



# **27<sup>th</sup> ANNUAL REPORT 2017-2018**

**DCM FINANCIAL SERVICES LTD.**

## BOARD OF DIRECTORS

### Mr. Surender Kumar

Whole-time Director

### Ms. Daman Preet Kaur

Independent Director

### Ms. Rajni Gupta

Additional Director

### Ms. Richa Kalra

Independent Director

### Ms. Medini Jaiswal

(Resigned on 12.02.2018)

## KEY MANAGERIAL PERSONNEL

### Surender Kumar

Whole-time Director

### Ms. Srishti Singh

Company Secretary & Compliance Officer  
(from 22.05.2017 to 10.11.2017)

Ms. Archisha Tyagi - Chief Finance Officer

(from 13.11.2017 to 28.03.2018)

Ms. Archisha Tyagi - Company Secretary & Compliance Officer

(from 13.11.2017 to 28.03.2018)

Ms. Poonam Kumari - Company Secretary & Compliance Officer

(from 02.04.2018 to 05.07.2018)

### Ms. Poonam Kumari -

Chief Finance Officer

(from 02.04.2018 to 05.07.2018)

### Ms. Priya Sharma -

Company Secretary & Compliance Officer  
(w.e.f. 05.07.2018)

### Ms. Priya Sharma -

Chief Finance Officer (w.e.f. 05.07.2018)

## AUDIT COMMITTEE

### Ms. Richa Kalra

Non-Executive Director

(Category- Independent) (Chairperson)

### Mr. Surender Kumar

Executive Director (Member)

### Ms. Rajni Gupta

Non-Executive Director (Category- Independent)  
(Member)

## NOMINATION AND REMUNERATION COMMITTEE

Ms. Richa Kalra - Non-Executive Independent Director (Chairperson)

Ms. Daman PreetKaur - Non-Executive Independent Director (Member)

Ms. Rajni Gupta - Non-Executive Independent Director (Member)

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Ms. Richa Kalra

Non-Executive Director (Chairperson)

### Ms. Daman Preet Kaur

Non-Executive Independent Director (Member)

### Mr. Surender Kumar

Executive director (Member)

## CORPORATE OFFICE& REGISTERED OFFICE

D-7/3 Okhla Industrial Area,Phase-2

New Delhi- 110020

Tel.: +91-011-26387750

E-mail: info@dfsionline.com

## REGISTRAR & SHARE TRANSFER AGENT

### MCS Share Transfer Agent Limited,

F-65, 1st Floor, Okhla Industrial Area, Phase-1,  
New Delhi-110020

Tel.: 011-41406149

E-mail: helpdeskdelhi@mcsregistrars.com

## SHARES LISTED AT NATIONAL STOCK EXCHANGE

Exchange Plaza, Plot No. C/1, G Block, Bandra-  
Kurla Complex Mumbai - 400 051

### BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-  
400001

### Calcutta Stock Exchange

7, Lyons Range, Dalhousie, Kolkata-700001 West  
Bengal

### Statutory Auditor

Mukesh Aggarwal & Co. Chartered Accountants  
102-103, IJS Palace, X-320, Delhi Gate Bazar, Asaf  
Ali Road, New Delhi- 110002

### Secretarial Auditor

Jain P & Associates,  
Practicing Company Secretaries  
2nd Floor, C-273, Sector-63, Noida-2

## CONTENTS

Notice	3
Director's Report	
Management Discussion & Analysis Report	22
Compliance with code of conduct	40
CEO/CFO Certification	40
Compliance Certificate on Corporate Governance	41
Corporate Governance Report	42
<b>Standalone:</b>	
Independent Auditor's Report	55
Balance Sheet	66
Profit and Loss Account	67
Cash Flow Statement	68
<b>Consolidated:</b>	
Independent Auditor's Report	126
Balance Sheet	128
Profit and Loss Account	129
Cash Flow Statement	130
Proxy Form	181
Ballot Form	
Attendance Slip	185
Route Map	186

## NOTICE

**NOTICE** is hereby given that the 27th Annual General Meeting of the members of DCM Financial Services Limited will be held on **Friday, November 30, 2018 at 11:00 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 Standalone & Consolidated Audited Financial Statements of the Company for the financial year ended on 31st March, 2018 together with the reports of the Auditor's and Directors' thereon and
2. To ratify appointment of **M/s Mukesh Aggarwal & Co., Chartered Accountant, (Firm Registration No. 000393N)** as the Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General meeting till the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142(1) of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee, appointment of the Statutory Auditors of company **M/s Mukesh Aggarwal & Co., Chartered Accountant, (Firm Registration No. 011393N)**, be and is hereby ratified by the members of the company for the financial year 2018-19 at such remuneration as may be determined by the Board of Directors of the Company in consultation with the auditor."

**SPECIAL BUSINESS:****3. APPOINTMENT OF MS. RAJNI GUPTA AS DIRECTOR AND 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 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Ms. Rajni Gupta (DIN: 07242992)** who was appointed as an Additional Director cum independent director of the Company by the Board of Directors in their meeting held on 12th February, 2018 to hold office up to the date of ensuing Annual General Meeting, who qualifies for being appointed as Director and an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as Director and Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to 11th February, 2023."

