMPLOYEE BENEFITS

(a) Defined Contribution Plans:

The Company has recognized the contribution/liability in the profit &loss account for the financial year 2016-17

(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	9.65	1.91
Unrecognized past service cost	-	-
Net Liability/(Assets)	9.65	1.91
Amount in Balance Sheet		
Liability	9.65	1.91
Assets	-	-
Net Liability/(Assets)	**9.65**	**1.91**
Expenses recognized in the Profit & Loss Account		
Opening defined benefit obligation less benefits paid	-	-
Current service cost	0.54	0.11
Interest on defined benefit obligation	0.48	0.07
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized in the year	2.45	0.80
Past service cost	-	-
Losses/(gains) on "Curtailments and Settlements"	-	-
Total, included in "Employee Benefit Expense"	**3.47**	**0.98**
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period	-	-
Change in defined benefit obligation	-	-
Opening defined benefit obligation	**6.18**	**0.93**
Current service cost	0.54	0.11
Interest cost	0.48	0.07
Actuarial losses/(gains)	2.45	0.80
Liabilities extinguished on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	
Closing defined benefit obligation	**9.65**	**1.91**
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	7.31%	7.31%
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, 2017; based on actuarial valuation amounting to Rs 3.47 Lacs &Rs. 0.98 Lacs have been recognized in the profit & loss account.

27. 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. 1950.00 Lacs as promoters quota infused by the management group

28. BALANCE CONFIRMATIONS

(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 recover ability in the financials including considering the NPA Provisions, are good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ.

29. 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)	DCM Services limited
		(ii)	DCM International Limited
		(iii)	DCM Anubhavi Marketing Private Limited
III	Key Management Personnel	(i)	Mr. Om Prakash Gupta - Chairman
		(ii)	Mr. Surender Kumar Sharma – Executive Director
		(iii)	Mr. Sehdev Shori- Additional Director

Details of Transactions are as follows: **(Rs.in Lacs)**

Particulars		**Year ended 31.03.2017**	**Year ended 31.03.2016**
A.	Remuneration to key management personnel		
	- Executive Director	5.14	-
B.	Advances Received		
	- Global IT Options Ltd	0.45	2.17
C.	Services received		
	- Subsidiary Company	0.25	0.25

*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 starting from 01-12-2015 to 30-11-2018. Due to insufficiency of funds and unavailability of required approvals from relevant authorities, the Company has not paid any managerial remuneration to the Key Managerial Personnel defined under section 2(51) of Companies Act, 2013 pertaining the financial year ended 1 Dec 2015 to 31 March 2017.

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

Particulars		**Year ended 31.03.2016**	**Year ended 31.03.2015**
(i)	DCM Services limited	739.24	739.24
(ii)	DCM International Limited	281.57	281.57
(iii)	DCM Anubhavi Marketing Private Limited (Cr. Balance)	31.84	31.81
	- Subsidiary Company (Cr. Balance)	22.84	22.40

30. Earnings Per Share (EPS) **(Rs. in Lacs)**

Particulars		**Year ended 31.03.2016**	**Year ended 31.03.2015**
a)	Profit/(Loss) after taxation as per profit and Loss Account	170.28	209.18
b)	Basic number of Equity shares	221.25	221.25
c)	Nominal value of Equity Shares (Rs.)	10	10
d)	Basic/ Diluted Earnings per share	.77	.95

31. 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 theHon'ble Delhi High Court against the order of the appellate authority, which is still pending.

32. The company had no outstanding dues to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2017.

33. 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.

34. **Disclosure on Specified Bank Notes (SBNs)**

Disclosure on details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December, 30 2016 as required under the Notification No. G.S.R. 308(E) dated March 30, 2017, issued by the Ministry of Corporate Affairs, Govt. of India, is given below:

Particulars	SBN*	Other enomination Notes	Total
Closing cash in hand as on November 8, 2016	0.015	0.018	0.033
(+) Permitted receipts	0	0.33	0.33
(-) Permitted payments	0	0.32	0.32
(-) Amount deposited in Banks	0.015	0	0.015
Closing cash in hand as on December 30, 2016	0	0.033	0.033

- For the purposes of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

35. 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, 2017.

As per our report of even date attached.

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

Manish Mohan	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place: New Delhi
Dated: 29 May, 2017

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

(Rs. In Lacs)

		For the Year ended 31.03.2017	For the Year ended 31.03.2016
A.	**Cash Flow of Operating Activities**		
	Net Profit (Loss) for the Year	216.32	262.78
	Add/Less: Adjustments for		
	Depreciation	30.57	30.72
	Income from Creditors Written Back	-	-
	Interest paid	-	0.36
	Interest Received	(367.13)	(425.79)
	Dividend Received	(0.20)	(0.24)
	Provision for Diminution of Investment		-
	Provision & Written Off	2.04	-
	Sub Total	**(334.72)**	**(394.95)**
	Operating Profit (Loss) before Working Capital changes	(118.40)	(132.16)
	Adjustments for :		
	Decrease/(Increase) in Other Noncurrent Assets	(242.58)	(238.19)
	Decrease/(Increase) in Short Term Loan and Advances		(0.82)
	Decrease/(Increase) in Other current Assets	35.76	(20.01)
	Decrease/(Increase) in Inventories	-	3.34
	Decrease/(Increase) in Long Term Loan and Advances	-	7.54
	(Decrease)/Increase in Short Term Provision	2.64	4.61
	(Decrease)/Increase in LONG Term provisions	1.81	(5.56)
	(Decrease)/Increase in LONG Term borrowings	(11.92)	6.75
	Increase/(Decrease) in Other Current Liability	23.67	(2.10)
	Sub Total	**(190.62)**	**(244.44)**
	Cash generated from operations	(309.02)	(376.61)
	Less: Income Tax (Including TDS)	30	62.15
	Cash In Flow (Out Flow) before extraordinary items	(339)	(438.76)
	Net Cash In Flow(Out Flow) from Operations	**(339)**	**(438.76)**
B.	**Cash Flow from Investing Activities**		
	Interest Received	367	425.79
	Dividend Received	0.20	0.24
	Net Cash In flow(Out Flow) in investing activity	367.33	426.03
C.	**Cash In Flow (Out Flow) from Financing Activities**		
	Interest Paid	-	(0.36)
	Net cash available(Paid) from financing activities	-	(0.36)
	Net Increase in Cash and Cash Equivalents(A+B+C)	**28.26**	**(13.09)**
	Cash & cash equivalents as at March 31, 2016	13.49	26.59
	Cash & cash equivalents as at March 31, 2017	41.75	13.49
	Net Increase / (Decrease) in cash & cash equivalents	**28.26**	**(13.10)**

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

Richa Kalra
Director
DIN: 07632571

Surender Kumar
Executive Director
DIN: 02188166

Srishti Singh
Company Secretary
M.No. 50820

Place : New Delhi
Dated : 29th May, 2017

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 2017	
	Liabilities side :	**Amount Outstanding**	**Amount Overdue**
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	2550.21	2550.21
	: 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*	5629.04	5629.04
	(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	5629.04	5629.04
	* 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	869.69	869.69
(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**	**Amount**
	Particulars	
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	**4518.05**
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	**4518.05**
(iii)	Assets acquired in satisfaction of debt	

Notes:

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DCM FINANCIAL SERVICES LIMITED

Report on the Consolidated 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 Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding 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 Holding 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 Holding 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 Group 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 holding company to start operating on a profitable basis and (c) injection of Rs. 19.50 Lacs as promoters quota which has already been infused by the management group. The same has been explained in **Note 27**.

(ii) No provision of Rs. 817.81 Lacs (Rs. 16465.29 Lacs towards accumulated Interest as at 31st March, 2017) (Previous Year – Rs. 15647.48 Lacs) which is simple interest calculated @10% per annum towards Interest on Debentures, Fixed Deposits and Inter Corporate Deposits, have been provided in the consolidated financial statements on the outstanding amount of Debentures, Fixed Deposits and Inter Corporate Deposits. Fresh Restructuring Scheme filed before Hon'ble Delhi High Court, does not envisage and seek payment of any interest as the interest has been considered waived off in the proposed scheme. The order of Company Law Board (CLB) which was issued in 1998 in the context of Fixed Deposits stipulated payment of Interest of 10% per annum to Fixed Depositors. The order of CLB applies to Fixed Deposits only, however considering the principles of prudence, it is deemed prudent to provide Interest @10% per annum since inception or renewal on outstanding amount of Debentures and Inter Corporate Deposits also.