**4. APPOINTMENT OF MR. SHANTANU DEVESHWAR AS DIRECTOR OF THE COMPANY**

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 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), **Mr. Shantanu Deveshwar (DIN: 08268523)**, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on **22nd October, 2018** to hold office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

**5. APPOINTMENT OF MR. SHANTANU DEVESHWAR (DIN: 08268523) AS WHOLETEIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of the Memorandum and Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee and subject to the approval of Central government or any Government Authority as may be required, consent of the Company be and is hereby accorded to appoint Mr. Shantanu Deveshwar (DIN: 08268523) as Whole Time Director, designated as Executive Director of the Company, for a period of 5 (Five) years with effect from 30th November, 2018 to 29th November, 2023, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary, to give effect to the above resolution including agreeing to such amendments/modifications in the aforesaid clauses as may be required by any authority or as may be deemed fit by the Board."

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

**Surender Kumar**

Whole Time Director

(DIN: 02188166)

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

Date: 22/10/2018

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.  
  
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).
3. 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.
4. 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.
5. Brief details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) forms part of the notice.
6. The Register of Members and Share Transfer Books will remain closed from November 25, 2018 to November 30, 2018 (both days inclusive).
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form as required under the amended SEBI guidelines and regulations 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.

8. a) 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.
- b) 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.
9. 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.
10. The shares of the Company are at presently listed on BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.
11. 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.
12. The Board of Directors of the company has appointed Ms. Preeti Mittal, Practicing Company Secretary (C. P. No. 17079), Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
13. 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 Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on website of the Company and on the website of Stock Exchange at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The Report shall simultaneously be placed on Notice Board of the Company at premises of the Registered Office.
14. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the General Meeting.
15. 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 through E-mail.
16. 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. November 24, 2018.
17. 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, shall only 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.

18. No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting.
19. The **Instructions for shareholders voting electronically are as under:**  
Map of Venue is given in the end of Annual Report)

<b>Date and Time of commencement of e-voting</b>	November 27, 2018 from 09:00 A.M.
<b>Date and Time of Conclusion of e-voting</b>	November 29, 2018 till 05:00 P.M.

- 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. Shareholders who 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 UserID
  - a) For Shareholders holding Demat Account with CDSL: **16 digits beneficiary ID,**
  - b) For Shareholders holding Demat Account with NSDL: **8 Character DP ID followed by 8 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>In case the sequence number is less than 8 digit 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 RA00 00001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth(DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>

- 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 of **DCM Financial Services Limited** 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 logon to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 form at 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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	Surender Kumar
Designation	Whole-time Director
Address	D-7/3 Okhla Industrial Area, Phase-2, New Delhi-110020
Contact	9810262680
E-mail	<a href="mailto:info@dfsionline.com">info@dfsionline.com</a>

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014****ITEM NO 3: APPOINTMENT OF MS. RAJNI GUPTA AS DIRECTOR AND INDEPENDENT DIRECTOR**

Ms. Rajni Gupta (DIN: 07242992) was inducted as an Additional cum Independent Director of the Company by Board on 12th February, 2018 pursuant to the provisions as specified u/s 161(1) of the Companies Act, 2013. Ms. Rajni Gupta (DIN: 07242992) holds office up to the date of the ensuing Annual General Meeting and is eligible for the appointment as director and Independent Director.

Further, Ms. Rajni Gupta 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.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company (Pursuant to Reg. 36 of the Listing Regulations and Secretarial Standards-2 on General Meetings):

<b>Name</b>	Rajni Gupta
<b>Director Identification Number (DIN)</b>	07242992
<b>D.O.B.</b>	01/05/1973
<b>Qualification</b>	B.com
<b>Expertise in specific area</b>	She has a rich experience of more than 20 years in Administration and Finance Management and handling various positions in Audit & Compliances in different organizations.
<b>No. of Equity Shares held in the Company as on March 31, 2018</b>	NIL
<b>Date of First appointment on the Board of the Company</b>	12.02.2018
<b>List of Directorship held in other companies</b>	Acting as Director in- 1. Raymed Labs Limited 2. Scriptech Wealth Management Services Private Limited 3. DFS Securities Limited
<b>Names of Listed Entities in which the person holds membership of Committees of the Board</b>	Raymed Labs Limited
<b>No. of meetings of Board attended during the year</b>	1
<b>Remuneration last drawn during FY 2017-18 (Rs)</b>	NIL
<b>Relationship between Directors Inter-se</b>	No relation

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

- Any Director(s) or Manager: NIL
- Any Other Key Managerial Personnel(s): NIL
- Relatives of the persons mentioned in sub clauses (i) and (ii) above: NIL

The Board recommends passing of the resolution set out at Item No. 3 as an Ordinary Resolution.

The documents referred in Item No. 3 above, in respect of which explanatory statement has been provided, are open for inspection at the registered office of the Company on all working days (barring



Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

#### ITEM NO 4 & 5

**Mr. Shantanu Deveshwar (DIN: 08268523)** who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on **22nd Oct, 2018** to hold office up to the date of ensuing Annual General Meeting, is proposed to be appointed as Director and Whole Time Director of the company.

The Duties of the Whole time Director shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the company in the ordinary course of business including all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or are in the interest of the company. In view of his extensive experience, knowledge and dedicated efforts made for the Company, Board is considering his involvement, a necessity for Company's future growth.

The Company has received consent to act as Director and declaration that he is not disqualified from being appointed as a Director of the Company

Therefore, after consideration of all facts and circumstances, the Board recommends appointment of **Mr. Shantanu Deveshwar (DIN: 08268523)** as Whole Time Director by members of the Company.