Had interest @10% per annum been provided for in the consolidated financial statements on outstanding amount of Debentures, Fixed Deposits and Inter Corporate Deposits, the Net Profit before tax would have been lowered by Rs 817.81Lacs and Net Profit after tax would have been lowered by Rs 651.07Lacs as at 31st March, 2017. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2017 would have been higher by Rs 16298.55Lacs. The tax effect will be consequential. The same has been explained in Note 3.1.f, **Note 3.4(g) and Note 3.6**.

(iii) For redemption of 'B' series debentures of Rs. 2544.36 Lacs, debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2544.36 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 Holding 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 3.1.d and **Note 3.2.b & 3.3.1**.

(v) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/ payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials the amount referred as payable in the financials can differ. **Please refer Note No-28**

(vi) Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees. During the year ended March 31st, 2017, the Holding Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Holding Company has made relevant disclosures in the Board of Directors meeting regarding this issue. It is non compliance of Section 203 of Companies Act, 2013, which could attract penalties.

(vii) Pursuant to section 149 of Companies Act, 2013 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 every listed company is required to appoint at least one Woman Director. During the year ended March 31st, 2016, the Holding Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non compliance which are Rs. 50,000 from 1-April-2015 to 30th June,2015 and thereafter Rs. 1000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85Lacs (P.Y RS.10.50Lacs) till date of appointment of women director (i.e. 5th October, 2016). Had provision been provided for in the consolidated financial statements, the net profit before tax for the year ended 31st March, 2017 would have been lower by Rs 6.35 Lacs and net profit after tax would have been lowered by Rs. 5.05 Lacs. The cumulative net loss as well as Current/ Non Current Liability/Provisions as at 31st March, 2017 would have been higher by Rs.15.55 Lacs. The tax effect would be consequential.

(viii) As per the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax, MAT Credit is an asset to be recognized in the Financial Statement when it is 'Probable ' that the future economic benefits associated with it will flow to the enterprise and asset has a cost or value that can be measured reliably. In the previous periods, the Holding company has already recorded MAT Credit Entitlement of Rs 28.52Lacs in the books of accounts. Considering that the matter is under jurisdiction of Delhi High Court for many years and the company as described in point no (i) of Basis of Qualification and Company is not allowed to carry on its operations except the realization of old debts and permitted payments, there is no virtual certainty that future economic benefit would flow to company. Considering this, we are of opinion that such MAT Credit Entitlement of Rs 28.52Lacs needs to be derecognized.

Had MAT Credit of Rs 28.52Lacs had been reversed in consolidated financial statements in year ended March, 2017, the net profit after tax would have been lower by Rs 28.52Lacs and net profit after tax would have been lowered by Rs. 22.70 Lacs and consequently the net cumulative loss would have been higher by Rs. 22.70 Lacs. In addition to, non-current loans and advances would have been lowered by Rs. 22.70 Lacs after considering the tax effects.

(ix) **Contingent liabilities and Other Commitments**

ix(a) Mr. Dhruv Prakash had lodged a claim of Rs 65 Lacs and winding up petition against the Holding company. The contingent liability arising out of this suit amounts to Rs 65 Lacs. There are also other cases filed in consumer, civil & criminal courts and other courts against the company for which the group is contingently liable but for which the amount is not quantifiable. **Refer Note no. 22(a)**

ix(b) 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. 98.4 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 whichever is earlier

Prior to filing of Fresh Restructuring Scheme by the Holding company before Hon'ble Delhi High Court, Punjab & Sind Bank had filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1217.52 Lacs against which the amount payable to them as per books is Rs. 803.40 Lacs. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 98.4Lacs, the claim suite of Rs 1217.52Lacsis also reduced to Rs.1119.12Lacs. Since fresh restructuring scheme was not approved and made effective by 1st April 2006, the claim of Rs.1119.12Lacs filed before the Debt Recovery Tribunal could be adjudicated by Debt Recovery Tribunal. No communication has been received from Punjab & Sind Bank or Debt Recovery Tribunal (DRT) regarding any adjudication of claim.

The holding company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 315.72Lacs has been made. The holding company contends that 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 Punjab & Sind bank shall stand withdrawn and their claim before the Debt Recovery Tribunal of Rs. 1119.12 Lacs(after taking effect of payment of Rs 98.40Lacs) will become payable upon adjudication by Debt Recovery Tribunal. **Refer Note No 3.3.2 and 22(b)**

ix(c.) The amount payable to IndusInd Bank after calculating interest up to March 31, 2000 had been quantified at Rs. 651.49Lacs as on 30-June-2004 in accordance with the "Fresh Restructuring Scheme Under Review". Out of which Fixed Deposit of Rs 74.49Lacs has been adjusted by IndusInd Bank. The balance amount of Rs. 576.99Lacs shall be payable as per Fresh Restructuring Scheme.

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42Lacs against which the amount payable to them as per books is Rs. 576.99Lacs. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 74.49Lacs, the claim suite is also correspondingly reduced to Rs 967.93Lacs from Rs. 1042.42Lacs. The Holding company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 390.93Lacs has been made. In the event that the Holding company fails to pay the interest or principal or Holding 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 967.93Lacs (after taking effect of payment of Rs 74.49Lacs) would become payable upon adjudication by Debt Recovery Tribunal. **Refer Note No3.3.3 and 22(c)**

ix.(d) During the year 1999, the Holding Company had received Rs. 100 Lacs from one of its debtors i.e. Pure Drinks New Delhi Ltd. where the winding up petition proceedings was already initiated. Upon receipt of payment, the Holding Company reduced the recoverable amount accordingly. Subsequently, the Hon'ble Punjab and Haryana Court deemed that payment is out of turn/preferential payment made by Pure Drinks New Delhi Ltd where winding up petition proceedings was already initiated and asked the company to deposit back the said amount Hon'ble Punjab and Haryana Court. The Holding Company filed a SLP with the Hon'ble Supreme Court of India which has been dismissed by them. Therefore the Holding company is liable to deposit the amount mentioned above which is yet to be deposited. And in view of restrictions imposed on operations of Bank A/c's by Hon'ble Delhi High Court, the Holding Company has filed an application to release this money for depositing the same with Punjab & Haryana High Court which still pending to be addressed. **Refer Note No. 22(d)**

ix.(e) During the year ended 30th June, 2011 the holding company's tenant had 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, **2017. Refer Note No. 22(e)**

ix.(f) There is a demand of Rs. 34.59 Lacs raised by Income Tax Department for the Assessment Year 2006-07 for payment of income tax under the Income Tax Act, 1961, which is disputed by the Holding company and pending before the appropriate authorities. **Refer Note No. 22(f)**

ix.(g) There is an award passed by the arbitrator against the Holding Company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 51.28Lacs i.e. the claim amount, along with Rs. 306.81 Lacs towards interest cost for an underwriting given by the Holding company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 5.49 Lacs, had been awarded to the Holding company. The total financial impact comes to Rs. 363.58 Lacs which has been contested by Holding Company before Hon'ble Delhi High Court. **Refer Note No. 22(g)**

ix.(h) Due to dispute with the builder namely M/s NBCC Ltd. from which the holding company had purchased an office premises in the year 1995, regarding a claim of Rs. 288.30 Lacs on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 288.30 Lacs mentioned supra is as follows **Refer Note No. 22(h)** :-

Rs (in Lacs)

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	229.28/-
2.	Claim of property tax	3.19/-
3.	Claim of ground rent	21.67/-
4.	Allied charges	7.83/-
5.	Augmentation of Electric sub station	1.33/-
6.	Loss of profit	20.00/-
7.	Arbitration cost	5.00/-
TOTAL		**288.30/-**

(ix.(i) SIDBI had filed a petition for winding up on alleged non-payment of Rs. 54.40 Lacs which consist of interest, overdue interest and other charges, before the Hon'ble Delhi High Court. Out of which the Holding Company has recorded Rs. 36.30 Lacs in the books of account. Provision for Rs. 18.10 Lacs liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided in the books due to waiver of interest sought under the "Fresh Restructuring Scheme". Refer Note No. 22(i)

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 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 state of affairs of the Group as at 31st March 2017, and their consolidated profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("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 of the aforesaid consolidated financial statements;

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 Group so far as appears from our examination of those books;

c. the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated 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 Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an Qualified effect on the functioning of the Group.

f. Pursuant to section 167 of Companies Act, 2013, the office of all three directors of Holding Company are vacated due to disqualification incurred under section 164(2) of Companies Act, 2013 which due to non redemption of debentures and and repayment of public deposits. As explained by the Holding Company, the matter presently is sub–juiced and the same is pending under Fresh Restructuring Scheme with Hon'ble Delhi High Court. On the basis of written representations received from the directors of other entity (i.e. subsidiary company) as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.

g. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

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, 2015, in our opinion and to the best of our information and according to the explanations given to us

   a. The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group in consolidated financial statements – Refer Note 22 to the consolidated financial statement.

   b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. The Holding 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, debenture-holders and other creditors of the Company. The Holding 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 on 24th September 2004 mentioning therein repayment schedule. All the unpaid matured public fixed deposits of Rs 5,629.04 Lacs, Unpaid Matured Debentures of Rs. 2,550.21 Lacs and refundable share application money of Rs 549.72 Lacs are more than seven year old.