The terms and conditions for appointment of Mr. Shantanu Deveshwar are proposed keeping in line with the objective of attracting and retaining professional with expertise and high competence on the Board. The material terms of appointment and remuneration as set out in his appointment letter are given below:-

#### A. Remuneration

1.	Remuneration	Remuneration payable to Mr. Shantanu Deveshwar shall be as follows:
	a. Salary Basic Salary	Rs. 19217/- per month
	b. Company	leased accommodation 50% of basic per month
LTA & Medical shall be in accordance with the Company rules.		
2	i. The above remuneration will be inclusive of any other allowance as may be applicable as per Company rules.	
	ii. Mr. Shantanu Deveshwar will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.	

#### B. Designation: Whole Time Director

#### C. Term of appointment:

He shall hold his office for a term of five years from the date of appointment. However, the Board (powers vested in Nomination & Remuneration Committee) as well as the proposed Whole Time Director would be at free will to terminate the office before the said period upon giving reasonable explanations to the effect. The Nomination & Remuneration Committee shall be obligated to conduct a thorough enquiry and give the proposed Whole Time Director a reasonable opportunity of being heard prior to termination of his office

#### D. He shall not be liable to retire by rotation.

#### E. Duties

- (i) He shall perform his duties as such with regard to all work of the Company and he will manage & attend to such business and carry out the orders and direction given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may be given.
- (ii) he shall abide by the provisions contained in Companies Act, 2013 with regard to duties of directors.
- (iii) He shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company (Pursuant to Reg. 36 of the Listing Regulations and Secretarial Standards-2 on General Meetings):

<b>Name</b>	Mr. Shantanu Deveshwar
<b>Director Identification Number (DIN)</b>	08268523
<b>D.O.B.</b>	16.05.1969
<b>Qualification</b>	Post-Graduation diploma in materials management 1991
<b>Expertise in specific area</b>	25 years of working experience in the area of Management & Administration.
<b>No. of Equity Shares held in the Company as on March 31, 2018</b>	NIL
<b>Date of First appointment on the Board of the Company</b>	22.10.2018
<b>List of Directorship held in other companies</b>	NIL
<b>Names of Listed Entities in which the person holds membership of Committees of the Board</b>	NIL
<b>No. of meetings of Board attended during the year</b>	NIL
<b>Remuneration last drawn during FY 2017-18 (Rs)</b>	NIL
<b>Relationship between Directors Inter-se</b>	Mr. Shantanu Deveshwar is a son of Mr. Surender Kumar who is Whole-time Director of the Company.

The nature of concern or interest, financial or otherwise, if any, in respects of resolution no 4 & 5:

- (i) Any Director(s) or Manager: Except Mr. Surender Kumar, being father of Mr. Shantanu Deveshwar, none of the other Director(s) is/are interested in the said resolution.
- (ii) Any Other Key Managerial Personnel(s): NIL
- (iii) Relatives of the persons mentioned in sub clauses (i) and (ii) above: Mr. Surender Kumar, being father of Mr. Shantanu Deveshwar is interested in the resolution.

The Board recommends passing of the resolution set out at Item No. 4 as an Ordinary Resolution and item no 5 as a Special Resolution.

The documents referred in Item No. 4 to 5 above, in respect of which explanatory statement has been provided, are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

## DIRECTOR'S REPORT

To

**The Members,**

Your Directors are pleased to present to the valued stakeholders, the 27th Annual Report of **DCM Financial Services Limited** along with the Audited Financial Statements of the Company for the Financial Year ended on March 31st, 2018.

### FINANCIAL HIGHLIGHTS - AT A GLANCE

#### Overall Performance of your Company

- The Financial Year 2017-18 had been a little tumultuous for the Company as your Company has shown a conventional performance during the year under review. The net loss of your Company has Rs. (751,721) in the Financial Year 2017-18 as compared of profit of Rs. 15,669,731 in the Financial Year 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	
	2017-18	2016-17	2017-18	2016-17
Income from Business Operations	-	-	-	-
Other Income	72,516,125	49,547,455	72,541,369	49,599,925
<b>Total Income</b>	<b>72,516,125</b>	<b>49,547,455</b>	<b>72,541,369</b>	<b>49,599,925</b>
Less: Expenditure except Depreciation	54,929,472	25,966,521	53,150,632	25,925,877
<b>Profit/Loss before Interest, Depreciation and Tax</b>	<b>17,586,653</b>	<b>23,580,934</b>	<b>19,390,737</b>	<b>23,674,048</b>
Less: Interest	-	-	-	-
<b>Profit/Loss before Depreciation and Tax</b>	<b>17,586,653</b>	<b>23,580,934</b>	<b>19,390,737</b>	<b>23,674,048</b>
Less: Depreciation	3,142,697	3,056,758	3,203,955	3,168,933
<b>Profit/Loss before Tax</b>	<b>14,443,956</b>	<b>20,524,176</b>	<b>16,186,782</b>	<b>20,505,115</b>
Less: Tax Expense	3,900,462	4,400,000	3,900,462	44,00,000.00
Add: Deferred Tax Asset	11,090,671	33,618	11,152,166	72,508
<b>Prior Period Taxes</b>	<b>83,170</b>	<b>0</b>	<b>83,170</b>	
Net Profit/Loss after Tax	(630,348)	16,090,558	1,050,984	16,032,607
<b>Less: Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Profit/Loss for the period	(630,348)	16,090,558	1,050,984	16,032,607
Other Comprehensive Income	(121,373)	(420,847)	(121,373)	(420,827)
Net Profit/Loss for the period	(751,721)	15,699,731	929,611	15,611,781
Earnings per share:				
(Basic and Diluted)	(0.03)	0.71	0.04	0.71

#### DIVIDEND

With a view of augmenting financial resources for generating stable growth in future, the Board of Directors of the company have decided not to declared any dividend for the current financial year.

**RESERVES**

The Board proposes no amount to transfer to the reserves during the year.

**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.

**DEPOSITS**

During the year under review, the Company has not accepted any deposits. As on 31.3.2018, there are 50928 fixed deposits aggregating to Rs 5449.92 lac are payable and the Court appointed committee of Justice Anil Kumar, former Judge of Delhi High Court has invited claims from Depositors for the verification and payment as per report/scheme. Once this exercise of complete and report is submitted to the Court, the numbers and the value of un-claimed deposits will be known.

**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.

**CHANGE IN NATURE OF BUSINESS**

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

**CHANGE IN DIRECTORS /KEY MANAGERIAL PERSONNEL DURING THE YEAR**

The details about the changes in Directorship by way of Appointment, Re-designation, Resignation, Death, Dis-qualification, variation made or withdrawn etc. are as follows:

S. No.	Name	Designation	Nature of Change	With Effect From
1.	Mr. Sehdev Shori	Director	Resignation	11.08.2017
2.	Ms. Daman Preet Kaur	Director	Appointment	11.08.2017
3.	Ms. Rajni Gupta	Additional Director	Appointment	12.02.2018
4.	Ms. Medini Jaiswal	Director	Appointment	22.05.2017
5.	Ms. Medini Jaiswal	Director	Resignation	12.02.2018

The details about Key Managerial Personnel by way of Appointment, Resignation are as follows:

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.

S. No.	Name	Designation	Nature of Change	With Effect From
1.	Ms. Srishti Singh	Company Secretary & Compliance Officer	Appointment	22.05.2017
2.	Ms. Srishti Singh	Company Secretary & Compliance Officer	Resignation	10.11.2017
3.	Ms. ArchishaTyagi	Chief Finance Officer	Appointment	12.02.2018
4.	Ms. ArchishaTyagi	Company Secretary & Compliance Officer	Appointment	13.11.2017
5.	Ms. ArchishaTyagi	Chief Finance Officer	Resignation	28.03.2018
6.	Ms. ArchishaTyagi	Company Secretary & Compliance Officer	Resignation	28.03.2018

**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, the Company has adopted Indian Accounting Standards for Accounting treatment in the Financial Statements.

**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."

**SUBSIDIARY / ASSOCIATE/ JOINT VENTURES COMPANIES OF THE COMPANY**

The Company has One Subsidiary Company named 'Global IT options Limited'. During the year under review, there were no associate and joint ventures of the Company. A statement about Subsidiary Company is mentioned in Form AOC-1 is annexed as Annexure-B with this report.

**NUMBER OF MEETINGS OF THE BOARD & COMMITTEES**

During the year under review, Six Board Meetings, Four Audit Committee Meetings, Four Nomination & Remuneration Committee Meetings, Four Stakeholders' Relationship Committee Meetings and Four Internal Compliant 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.

*"The details in respect of the dates of the meetings along with attendance has been provided in the Corporate Governance Report which forms part of this Annual Report."*

**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. The Composition of Audit Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

**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. The Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

**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. The Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

**VIGIL MECHANISM COMMITTEE**

The Vigil Mechanism Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 to be read with Regulation 22 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 Non Independent Directors was 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.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

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

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 **Annexure C**
- b) Employed for part of the year **Annexure C**

The remuneration paid to all Key Managerial Personnel was in accordance with the remuneration policy as adopted by the company.

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

##### **A. STATUTORY AUDITOR**

The members at the Annual General Meeting held on 30th November, 2017 appointed **M/s Mukesh Aggarwal & Co.,** Chartered Accountants (Firm Registration No. 000393N) as Statutory Auditors of the Company for a period of Five years to hold office till the conclusion of 31st Annual General Meeting of the Company subject to ratification at every AGM. Their period of office needs ratification at the ensuing Annual General Meeting. Therefore, the auditors have expressed their willingness to continue to act as Statutory Auditor for the Financial Year 2018-19.

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

1. *Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. Under Scheme of One Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholder creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the financial statements on the outstanding amount of Debentures and Fixed Deposits.*

*Had interest of Rs. 1,683 Lacs been provided for in the financial statements on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2018 would have been higher by Rs 1,683 Lacs. The same has been explained in Note 15.1 and Note 15.4.*

**Directors' Comment:**

During the year, the Hon'ble Court has appointed a Committee to implement the report of One Man Committee and the committee is implementing the scheme. Once the implantation is over, the Court may decide payment of interest, if any. Keeping in view of this, the interest has not been provided in the books.

- (ii). For redemption of 'B' series debentures of Rs. 2365.54 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2365.54 Lacs has not been created due to insufficient profits. The same has been explained in Note 15.1.

**Directors' Comment:** Creation Debenture Redemption Reserve - Non creation of debenture redemption reserve is self-explanatory and cannot be created due to insufficient profits.

- (iii). The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in Note 15.1.d and Note 15.2.&15.3.

**Directors' Comment:** Depletion in the value of Assets charged to Banks/Institution and Debentures Notes 15.1, 15.2 & 15.3, It relates to ascertainment of Security against Debentures and Bank Loan, which could not be ascertained since the Company has litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence confirmations and acknowledgments are not feasible.

- (iv). Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/ payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer **Note No-40**.

**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- Note 40-In view of litigation with creditors mentioned in the Note 40, it's not possible to obtain the balance confirmations.

- (v). *The subsidiary company namely, Global IT Options Limited has till 31st March, 2018 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 been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options Limited with effect from 1-June-2014. It is 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 Court appointed Committee accepts this claim and liquidity position improves.