   The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Fresh Restructuring Scheme which is pending before Hon'ble Delhi High Court. Accordingly except the matter stated above, there has been no delay in transferring amounts or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company Refer Note No. 3.1,3.4 and 4(i).

   In case of subsidiary company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   D. The group has provided requisite disclosures in the financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S. O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by group. Refer Note 34 to the consolidated financial statements.

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

Place: New Delhi
Date : 29th May, 2017

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 consolidated financial statements for the year ended March 31, 2017

1) **In respect of Fixed Assets:-**

   (a) The Group is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) Physical verification of fixed assets was conducted by the management at reasonable intervals during the financial year ended 31st March, 2017.

   (c) The title deeds of all the immovable properties are held in the name of the Group.

2) Inventory consists of shares considered stock-in-trade. Physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on verification between the physical stocks and the book records were not material.

3) The Group has not granted loans to Companies, Firms, Limited Liability Partnership (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4) The Group has not granted any loans, investments, guarantees and securities during the year in terms of provisions of Section 185 and 186 of Companies Act, 2013.

5) The Group 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 are not applicable on all the unpaid matured public Fixed Deposits of Rs 5,629.04 Lacs Unpaid Matured Debentures of Rs. 2550.21 Lacs standing as at 31st March, 2017 which were accepted in prior periods in view of filing of Fresh Restructuring Scheme filed with Hon'ble Delhi High Court on 25th September, 2004. The company contends that the aforesaid Public Deposits and payment to Debenture-holders shall be settled as per the outcome of Fresh Restructuring Scheme.

6) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of business carried out by the Company. Accordingly, this clause is not applicable on the Group during the year ended 31st March, 2017.

7) **In respect of statutory dues:**

   (a) According to the information and explanations given to us and the records of the group examined by us, in our opinion, 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 31st March,2017 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and records of the group produced before us, there are disputed demands as mentioned below for the payment of tax under Income tax Act, 1961, which is disputed by the Holding Company with various authorities

Rs. (in Lacs)

Name of the Statuses	Assessment years	Tax Demand in (Rs.)	Forum where dispute is pending	Remarks
Income Tax Act, 1961	2006-2007	Rs. 34.59	CIT(A)	Case to be listed

8) The Holding Company had defaulted in the repayment of dues to financial institutions, banks and debenture holders as explained in **Note Nos. 3.1 to 3.3 and Note No. 3.5 of Notes to Accounts.**

Lender wise details are as follows for defaults to Banks and Financial Institutions:-

Particulars	Amount	Default Period
IndusInd Bank Limited	Rs. 576.99 Lacs	Default since Financial Year 1997-98. **Refer Note-1**
Punjab and Sind Bank	Rs. 803.40 Lacs	Default since Financial Year 1997-98. **Refer Note-1**
SIDBI	Rs. 36.30 Lacs	Default since Financial Year 1997-98. **Refer Note-1**

Note-1

The matter is sub-judice with Hon'ble Delhi High Court as the holding 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, before the Hon'ble Delhi High Court at New Delhi on 24th September 2004 and the same is pending as at 31st March, 2017. The matter of payment to aforesaid Banks and Financial Institutions are covered in the Fresh Scheme and payment shall be released aforesaid Banks and Financial Institutions in accordance with decision regarding Fresh Scheme by Hon'ble Delhi High Court.

The aforesaid clause is not applicable on the Subsidiary Company during the year ended 31st March, 2017.

9) The Group has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Group during the year ended 31stMarch, 2017.

10) According to the information and explanations given to us, no fraud on the Group or by the Group by its officers or employees has been noticed or reported during the year ended 31st March, 2017.

11) Managerial remuneration amounting to Rs.5.14 Lacs to the Key Managerial Personnel of Holding Company defined under Section 2(51) of Companies Act, 2013 has been provided for the period relating to 1-Dec-2015 to 31-March-2017 on the basis of post facto approval received from Central Government on 9th May, 2017. Since the matter pertains to financial year 2016-17 same has been recorded in the period ended 31st March 2017.

In case of subsidiary company, no managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly this clause is not applicable on the Company during the year ended 31st March, 2017.

12) Neither the Holding Company nor the subsidiary company is a Nidhi Company and since this clause does not apply to the Group it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.

13) According to the information and explanations given to us and the records of the group examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14) According to the information and explanations given to us, the group has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence Section 42 of the Companies Act, 2013 is not applicable.

15) According to the information and explanations given to us, the Group has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.

16) Initially the holding company was NBFC. However, renewal of application for registration has been rejected by RBI in 2004. In view of rejection of NBFC license, Section 45-IA of Reserve Bank of India Act, 1934 is not applicable on the Holding company and Section 45-IA of Reserve Bank of India Act, 1934 is not applicable on its subsidiary company also.

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

Place: New Delhi
Date : 29th May, 2017

MANISH MOHAN
Partner
M. N. - 091607

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DCM FINANCIALS SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DCM Financials Services Limited("the Holding Company") and its subsidiary company(the Holding Company and its subsidiary together referred to as "the Group") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention and timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the group has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the group had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, volume of transactions, materiality, timing, and extent of audit test applied in our audit of the consolidated financial statement of the company and the disclaimer does not affect our opinion on the consolidated financial statements of the company.

For VSahaiTripathi& Co.
Chartered Accountants
Firm's Registration Number : 000262N

(Manish Mohan)
Partner
Membership No. 91607

Place : New Delhi
Dated :29May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(Rs.In Lacs)

		Note No.	As at 31.03.2017	As at 31.03.2016
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Funds**			
	(a) Share Capital	1	2,212.51	2,212.51
	(b) Reserves and Surplus	2	(6,978.21)	(7,149.01)
	(c) Minority Interest		2.82	3.01
2)	**Non-Current Liabilities**			
	(a) Long-Term Borrowings	3	9,648.12	9,658.45
	(b) Other Long Term Liabilities	4	1,535.91	1,537.50
	(c) Long-Term Provisions	5	2,086.14	2,084.33
3)	**Current Liabilities**			
	(a) Other Current Liabilities	6	210.04	186.66
	(b) Short-Term Provisions	7	133.57	88.21
	Total		**8,850.90**	**8,621.66**
II.	**ASSETS**			
1)	**Non-Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	8	1,286.05	1,320.67
	(ii) Intangible Assets		-	-
	(b) Non-Current Investments	9	85.75	85.72
	(c) Long-Term Loans and Advances	10	221.26	221.26
	(d) Other Non-Current Assets	11	6,899.27	6,626.92
(2)	**Current Assets**			
	(a) Inventories	12	0.81	0.81
	(b) Cash & Bank Balances	13	45.42	18.38
	(c) Short-Term Loans and Advances	14	5.03	7.04
	(d) Other Current Assets	15	307.31	340.86
	Total		**8,850.90**	**8,621.66**
Notes forming part of the financial statements		1-35		

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	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place : New Delhi
Dated : 29th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Rs.In Lacs)

	Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Income :			
Revenue from Operations		-	-
Other Operating Revenues		-	-
Less : Excise duty		-	-
Net Revenue from Operations		**-**	**-**
Other Income	**16**	367.47	395.76
Total Revenue		**367.47**	**395.76**
Expenses:			
Changes in Inventories of Stock of Shares	**17**	0.00	3.34
Employee Benefit Expenses	**18**	41.58	23.58
Finance Costs	**19**	-	0.36
Depreciation and Amortization Expense	**8**	31.69	31.55
Other Expenses	**20**	79.57	73.62
Total Expenses		**152.84**	**132.45**
Profit before Exceptional and Extraordinary Items and Tax		**214.62**	**263.31**
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		**214.62**	**263.31**
Extra Ordinary Items			
Profit before Tax		**214.62**	**263.31**
Tax Expense:			
(1) Current tax		**44.00**	**53.60**
(2) Deferred Tax		-	-
(3) Tax Adjustment for earlier years		-	-
(4) MAT Credit Adjustment		-	-
Profit After Tax		**170.62**	**209.72**
Minority Interest		**(0.19)**	**0.05**
Profit/ (Loss) for the Period		170.81	**209.66**
Earnings Per Equity Share			
(1) Basic		0.77	0.95
(2) Diluted		0.77	0.95
Notes forming part of the financial statements	**1-35**		

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	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place : New Delhi
Dated : 29th May, 2017

		As at 31.03.2017	As at 31.03.2016
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)		
		6,500.00	**6,500.00**
	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)		
		2,212.51	**2,212.51**

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

	As at 31.03.2017		As at 31.03.2016	
	No.	**Rs.**	**No.**	**Rs.**
Equity Shares				
As at beginning of the year	221.25	2,212.51	221.25	2,212.51
Balance As at end of the year	**221.25**	**2,212.51**	**221.25**	**2,212.51**

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 31.03.2017		31.03.2016	
	No.	**Percentage**	**No.**	**Percentage**
Equity Shares				
DCM Services Ltd	63.52	**28.71%**	63.52	28.71%
Intellect Capital Services Ltd	20.75	**9.38%**	20.75	9.38%
Punjab & Sind Bank	13.20	**5.97%**	13.20	5.97%

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

			As at 31.03.2017	As at 31.03.2016
Note 2	**RESERVES & SURPLUS**			
	(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	**(9,158.73)**	
		Profit for the year	**170.81**	
				(8,987.92)	**(9,158.73)**
	Total			**(6,978.21)**	**(7,149.01)**

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 manadatory for NBFC's to create a reserve of at least 20% before declaration of dividend.

Note 3 Long Term Borrowings

	As at 31.03.2017	As at 31.03.2016
Secured Loans		
Debentures **(Refer Note 3.1)**	2,550.21	2,552.30
Term Loans from Institution - SIDBI **(Refer Note 3.2)**	36.30	36.30
Due to Banks **(Refer Note 3.3)**	1,380.40	1,380.40
Unsecured Loans		
Fixed Deposits from Public **(Refer Note 3.4)**	5,629.04	5,637.28
Term Loan From SBI HF **(Refer Note 3.5)**	25.00	25.00
Inter-Corporate Deposits **(Refer Note 3.6)**	27.17	27.17
Total	**9,648.12**	**9,658.45**

3.1 Debentures

	As at 31.03.2017	As at 31.03.2016
"A" Series Debenture	8.50	8.50
"B" Series Debenture		
- 19.5% Regular	1,180.84	1,181.15
- 19.5% Cumulative	1,059.33	1,059.89
- Deep Discount Bonds	301.54	302.76
	2,550.21	**2,552.30**

3.1.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 5,000 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.

3.1.b Scheme ''A'' Series

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996 respectively. Subject to Note 3.1 (e) these debentures are secured against mortgage/ hypothecation / charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs. 8.50 Lacs were overdue as on March 31, 2017 & these are proposed to be paid as per Fresh Restructuring Scheme submitted to Hon'ble Delhi High Court.

3.1.c Scheme ''B'' Series

Debenture 'B' Series were allotted on 5th November, 1996 and subject to Note 3.1 (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 alloted were Rs 2818.04 Lacs which matured for redemption on 5th May, 1998. Out of total debentures alloted amounting to Rs 2818.04 lacs, debentures of Rs. 276.33 Lacs have been redeemed till March 31st, 2017. The remaning debentures as at March 31, 2017 in the ''B'' series amounting to Rs 2541.71 Lacs consist of the following:-

Particulars	Amount (Rs. in Lacs.)
19.5% Regular	1,180.84
19.5% Cumulative	1,059.33
Deep Discount Bonds	301.54
Total	**2,541.71**

During the year ended 31st March, 2017, Rs. 0.87 Lacs has been paid towards "B" Series Debenture holders (both 19.5% Regular and 19.5% Cumulative) on compassionate grounds after getting approval from Hon'ble Delhi High Court.

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

3.1.d 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.

3.1.e 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.

3.1.f Provision of interest on debentures up to 31st March, 2017 from the date of renewal offer letter of 1998 is calculated @ 10% p.a. of simple interest on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series amounting to approximately Rs. 4822.30Lacs 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. The rate of 10% per annum issued for Dentureholders is based on the order of Company Law Board (CLB) which was pronounced for Fixed Depositors. Though Fresh Scheme does not envisage payment of any interest, it has been considered prudent to provide Interest of 10% per annum on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series since date of renewal offer letter in 1998 by following principles of prudence. 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. 253.65Lacs the current period profits before tax are overstated to the extent of Rs. 253.65Lacs and after tax overstated by Rs201.93 Lacs and cumulative net losses are understated to the extent of Rs.201.93 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. 4770.58 Lacs not provided cumulative net loss is understated.The tax effect will be consequential.

3.1.g. The Central Bank of India, Bombay, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs. 4421.76 Lacs on 14th October, 1999 before the Hon'ble Bombay High Court. it includes interest of Rs. 1553.61 Lacs and Rs. 2867.96 Lacs towards principal. No provision has been made in the books of accounts for such interest.

The Hon'ble Bombay 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.

The suit filed by the Central Bank of India before the Hon'ble Bombay High Court has been stayed by Hon'ble High Court of Delhi vide order dated September 14th, 2005 on application made by the company and there is no change in the status as at 31st March, 2017.

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

3.2.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.

3.2.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.

3.2.c 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.

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. 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". Consequently no provision of Rs. 18.10 Lacs towards overdue int & other charges has been made by the company in the books of accounts.

3.3 Due to Banks*

	As at 31.03.2017	As at 31.03.2016
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.

3.3.1 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.

3.3.2 **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 Lac 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 Lac 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 1st, 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 the claim filed before the Debt Recovery Tribunal amounting to Rs. 1217.52 Lacs would be payable. Interest payable from 01.04.2005 to 31.03.2017 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.

Since fresh restructuring scheme was not approved and made effective by 1st April 2006, 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.

In the event scheme is not approved by Delhi High Court, the concessions made by **PUNJAB & SIND BANK** will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs 1217.52 Lac would be payable as per the adjudication of Debt Recovery Tribunal along with 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.

3.3.3 **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. 283.83 Lacs shall be payable in six equal yearly installments of Rs 56,76,400 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 31.03.2017 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 scheme is not approved by Delhi High Court, 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 as per the adjudication of Debt Recovery Tribunal along with 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.

3.4 FIXED DEPOSITS ACCEPTED

(a) During the year ended March 31st, 2017, Rs. 8.24 Lacs has been paid to Fixed Deposit holders on compassionate ground after getting approval from Hon'ble Delhi High Court.

(b) On passing of proposed Fresh Restructuring Scheme by Hon'ble Delhi High Court, Fixed Depositors would be paid the principal amount. The Fixed Depositors holding principal amount of Rs 5,000 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 residual 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) Balance of fixed deposits as on fixed deposits and bills payable as per information retained on the computer and as per books of accounts stood un-reconciled by Rs. 10.69 Lacs. During the year ended March 31st, 2016, the same has been reconciled by the company and accordingly the liability has increased by Rs. 10.69 Lacs.

Statement on Reconciliation of FDs Accepted:

Particulars	Amount
Balance as on 1st April 2016	5637.28
Add: Addition Due to Reconciliation made during the year	0.00
Less: Redemption made during the year	(8.24)
Balance as on 31st March 2017	5629.04

(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, 2017 calculated at simple interest @ 10% p.a. in accordance with the order of The Hon'ble Company Law Board amounting to approx. Rs. 11588.66 Lacs (including Rs. 11027.21 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 before tax are overstated to the extent of approximately Rs.561.45 Lacs and after tax are overstated to the extent of Rs446.98 Lacs and cumulative net losses are understated to the extent of approximately Rs.11474.19 Lacs .The tax effect will be consequential. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.