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

However regarding the year ended March 31, 2018, the Company has appointed Whole time Company Secretary with effect from April 22, 2017.

Regarding non appointment of Whole time Company Secretary till April 22, 2017, 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:** After making so much efforts, the management of 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.

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

**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.

- (vii). 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 in scheme of One man committee is still under process and Hon'ble Delhi High Court has held that the revival of the Company will be decided later on depending on the successful implementation of scheme of One Man Committee, there is no virtual certainty that future economic benefit would flow to company. Considering this we are of opinion that such 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, 2018, the net profit after tax would have been lower by Rs 28.52 Lacs and net profit after tax would have been lowered by Rs. 28.52Lacs and consequently the net cumulative loss would have been higher by Rs 28.52Lacs. In addition to, non-current loans and advances would have been lowered by Rs 28.52Lacs after considering the tax effects.

**Directors' Comment:** MAT Credit Entitlement-Para (ix): The Fresh Restructuring Scheme filed by the Company once fully 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.

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

- (i) *Mr. Dhruv Prakash had lodged a claim of recovery of Rs 913,362. against which a decree of Rs 6,96,887 was passed by Additional District Judge, Tis Hazari Court, New Delhi on 2nd August, 2005 along-with 6% simple interest from the date lodging of suit till actual realization. The contingent liability arising out of this suit amounts to Rs 6,96,887 along-with 6% simple interest from the date lodging of suit till actual realization. The same is being contested by Company in Delhi High Court. 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.*

**Directors' Comment:** The Company is contesting claims lodged against it not acknowledged as debts, all claims including on account of securitization transaction and underwriting obligations. Rest of the contingent liabilities are being addressed through the Scheme.

- (ii) *During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2018.*

**Directors' Comment:** There are certain disputes with the tenant and the claim of tenant is contested.

- (iii) *There is a demand of Rs. 3,458,902 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 2018.*

**Directors' Comment:** The Company has filed necessary application for the rectification for the deletion of said demand, however the same is pending.

- (iv) *There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.*

**Directors' Comment:** 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.

- (v) *Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:*

S. No.	Description	Amount (In Lacs)
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
<b>TOTAL</b>		<b>28,829,634/-</b>

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

**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 Jain P & Associates, Company Secretaries** to undertake Secretarial Audit of the Company.

The Secretarial Audit was conducted by **Ms. Preeti Jain**, 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. STVG & Co., Chartered Accountants** as Internal Auditor of the Company to carry out the Internal Audit Functions. The Internal Auditor submits a “Quarterly Report” to the Audit Committee for its review.

**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 2017-18, 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 Company has not given any loan(s) or guarantee(s) and has not made any investment covered under the provision of the section 186 of the Companies Act, 2013 during the year under review.

All investments made during the year were within the stipulated limits of law.

**PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES 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**.

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

**FINANCIAL POSITION****A) Issue of equity shares with differential voting rights**

No equity shares with differential voting rights has been issued by the company during the financial year 2017-2018

**B) Issue of sweat equity shares**

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014 during the Financial Year.

**C) Issue of employee stock options**

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014, so question does not arise about voting rights not exercised by employee during the year under review.

**D) 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.

**E) Voting Rights of Employees**

During the year under review the company has not given 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 disclosure as per rule 6 (4) of the Companies (Share Capital and Debentures) Rules, 2014.

**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, 2018 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**

To the best of the Management's knowledge, 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 requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given below:

	Conservation of energy	
1.	the steps taken or impact on conservation of energy	Nil
2.	the steps taken by the company for utilising alternate sources of energy	Nil
3.	the capital investment on energy conservation equipments	Nil

	Technology absorption	
1.	the efforts made towards technology absorption	Nil
2.	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3.	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Nil
4.	the details of technology imported	Nil
5.	the year of import	Nil
6.	whether the technology been fully absorbed	Nil.
7.	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Nil
8.	the expenditure incurred on Research and Development	Nil
	Foreign exchange earnings and Outgo	
1.	The Foreign Exchange earned in terms of actual inflows during the year	Nil
2.	The Foreign Exchange outgo during the year in terms of actual outflows	Nil

**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.

#### **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. During the year, no complaints were filed with the Company.

#### **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 company's 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 consider 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 31st March, 2018 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 2018-19 has been paid by the Company.

#### **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.

**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  
Whole Time Director  
DIN:02188166  
Add: D-7/3 Okhla Industrial Area,  
Phase-2 New Delhi-110020**

**Richa Kalra  
Director  
DIN:07632571  
Add: D-7/3 Okhla Industrial Area,  
Phase-2 New Delhi-110020**

**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 financial 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 better monsoon.

### 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 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, the year has started on a positive note. Inflation continues to be low, RBI has cut rates further and most importantly, monsoon forecast is expected to be 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, the upcoming financial year 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 of commercial 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