3.5 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.

3.6 Inter-Corporate Deposits

The value of inter corporate deposits is Rs 27.17 lacs. Considering the the order of The Hon'ble Company Law Board for Fixed Deposits which states to charge interest @10% p.a. which should also be considered for Inter Corporate Deposits on prudence basis. Considering the interese rate of 10% p.a. the total interest lability comes to be approximately Rs. 54.33 Lacs which includes approximately Rs. 51.62 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.

To the extent of non-provision of interest, the current year's profits before tax are overstated to the extent of approximately Rs. 2.72 Lacs and after tax are overstated to the extent of Rs 2.16 Lacs and cumulative net losses are understated to the extent of approximately Rs. 53.78 Lacs .The tax effect will be consequential.

Note 4	Other Long Term Liabilities	As at 31.03.2017	As at 31.03.2016
	Security Deposits	6.25	6.25
	Employees Advances	1.39	1.39
	Others Payable	475.62	477.21
	Payable to Related Parties **(Refer Note 4(i),(ii))**	1,052.65	1,052.65
	Total	**1,535.91**	**1,537.50**

Note 4 (i) Rs 549.72 Lacs were funded by Group Companies to meet the various types of expenditure. 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.

Note 4 (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.31.84	

Note 5	Long Term provisions	As at 31.03.2017	As at 31.03.2016
	Provision for NPA and advances		
	- Provision for NPA	2,060.56	2,060.56
	- Provision for doubtful advances	21.47	21.47
	Provision for Employee Benefits::		
	- Provision for Gratuity	3.41	1.99
	- Provision for Leave Encashment	0.70	0.31
	Total	**2,086.14**	**2,084.33**

Note 5.1 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. It represents provision for non-performing assets. The aforesaid provisions for non-performing asset of Rs 2060.56 Lac as at 31-March-2017 consist of rent receivable, Inter corporate deposits, Bills receivables and other long term trade receivables. Please also refer Note No. 15, 10.2, 11.

Note 5.2 During the year ended 31st March, 2016 the Employee advances amounting to Rs. 6.61 Lacs has been written off.

Note 6	Other Current Liabilities	As at 31.03.2017	As at 31.03.2016
	Other Liabilities **(Refer Note 6.1)**	210.04	186.66
	TOTAL	**210.04**	**186.66**

6.1	Other Liabilities Includes:	As at 31.03.2017	As at 31.03.2016
	Rent payable	6.72	6.72
	Statutory dues Payable **(ReferNote 6.1.(i))**	44.99	45.87
	Employees Advances	9.66	7.61
	Other Liabilities **(Refer Note 6.1.(ii))**	148.67	126.46
	TOTAL	**210.04**	**186.66**

6.1.i	Statutory Dues Payable Includes	As at 31.03.2017	As at 31.03.2016
	Tax Deducted at source	1.35	1.62
	ESI Payable	0.02	0.03
	Provident Fund Payable	0.32	0.18
	Service Tax Payable	43.30	43.30
	Vadodra Municipal Tax Payable	-	0.74
	Delhi Labour Fund Payable	-	-
	TOTAL	**44.99**	**45.87**

Note 7	Short-Term Provisions	As at 31.03.2017	As at 31.03.2016
	Provision for Employee Benefits:		
	- Provision for Gratuity	6.24	4.19
	- Provision for Leave Encashment	1.21	0.62
	Provision for Income Tax	126.12	83.40
	TOTAL	**133.57**	**88.21**

Note 8. FIXED ASSETS

	Particulars	Gross Block			Depreciation / Adjustment				Net Block		
		As On 01.04.2016	Additions	Deletions / Adjustment	As at 31.03.2017	As On 01.04.2016	For the year	Transfer / Adjustment	As on 31.3.2017	As On 31.03.2017	As on 31.3.2016
A	**TANGIBLE ASSETS**										
(a)	**Own Assets**										
1	Land	3.06	-	-	3.06	-	-	-	-	3.06	3.06
2	Plant & Machinery	41.97	-	41.42	0.55	41.54	-	41.01	0.53	0.02	0.43
3	Buildings	1,855.17	-	-	1,855.17	551.83	28.62	-	581.45	1,273.72	1,303.34
4	Vehicles	6.24	-	-	6.24	2.46	0.98	-	3.44	2.80	3.78
5	Furniture & Fixtures	57.21	-	0.17	57.04	49.29	1.81	0.15	50.94	6.10	7.92
5	Office Equipment & Appliances	33.01	0.09	30.47	2.63	30.90	0.27	28.85	2.32	0.31	2.11
6	Computers	0.42		-	0.42	0.38	-	-	0.38	0.04	0.04
	Total (a)	**1,997.07**	**0.09**	**72.06**	**1,925.13**	**676.39**	**31.68**	**70.01**	**639.06**	**1,286.05**	**1,320.68**
(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)	**3,691.33**	**0.09**	**72.06**	**3,619.39**	**2,370.65**	**31.68**	**70.01**	**2,333.32**	**1,286.05**	**1,320.68**
B	**INTANGIBLE ASSETS**										
(c)	**Own Assets**										
1	Computer Software	-	-	-	-	-	-	-	-	-	-
	Total (c)	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (a +b +c)	**3,691.33**	**0.09**	**72.06**	**3,619.39**	**2,374.65**	**31.68**	**70.01**	**2,333.32**	**1,286.05**	**1,320.68**
	Previous year	3,691.33	-	-	3,691.33	2,340.09	31.55	-	2,370.65	1,320.67	1,353.24

Note 9 NON CURRENT INVESTMENTS

9.1 LONG TERM INVESTMENTS - AT COST

Particular	As at 31 March 2016	As at 31 March 2015
Non-Trade Investments		
- Investment in Equity Shares	207.78	207.78
Less: Provision for diminution in the value of Investments	122.03	122.03
Total	**85.75**	**85.75**

9.2 DETAILS OF INVESTMENTS

Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. if Shares/ Unit		Quoted / Unquoted	Partly 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
		As at 31 March 2017	As at 31 March 2016			As at 31 March 2017		As at 31 March 2016		
Investments in Equity Shares										
Non-Trade Investments										
Punj Llyod Ltd.*	Others	200,000	200,000	Quoted	Fully Paid	45	-	45.48	-	At Cost
Profin Money Market Ltd	Others	25,000	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	220,000	UnQuoted	Fully Paid	40.10	-	40.10	-	At Cost
World Tex Ltd	Others	437,500	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	30,000	UnQuoted	Fully Paid	-	-	-	-	At Cost
Cebon India Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	-	-	-	-	At Cost
Hindalco Industries Limited	Others	82	82	Quoted	Fully Paid	0.08	-	0.08	-	At Cost less prov. Diminution in the value of investments
Digjam Limited	Others	58	58	Quoted	Fully Paid	0.01	-	0.01	-	
Federal Bank Limited	Others	300	600	Quoted	Fully Paid	0.08	-	0.08	-	At Cost
Relig Tech. Ltd.	Others	25	25	Quoted	Fully Paid	-	-	-	-	At Cost
Religare Technova Ltd.*	Others	20	20	Quoted	Fully Paid	-	-	-	-	At Cost
Religare Technologies Ltd.	Others	5	5	Quoted	Fully Paid	-	-	-	-	At Cost
Rajesthan Antibiotics Ltd.	Others	30,000	30,000	UnQuoted	Fully Paid	-	-	-	-	At Cost
		972,990	**973,290**			**207.78**	**122.03**	**207.78**	**122.03**	

(Rs. in lacs)

S No.	Particulars	As at 31 March 2017	As at 31 March 2016
1	**Aggregate amount of Market value of Quoted investments**	39.00	45.11
2	**Aggregate amount of UnQuoted investments**	162.00	162.13
3	**Aggregate provision for dimunition in value of investments**	122.00	122.03

Note 10	Long Term Loans & Advances	As at 31.03.2017	As at 31.03.2016
	Security Deposits		
	- Unsecured Considered Good	12.90	12.90
	Other Loans & advances		
	Considered Good **(Refer Note 10.1)**	0.12	0.12
	Considred Doubtful **(Refer Note 10.2)**	208.24	208.24
	TOTAL	**221.26**	**221.26**

10.1	Other Loans & Advances	As at 31.03.2017	As at 31.03.2016
	Unsecured - Considered Good		
	Employees Advances	-	-
	Others	0.12	0.12
		0.12	**0.12**

10.2			
	Inter Corporate Deposit *	79.58	79.58
	Bills Receivable **	107.17	107.17
	Employees Advances **(Refer Note 10.3)**	11.10	11.10
	Others	10.39	10.39
	TOTAL	**208.24**	**208.24**

*&** Provision of Rs.208.25 Lacs towards Non Performing Assets have been made on Inter Corporate Deposits and Bills Receivables. Please also refer Note no 5.1.