Date: 22/10/2018  
Place: New Delhi

Surender Kumar  
Whole-time Director  
DIN: 02188166

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

## DCM FINANCIAL SERVICES LIMITED

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

## I. REGISTRATION AND OTHER DETAILS:

- (i) CIN : L65921DL1991PLC043087
- (ii) Registration Date : 13/02/1991
- (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. : Name: MCS Share Transfer Agent Ltd.  
Add: F-65, 1st 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 (formerly 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoter</b>									
<b>(1)</b>	<b>Indian</b>									
a.	Individual /HUF	15	-	15	0.00%	15	-	15	0.00%	0.00%
b.	Central Govt.	0	0	0	0.00	0	0	0	-	-
c.	State Govt(s)	0	0	0	0.00	0	0	0	-	-
d.	Bodies Corp.	8,739,937	-	8,739,937	39.50%	8,739,937	-	8,739,937	39.50%	0.00%
e.	Banks / FI	0	0	0	0.00	0	0	0	-	-
f.	Any Others	0	0	0	0.00	0	0	0	-	-
	<b>Sub-total (A) (1)</b>	<b>8,739,952</b>	<b>-</b>	<b>8,739,952</b>	<b>39.50%</b>	<b>8,739,952</b>	<b>-</b>	<b>8,739,952</b>	<b>39.50%</b>	<b>0.00%</b>
<b>(2)</b>	<b>Foreign</b>									
a.	NRI 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 Corp.	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
	<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total (A)</b>	<b>8,739,952</b>	<b>-</b>	<b>8,739,952</b>	<b>39.50%</b>	<b>8,739,952</b>	<b>-</b>	<b>8,739,952</b>	<b>39.50%</b>	<b>0.00%</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a.	Mutual Funds	-	33,700	33,700	0.15%	-	33,700	33,700	0.15%	0.00%
b.	Banks / FI	-	1,352,700	1,352,700	6.11%	-	1,352,700	1,352,700	6.11%	0.00%
c.	Central Govt	0	0	0	0.00	0	0	0	-	-
d.	State Govt(s)	0	0	0	0.00	0	0	0	-	-
e.	Venture Capital Funds	0	0	0	0.00	0	0	0	-	-
f.	Insurance Companies	0	0	0	0.00	0	0	0	-	-
g.	FIs	0	0	0	0.00	0	0	0	-	-
h.	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	-	-
i.	Others (specify)	0	0	0	0.00	0	0	0	-	-
	<b>Sub-total (B)(1)</b>	<b>-</b>	<b>1,386,400</b>	<b>1,386,400</b>	<b>6.27%</b>	<b>-</b>	<b>1,386,400</b>	<b>1,386,400</b>	<b>6.27%</b>	<b>0.00%</b>
<b>2.</b>	<b>Non-Institutions</b>									
a.	Bodies Corp.									
i)	Indian	1,373,883	67,817	1,441,700	6.52%	1206258	67817	1,274,075	5.75%	-0.77%
ii)	Overseas	0	0	0	0.00	0	0	0	-	-
b.	Individuals		0							
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,673,267	1,790,434	7,463,701	33.73%	5711176	1773541	7,484,717	33.83%	0.09%
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2420636	100,500	2521136	11.39%	2575450	100500	2,675,950	12.09%	0.70%
c.	Others (specify)									
	Non Resident Indians	109915	462250	572,165	2.59%	103960	460000	563,960	2.54%	-0.05%
	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	-	-
	<b>Sub-total (B)(2):-</b>	<b>9,577,701</b>	<b>2,421,001</b>	<b>11,998,702</b>	<b>54.23%</b>	<b>9,596,844</b>	<b>2,401,858</b>	<b>11,998,702</b>	<b>54.23%</b>	<b>0.00%</b>
	<b>Total Public (B)</b>	<b>9,577,701</b>	<b>3,807,401</b>	<b>13,385,102</b>	<b>60.50%</b>	<b>9,596,844</b>	<b>3,788,258</b>	<b>13,385,102</b>	<b>60.50%</b>	<b>0.00%</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B+C)</b>	<b>18,317,653</b>	<b>3,807,401</b>	<b>22,125,054</b>	<b>100.00%</b>	<b>18,336,796</b>	<b>3,788,258</b>	<b>22,125,054</b>	<b>100.00%</b>	<b>0.00%</b>

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Vivek Bharat Ram	15	0.00%	0	15	0.00%	0	0.00%
2	DCM Services Limited	6,352,487	28.71%	0	6,352,487	28.71%	0	0.00%
3	Shriram Global Enterprises Ltd.	312,450	1.41%	0	312,450	1.41%	0	0.00%
4	Intellect Capital Services Private Ltd.	2,075,000	9.38%	0	2,075,000	9.38%	0	0.00%

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
				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)			No Change during the year			
	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.	For each of the Top 10 shareholders	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
		No. of shares	% of total shares	No. of shares	% of total shares
1	PUNJAB & SIND BANK				
	At the beginning of the year	1319900	5.96	1319900	5.96
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	1319900	5.96	1319900	5.96
2	CENTENNIAL CORPORATION PRIVATE LTD				
	At the beginning of the year	600000	2.71	600000	2.71

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	600000	2.71	600000	2.71
3	KOKILABEN BHARATKUMAR PARIKH				
	At the beginning of the year	275391	1.24	275391	1.24
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	275391	1.24	275391	1.24
4	BHARATKUMAR HARIKRISHNA PARIKH				
	At the beginning of the year	240270	1.09	240270	1.09
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	240270	1.09	240270	1.09
5	AMAZING CAPITAL SERVICES PRIVATE LTD.				
	At the beginning of the year	176602	0.8	176602	0.8
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	176602	0.8	176602	0.8
6	PRADEEP KUMAR SHARMA				
	At the beginning of the year	123200	0.56	123200	0.56
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	123200	0.56	123200	0.56
7	VINOD KUMAR G				
	At the beginning of the year	110034	0.50	110034	0.50
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	110034	0.50	110034	0.50
8	AJAY GUPTA				
	At the beginning of the year	74100	0.33	83250	0.38