10.3 Employees Advances

Being doubtful of recovery, provision was made in earlier years against the employees advances upto 100% amounting to Rs. 17.69 Lacs. During the year ended March 31st, 2016 the Employee advances amounting to Rs. 6.61 Lac has been fully written off.

Note 11	Other Non Current Assets	As at 31.03.2017	As at 31.03.2016
	Long Term Trade Receivable		
	Considered Doubtful*&**	1,873.81	1,873.81
	Others		
	Secured, Considered Good		
	Fixed Deposits with Banks -(Maturity more than 12 months)	4,687.71	4,445.12
	Advance Tax & TDS	309.23	280.45
	MAT Credit Entitlement	28.52	28.51
	TOTAL	**6,899.27**	**6,627.91**

* 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 issued by Reserve Bank of India, during the year ended 31st March, 2014. Please also refer Note No. 5.1.

Year	Amount(in lacs)
1998-1999	0.15
1999-2000	20.37
2005-2006	0.32
2006-2007	9.89
2007-2008	12.74
2009-2010	0.20
2010-11	3.96
2011-12	37.36
2012-13	34.10
2013-14	43.19
2014-15	39.40
2015-16	62.15
2016-17	44.41
TOTAL	**308.24**

Note 11.1 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 12	**Inventory**	**As at 31.03.2017**	**As at 31.03.2016**
	Securities held as Stock in Trade **(Refer Note 12.1)**	0.81	0.81
		0.81	**0.81**

12.1 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, 2017, 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 13	Cash and Bank Balances	As at 31.03.2017	As at 31.03.2016
	Cash and Cash Equivalents		
	(a) Cash in Hand	0.13	0.88
	(b) Current Accounts		
	- Bank Balances	2.56	3.04
	(c) Other Bank Balances		
	(i) Restricted Bank Balances	42.84	14.57
	(Refer Note 13.1, 13.2 & 13.3)		
	(ii) Fixed Deposits with bank (Refer Note 13.4)	-	-
	Less : Provision for bank written off **(Refer Note-13.2)**	0.11	0.11
		45.42	**18.38**

13.1	Restricted Bank Balances Includes (Refer Note 13.2 & 13.3)	As at 31.03.2017	As at 31.03.2016
	Canara Bank	7.49	3.62
	IDBI Bank Limited	26.19	2.39
	Axis Bank	5.77	4.78
	Other Bank	3.39	3.78
	Total	**42.84**	**14.57**

13.2 Bank Balances amounting to Rs. 1.39 Lacs have been written off during the year ended March 31st, 2016, out of which Rs. 1.24 Lacs has been written off against provisions created in earlier years and Rs. 0.14 Lacs has been written off and transferred to Statement of Profit and Loss. Such accounts were inoperative and no comfirmation were available.

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

Note 14	Short-Term Loans and Advances	As at 31.03.2017	As at 31.03.2016
	Others		
	Unsecured, considered good		
	- Employee Advance	4.39	6.39
	- Others	**0.64**	**0.64**
		5.03	**7.04**

Note 15	Other Current Assets	As at 31.03.2017	As at 31.03.2016
	- Rent Receivable	561.77	561.77
	Less: Provision for Doubtful receivables	(561.77)	(561.77)
	- Interest Receviable	307.26	340.81
	- Other	0.05	0.05
	TOTAL	**307.31**	**340.86**

Note 16	Other Income	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Interest on Fixed Deposits	367.17	393.00
	Dividend Income	0.20	0.31
	Rent Income	-	-
	Balances Written Back (Refer Note 5 & 14.2)	-	-
	Miscellaneous Income	0.10	0.07
	Other Income	-	-
	Profit on sale of Investment	-	2.39
	Provision for Doubtful Debts written back	-	-
	TOTAL	**367.47**	**395.76**

Note 17	Changes in Inventory of Securities held as Stock in Trade	For the Year ended 31.03.2016	For the Year ended 31.03.2015
	Closing Stock	0.81	0.81
	Less : Purchases/Transfer	-	-
	Opening Stock	0.81	4.16
	Changes	**0.00**	**3.34**

Note 18	Employee Benefit Expenses	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Salaries,Wages,Bonus and other employees'benefit	35.07	21.00
	Contribution to Provident and Other funds **(Refer Note 19.1)**	6.51	2.41
	Workmen and Staff Welfare Expenses	-	0.16
	Final Payment to Employee	-	-
	TOTAL	**41.58**	**23.58**

18.1	Contribution to Provident and Other funds	For the Year ended 31.03.2016	For the Year ended 31.03.2015
	Employee state Insurance (ESI)	0.19	0.21
	Provident Fund	1.87	1.03
	Gratuity Fund Contribution	3.47	0.46
	Leave Encashment Contribution	0.98	0.71
	TOTAL	**6.51**	**2.41**

Note 19	Finance Costs	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Interest Paid on FD	-	0.36
	TOTAL	**-**	**0.36**

Note 20	Other Expenses	For the Year ended 31.03.2017	For the Year ended 31.03.2016
	Travelling & Conveyance	1.68	1.33
	Repairs - Building	-	0.28
	- Others	0.22	0.17
	Electricity & Water	0.83	0.78
	Legal & Consultancy Charges	41.76	37.46
	Fees to Auditors for -- Statutory Audit	2.81	3.09
	-- Tax Audit	0.92	0.92
	-- Other	0.10	0.11
	Rent	5.05	4.67
	Telephone Expenses	0.87	1.01
	Advertisement & Publicity	0.76	1.13
	Share Transfer Expenses	2.30	1.34
	AGM Expenses	8.25	7.96
	Internal Audit Fees	0.23	0.23
	Lisiting Fees	6.79	5.10
	Rates and Taxes	2.40	3.14
	Prior Period Expenses	0.07	1.98
	Penalty for A.Year 2008-09	-	1.28
	Penalty on late deposit of EPF challan	0.66	-
	Fees RoC	0.19	-
	FA write off	2.04	-
	Bank Balance/ Receivables written off	-	0.60
	Other Expenses	1.52	0.91
	Insurance Charges	0.12	0.13
	Bad Debts Written off	-	-
	TOTAL	**79.57**	**73.62**

21 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 when rights to receive arise.

(c) In respect of other heads of income, the company follows the accrual basis of accounting.

C. Investments

Investments are classified into current and non current 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 non current 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 ratesand 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.

22. CONTINGENT LIABILITIES & OTHER COMMITMENTS

(a) Mr. Dhruv Prakash had lodged a claim of Rs 65.00 Lacs and winding up petition against the company. The contingent liability arising out of this suit amounts to Rs. 65.00 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) 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 whichever is earlier

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, Punjab & Sind Bank had filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1217.52 Lacs against which the amount payable to them as per books is Rs. 803.40 Lacs. After taking effect of interim payments made to Punjab& Sind Bank till date of Rs 98.40Lacs the claim suite of Rs 1217.52 Lacs is also reduced to Rs.1119.12. Since fresh restructuring scheme was not approved and made effective by 1st April 2006, the claim of Rs.1119.12 Lacs filed before the Debt Recovery Tribunal could be adjudicated by Debt Recovery Tribunal. No communication has been received from Punjab & Sind Bank or Debt Recovery Tribunal (DRT) regarding any adjudication of claim.

The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 315.72 Lacs has been made. The company contends that 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 Punjab & Sind bank shall stand withdrawn and their claim before the Debt Recovery Tribunal of Rs. 1119.12 Lacs (after taking effect of payment of Rs 98.40 Lacs) will become payable upon adjudication by Debt Recovery Tribunal.

(c) 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. 577.00 Lacs shall be payable as per Fresh Restructuring Scheme.

Prior to filing of Fresh Restructuring Scheme by company before Hon'ble Delhi High Court, IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 Lacs against which the amount payable to them as per books is Rs. 577.00 Lacs. After taking effect of interim payments made to Punjab & Sind Bank till date of Rs 74.49 Lacs, the claim suite is also correspondingly reduced to Rs 967.93 Lacs from Rs. 1042.42 Lacs. The company contends that the dues of the Bank will be settled as per the Fresh Restructuring Scheme and consequently no provision for the difference of Rs. 390.93 Lacs has been made. In the event that the company fails to pay the interest or principal or company default as per Fresh Restructuring Scheme or Fresh Restructuring Scheme is rejected, the concessions made by IndusInd Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs 967.93 Lacs (after taking effect of payment of Rs 74.49Lacs) would become payable upon adjudication by Debt Recovery Tribunal.

(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. where the winding up petition proceedings was already initiated. Upon receipt of payment, the Company reduced the recoverable amount accordingly. Subsequently, the Hon'ble Punjab and Haryana Court deemed that payment is out of turn/preferential payment made by Pure Drinks New Delhi Ltd where winding up petition proceedings was already initiated and asked the company to deposit back the said amount with Hon'ble Punjab and Haryana Court. 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 is 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 which still pending to be addressed.

(e) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 100.00 Lacs against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2017.

(f) There is a demand of Rs. 34.59 Lacs raised by Income Tax Department for the Assessment Year 2006-07 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities as on 31st march 2017.

(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. the claim amount, along with Rs. 306.81 Lacs towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 5.49Lacs, had been awarded to the company. The total financial impact comes to Rs. 363.58 Lacs which has been contested by Company before Hon'ble Delhi High Court.

(h) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 288.30 Lacs on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 288.30 Lacs mentioned supra is as follows:

(Rs. In lacs)

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	229.28 /-
2.	Claim of property tax	3.19/-
3.	Claim of ground rent	21.68/-
4.	Allied charges	7.82/-
5.	Augmentation of Electric sub station	1.33/-
6.	Loss of profit	20.00/-
7.	Arbitration cost	5.00/-
TOTAL		**288.30/-**

(i) SIDBI had filed a petition for winding-up on alleged non-payment of Rs. 54.40 Lacs which consist of interest, overdue interest and other charges, before the Hon'ble Delhi High Court. Out of which the company has recorded Rs. 36.30 Lacs in the books of account. Provision for Rs. 18.10 Lacs liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided in the books due to waiver of interest sought under the proposed "Fresh Restructuring Scheme" filed with Hon'ble Delhi High Court.

23. 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 1stApril 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. 1950.00 Lacs of which Rs. 1560.00 Lacs 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 390.00 Lacs has been deposited on 27th April, 2012.

The fresh restructuringscheme 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 restructuringscheme 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, 2017& there is no change in the status at the time of signing of the financials for the period ended 31st March, 2017 by the Board of Directors.

24 Deposit of Rs 1950.00 Lacs by DCM Services Limited

DCM Services Ltd as a promoter has committed to bring in Rs 1950.00 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 1950.00 Lacswith the Court and pursuant to the court order, They have depositedRs 500.00 Lacs on 16.07.2010, Rs 670.00 Lacson 18.11.2010, Rs. 390.00 Lacs on 21.04.2011 &Rs. 390.00 Lacs on 27.04.2012 aggregating to Rs. 1950.00 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, 2017.

25. 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, 2017.

26. EMPLOYEE BENEFITS

(a) Defined Contribution Plans:

The Company has recognized the contribution/liability in the profit &loss account for the financial year 2016-17

(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	9.65	1.91
Unrecognized past service cost	-	-
Net Liability/(Assets)	9.65	1.91
Amount in Balance Sheet		
Liability	9.65	1.91
Assets	-	-
Net Liability/(Assets)	**9.65**	**1.91**
Expenses recognized in the Profit & Loss Account		
Opening defined benefit obligation less benefits paid	-	-
Current service cost	0.54	0.11
Interest on defined benefit obligation	0.48	0.07
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized in the year	2.45	0.80
Past service cost	-	-
Losses/(gains) on "Curtailments and Settlements"	-	-
Total, included in "Employee Benefit Expense"	**3.47**	**0.98**
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period	-	-
Change in defined benefit obligation	-	-
Opening defined benefit obligation	**6.18**	**0.93**
Current service cost	0.54	0.11
Interest cost	0.48	0.07
Actuarial losses/(gains)	2.45	0.80
Liabilities extinguished on curtailments	-	-
Liabilities extinguished on settlements	-	-

Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	
Closing defined benefit obligation	**9.65**	**1.91**
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	7.31%	7.31%
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, 2017; based on actuarial valuation amounting to Rs3.47 Lacs &Rs. 0.98Lacs have been recognized in the profit & loss account.

27. 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 freshrestructuring scheme would be approved by theHon'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. 1950.00 Lacs as promoters quota infused by the management group

28. BALANCE CONFIRMATIONS

(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, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ.

29. 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)	DCM Services limited
		(ii)	DCM International Limited
		(iii)	DCM Anubhavi Marketing Private Limited
III	Key Management Personnel	(i)	Mrs Richa Kalra –Director
		(ii)	Mr. Surender Kumar Sharma – Executive Director
		(iii)	Mr.Sehdev Shori- Additional Director

Details of Transactions are as follows: **(Rs.in Lacs)**

Particulars		**Year ended 31.03.2017**	**Year ended 31.03.2016**
A.	Remuneration to key management personnel		
	- Executive Director	5.14	-
B.	Advances Received		
	- Global IT Options Ltd	0.45	2.17
C.	Services received		
	- Subsidiary Company	0.25	0.25

• 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 starting from 01-12-2015 to 30-11-2018. Due to insufficiency of funds and unavailability of required approvals from relevant authorities, the Company has not paid any managerial remuneration to the Key Managerial Personnel defined under section 2(51) of Companies Act, 2013 pertaining the financial year ended 1 Dec 2015 to 31 March 2017.

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

Particulars		**Year ended 31.03.2017**	**Year ended 31.03.2016**
(i)	DCM Services limited	739.24	739.24
(ii)	DCM International Limited	281.57	281.57
(iii)	DCM Anubhavi Marketing Private Limited (Cr. Balance)	31.84	31.81
	- Subsidiary Company (Cr. Balance)	22.84	22.40

30. Earnings Per Share (EPS) **(Rs. in Lacs)**

Particulars		Year ended 31.03.2017	Year ended 31.03.2016
a)	Profit/(Loss) after taxation as per profit and Loss Account	170.28	209.18
b)	Basic number of Equity shares	221.25	221.25
c)	Nominal value of Equity Shares (Rs.)	10	10
d)	Basic/ Diluted Earnings per share	.77	.95

31. 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 theHon'ble Delhi High Court against the order of the appellate authority, which is still pending.

32. The company had no outstanding dues to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2017.

33. 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.

34. Disclosure on Specified Bank Notes (SBNs)

For Holding Company

Disclosure on details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December, 30 2016 as required under the Notification No. G.S.R. 308(E) dated March 30, 2017, issued by the Ministry of Corporate Affairs, Govt. of India, is given below:

Particulars	SBN*	Other enomination Notes	Total
Closing cash in hand as on November 8, 2016	0.015	0.018	0.033
(+) Permitted receipts	0	0.33	0.33
(-) Permitted payments	0	0.32	0.32
(-) Amount deposited in Banks	0.015	0	0.015
Closing cash in hand as on December 30, 2016	0	0.033	0.033

For Subsidiary Company

Particulars	SBN*	Other enomination Notes	Total
Closing cash in hand as on November 8, 2016	2.00	0.02	2.02
(+) Permitted receipts	0	0	0
(-) Permitted payments	0	0	0
(-) Amount deposited in Banks	2.00	0	2.00
Closing cash in hand as on December 30, 2016	0	0.02	0.02

• For the purposes of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

35. 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, 2017.

As per our report of even date attached.