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc) Purchase of 9150 EquityShares from 02/06/2017 to 26/01/2018	Purchase during theyear			
	Purchase as on 02/06/2017	700	0.003		
	Purchase as on 16/06/2017	750	0.003		
	Purchase as on 23/06/2017	600	0.003		
	Purchase as on 30/06/2017	400	0.002		
	Purchase as on 28/07/2017	700	0.003		
	Purchase as on 18/08/2017	650	0.003		
	Purchase as on 25/08/2017	700	0.003		
	Purchase as on 13/10/2017	600	0.003		
	Purchase as on 01/12/2017	250	0.001		
	Purchase as on 05/01/2018	700	0.003		
	Purchase as on 12/02/2018	600	0.003		
	Purchase as on 19/01/2018	900	0.004		
	Purchase as on 26/01/2018	1600	0.007		
	At the end of the year (or on the date of separation, if separated during the year)	83250	0.38	83250	0.38
9	MADHU GUPTA				
	At the beginning of the year	37110	0.17	56472	0.26
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc) Purchase of 19362 Equity-Shares as on 22/12/2017	19362	0.09		
	At the end of the year (or on the date of separation, if separated during the year)	56472	0.26	56472	0.26
10	BHUPINDER SINGH				
	At the beginning of the year	56165	0.25	56165	0.25
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc)	No changes during the year			
	At the end of the year (or on the date of separation, if separated during the year)	56165	0.25	56165	0.25
11	MASTER CAPITAL SERVICES LTD				
	At the beginning of the year	71527	0.32	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc) Sale during the year	71527	0.32		
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

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

Sl. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
		No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>SURENDER KUMAR</b>				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year		0.00%		0.00%
<b>2</b>	<b>RAJNI GUPTA</b>				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)		0.00%		0.00%
	At the end of the year		0.00%		0.00%
<b>3</b>	<b>DAMAN PREET KAUR</b>				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year		0.00%		0.00%
<b>4</b>	<b>RICHA KALRA</b>				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year		0.00%		0.00%
<b>5</b>	<b>PRIYA SHARMA</b>				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year			
	At the end of the year		0.00%		0.00%

**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
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	3966.91	52.17	5629.04	9,648.12
ii)	Interest due but not paid				-
iii)	Interest accrued but not due				-
<b>Total (i+ii+iii)</b>		3966.91	52.17	5629.04	9,648.12
<b>Change in Indebtedness during the financial year</b>					
•	Addition				-
•	Reduction	3,966.91	27.16	5,629.04	9,623.11
<b>Net Change</b>		3,966.91	27.16	5,629.04	9,623.11
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount		25.00		25.00
ii)	Interest due but not paid				-
iii)	Interest accrued but not due				-
<b>Total (i+ii+iii)</b>			25.00		25.00

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/MTD/Manager	Total Amount (Rupees)
	<b>Name</b>	<b>Surrender Kumar</b>	
	<b>Designation</b>	<b>Whole Time Director</b>	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	344,250.00	344,250.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	51,468.00	51,468.00
(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		-
	<b>Total (A)</b>	395,718.00	395,718.00
	<b>Ceiling as per the Act</b>		

**B. Remuneration to other Directors**

S. No.	Particulars of Remuneration	Name of Directors	Total Amount (Rupees)
1	Independent Directors		<b>Nil</b>
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	<b>Total (1)</b>	-	-

2	Other Non-Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	395,718.00
	Overall Ceiling as per the Act		

**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	
	Designation		COMPANY SECRETARY			
	Name		Ms. Srishti Singh	Ms. Archisha Tyagi	Ms. Poonam Kumari	
1	Gross salary		131216	84600	23200	239016
	(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					-
	<b>Total</b>		<b>131,216.00</b>	<b>84,600.00</b>	<b>23,200.00</b>	<b>239,016.00</b>

**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)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

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

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

Richa Kalra  
Director  
DIN:07632571  
Add: D-7/3 Okhla Industrial Area,  
Phase-2 New Delhi-110020

Date: 25.10.2017  
Place: Delhi

## 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 Rupees)*

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	(7,681,100)
6	Total assets	2,462,188
7	Total Liabilities	143,088
8	Investments	45,367
9	Turnover	Nil
10	Profit before taxation	-57,173
11	Provision for taxation	61,495
12	Profit after taxation	-118,668
13	Proposed Dividend	Nil
14	% of shareholding	90% approx.

- Names of subsidiaries which are yet to commence operations: **NIL**
- 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**

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

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

**Richa Kalra  
Director  
DIN:07632571  
Add: D-7/3 Okhla Industrial Area,  
Phase-2 New Delhi-110020**

**Date: 22.10.2018  
Place: Delhi**

**Poonam Kumari  
Company Secretary  
M. No. A-37057**

## Annexure-C

**A 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.	Name of Employees	Designation of the employee
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. Surender Kumar Ratio:1.17:1
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	13.38 %
4	The number of permanent employees on the rolls of the Company	6 as on 31st March 2018& 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	Not applicable as there is no revenue from operations. The remuneration and perquisites of WTD are approved by the Central Government.
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 decreased to Rs 5.18 Cr as on 31st March 2018 from Rs 6.42 Cr as on 31st March 2017.  Over the same period, the price earnings ratio moved from 0.71 to -0.03. The stock price of the Company as at 31st March 2018 has decreased by 77% 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 = 13.16%
9	Comparison of each remuneration of Key Managerial personnel against the performance of the Company	Mr. Surender Kumar : A Remuneration for FY 2017-18: Rs 3.95 lacs B % of gross Revenue for FY 2017-18: Not applicable as there is no revenue from operations. Profit for FY 2017-18= Rs (-) 7.52 lacs C % of Profit for FY 2017-18: (-) 52% As other KMP has worked only for the part of year, hence not comparable to the performance of the Company
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	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	0.206:1
12	Affirmation that the remuneration is as per the remuneration policy	The Company affirms remuneration is as per remuneration policy of the Company