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

Manish Mohan	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place: New Delhi
Dated: 29 May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

(Rs. In Lacs)

		For the Year ended 31.03.2017	For the Year ended 31.03.2016
A.	**Cash Flow of Operating Activities**		
	Net Profit (Loss) for the Year	214.37	263.31
	Add: Adjustments for		
	Depreciation	31.69	31.55
	Loss on sale of Fixed Assets / FA written off	-	-
	Income from Creditors Written Back	-	-
	Profit on sale of Fixed Assets	-	(2.39)
	Dividend Received	(0.20)	(0.31)
	Interest received	(367.18)	(425.85)
	Interest paid	-	0.36
	Provision & Written Off	2.04	-
	Sub Total	(333.65)	(396.63)
	Operating Profit (Loss) before Working Capital changes	**(119.29)**	**(133.33)**
	Adjustments for :		
	Decrease/(Increase) in Other Non current Assets	(242.58)	(238.19)
	Decrease/(Increase) in Short Term Loan and Advances	-	(2.75)
	Decrease/(Increase) in Other current Assets	35.76	(17.95)
	Decrease/(Increase) in Inventories	-	3.34
	Decrease/(Increase) in Long Term Loan and Advances	-	7.60
	(Decrease)/Increase in Short Term Provision	2.64	4.61
	(Decrease)/Increase in LONG Term provisions	1.81	(5.56)
	(Decrease)/Increase in LONG Term borrowings	(11.92)	6.75
	Increase/(Decrease) in Other Current Liability	23.82	(1.59)
	Sub Total	(190.47)	(243.73)
	Cash generated from operations	**(309.76)**	**(377.06)**
	Less: Income Tax (Including TDS)	30.03	62.09
	Cash In Flow (Out Flow) before extraordinary items	(339.79)	(439.14)
	Net Cash In Flow(Out Flow) from Operations	**(339.79)**	**(439.14)**
B.	**Cash Flow from Investing Activities**		
	Fixed Assets purchased	0.09	-
	Interest Received	367.18	425.85
	Dividend Received	0.20	0.31
	Sale of Investment	-	3.81
	Net Cash In flow(Out Flow) in investing activity	**367.47**	**429.97**
C.	**Cash In Flow (Out Flow) from Financing Activities**		
	Interest Paid	-	(0.36)
	Net cash available(Paid) from financing activities	**-**	**(0.36)**
	Net Increase in Cash and Cash Equivalents(A+B+C)	**27.68**	**(9.54)**
	Cash & cash equivalents as at March 31, 2015	17.38	26.92
	Cash & cash equivalents as at March 31, 2016	44.42	17.38
	Net Increase / (Decrease) in cash & cash equivalents	**27.04**	**(9.54)**

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	**Richa Kalra**	**Surender Kumar**	**Srishti Singh**
Partner	Director	Executive Director	Company Secretary
M. No. 091607	DIN: 07632571	DIN: 02188166	M.No. 50820

Place : New Delhi
Dated : 29th May, 2017

PROXY FORM (MGT-11)

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@dfslonline.com, **Website :** www.dfslonline.com

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

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

I/We, being the member(s) of DCM Finacial Services Limited holding _____ shares hereby appoint:

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

As my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on 30th Nov,2017 at 10.30 A.M. at **The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030** and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO.	Resolution	For	Against
1.	Adoption of: a) the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2017 together with the reports of the Auditor's and Directors' thereon and b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2017 together with the reports of the Auditor's thereon		
2.	Appointment of **M/s Mukesh Aggarwal & Co., Chartered Accountants** as Statutory Auditor and fixation of their remuneration thereof		
3.	Appointment of **Ms. Medini Jaiswal (DIN: 07828197)** as an Independent Director of the company		
4.	Appointment of **Ms. Daman Preet Kaur (DIN: 07475919)** as an Independent Director of the company		

Signed this……day of……2017

Affix Revenue Stamp Re.1/-

....
Signature of Shareholder Signature of Proxy Holder(s)

Notes:

1) *This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.*
2) *For the resolutions, statement setting out material facts, notes and instructions please refer to the notice of Annual General Meeting.*
3) *Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.*
4) *In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*
5) *Please complete all details including details of member(s) and proxy(ies) in the above box before submission.*

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@dfslonline.com, **Website :** www.dfslonline.com

GREEN INITIATIVE IN CORPORATE GOVERNANCE

E-COMMUNICATION REGISTRATION FORM
(In terms of Section 20 of the Companies Act, 2013)

Folio No. / DP ID & Client ID	
Name of 1st Registered Holder	
Name(s) of Joint Holder(s)	
Registered Address	
Email ID (to be registered)	

I/We shareholder(s) of DCM Financial Services Limited agree to receive communication from the Company in electronic mode under relevant provisions of the Companies Act, 2013. Please register my above e-mail in your records for sending communication through mail.

Signature:-_____

(First Holder)

Date: _____

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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@dfslonline.com, **Website :** www.dfslonline.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

26th Annual General Meeting, on **Thursday 30th Nov, 2017 at 10.30 AM** at **The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030**

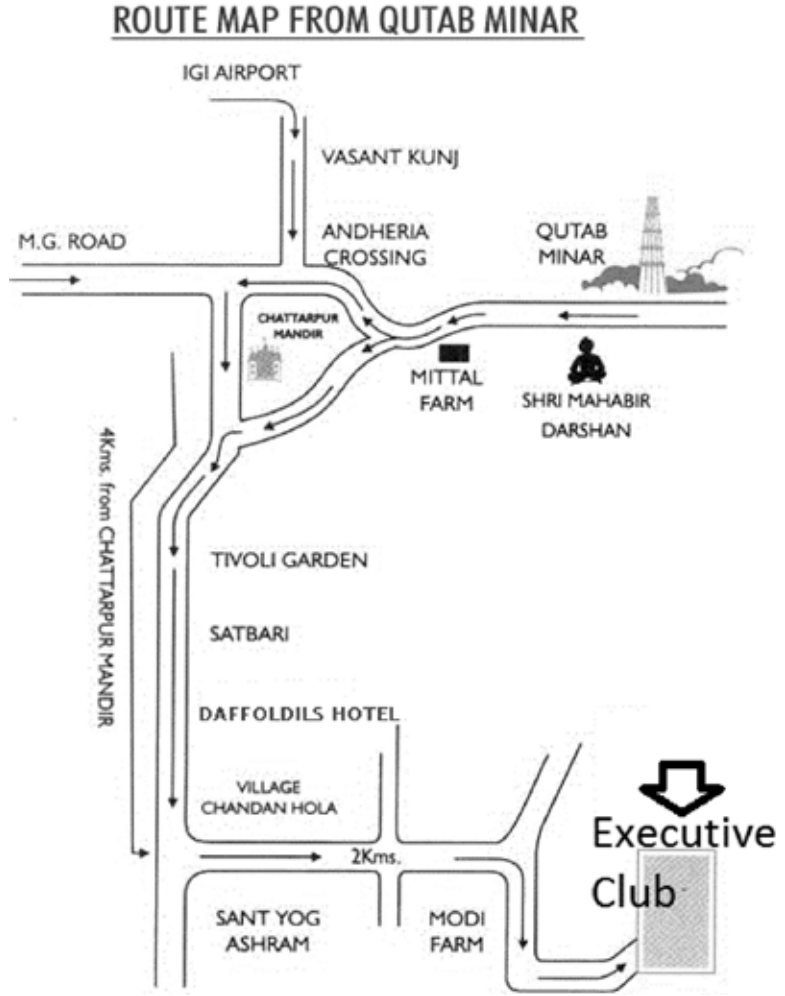
Name of the Member *(In Block Letters)*	
Address	
Folio No./DP ID & Client ID	
No. of Shares held	
Name of Proxy *(To be filled in, if the proxy attends instead of the member)*	

I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 26th Annual General Meeting of the Company on Thusday 30th Nov,2017, at 10.30 AM at **The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030**

_____
Member's/Proxy's Signature

Note:

1) *Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and handover at the entrance of the premise.*
2) *Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be distributed at the meeting venue.*


ROUTE MAP FROM QUTAB MINAR
IGI AIRPORT
VASANT KUNJ
M.G. ROAD
ANDHERIA CROSSING
QUTAB MINAR
CHATTARPUR MANDIR
MITTAL FARM
SHRI MAHABIR DARSHAN
4Kms. from CHATTARPUR MANDIR
TIVOLI GARDEN
SATBARI
DAFFOLDILS HOTEL
VILLAGE CHANDAN HOLA
2Kms.
Executive Club
SANT YOG ASHRAM
MODI FARM

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