**A 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.	Name of Employees	Designation of the employee	Remuneration received Rs in Lacs	nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	the age of such employee	the last employment held by such employee before joining the company	the percentage of equity 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 company and if so, name of such director or manager
1	Surender Kumar	Whole Time Director	3.95	Contractual	Bachelor of Science	1.12.2015*	79	Punjab National Bank	Nil	No
2	Vikram Dogra	Vice President-Operations	19.18	Regular	B.Com	23.6.1998	61	Usha International Ltd.	100	No
3	Ajit Kumar	Executive Accounts	4.44	Regular	B.Com	25-08-2006	38	First Employment	Nil	No
4	Devi Prasad Semwal	Assistant	3.38	Regular	12th	03-11-1997	53	Pertech Computers Ltd	100	No
5	Rajender Prasad	Assistant	2.56	Regular	B.A	01-05-1998	46	Cure Fast Remedies Ltd	100	No
6	Hari Bahadur	Peon	2.08	Regular	4th	01-07-1995	49	First Employment	Nil	No

\* For the Current tenure.

• Employee who have worked for a full year have been shown in the statement

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

Form No. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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 the compliance of applicable statutory provisions and the adherence to good corporate practices by **DCM Financial Services Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **DCM Financial Services Limited's** books, papers, minute books, 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 **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **DCM Financial Services Limited** ("the Company") for the financial year ended on **31st March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **Not applicable during period under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable for the period under review.**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable during the period under review.**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable during the period under review.**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable during the period under review.**

- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;
- (viii) Industrial and Labour Laws;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India;

During the year under review, the Company has complied with the provisions of the Act, 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 and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial personnel of the Company that took place during the year under review were carried out in compliance with the provision of the Act.
- As per the management's representation, 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.
- As per the management's representation, majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there is one case pending with Hon'ble Delhi High Court 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 had issued non- convertible debentures in the year 1995- 96 on private placement basis, wherein the Central Bank of India had been appointed as their Debenture Trustee. Further, at the time when redemption of the said debentures got due, the Company was ordered by Reserve Bank of India to make re-payment to the deposit holders in priority to any other "Creditor" including the Redemption of these Debentures. However, due to serious financial and cash flow constraints being faced by the Company, the Company could not make payment to any party. Thereafter, the matter went to the Hon'ble High Court in the form of a scheme which got approved on 10th August, 2017.

Further, as required under the approved scheme, the Company has duly initiated the process of making repayment to the Deposit Holders.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For Jain P & Associates,  
Company Secretaries

**Preeti Mittal**

Place: Noida  
Date: 22.10.2018

ACS No.: 41759  
C P No.:17079

This report is to be read with our letter of even date which is annexed as 'Annexure I' and forms an integral part of this report.

## 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
	b)	Nature of contracts/arrangements/ transactions
	c)	Duration of the contracts/ arrangements/ transactions
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any
	e)	Justification for entering into such contracts or arrangements or transactions.
	f)	Date(s) of approval by the Board
	g)	Amount paid as advances, if any
	h)	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188.
	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
	b)	Nature of contracts/arrangements /transactions
	c)	Duration of the contracts/arrangements/ transactions
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any:
	e)	Date(s) of approval by the Board, if any
	f)	Amount paid as advances, if any

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

Surender Kumar  
Whole Time Director  
DIN: 02188166

Richa Kalra  
Director  
DIN: 07632571

Date: 22/10/2018  
Place: Delhi

Add: D-7/3 Okhla Industrial Area,  
Phase-2 New Delhi-11002

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

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[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

Our report of even date is to be read along with this letter.

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Jain P & Associates,  
Company Secretaries**

**Preeti Mittal  
ACS No.: 41759  
C P No.:17079**

**Place: Noida  
Date: 22.10.2018**

**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, 2018.

Date: 22/10/2018  
Place: New Delhi

Surender Kumar  
Whole Time Director  
(DIN: 02188166)

**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.

Date: 22/10/2018  
Place: New Delhi

Surender Kumar  
Whole Time Director  
(DIN: 02188166)



**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, 2018** 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 according to the information and explanation given to us, the Company has taken required steps to comply with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

We state that no investor grievance is pending for the period exceeding one month against the Company as per records maintained by the Stakeholders' Relationship Committee together with the status of Investor Grievance as on SEBI SCORES Portal.

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 M/s Jain P. Associates**  
**Company Secretaries**

**Preeti Mittal**  
**ACS No. 41759**  
**CP No. 17079**

## COMPLIANCE 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.

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 2018, there were Four Directors comprising One Executive Directors including One Whole Time Directors, and Three Non-Executive Independent Directors.

The Board of Directors had appointed Ms. Rajni Gupta DIN: 07242992, as an Additional Director of the Company w.e.f. February 12, 2018

Ms. Medini Jaiswal resigned from the directorship w.e.f. February 12, 2018 due to Pre-occupation.

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 in various committees.

As on 31st March, 2018, the composition of Board of Directors is in conformity with Regulation 17 of SEBI Regulations, 2015 and the provisions of Companies Act, 2013.

Category and attendance of each of the Directors at the Board Meetings held during 2017 -18 and the last Annual General Meeting is given below:

Name	Category	Number of Board Meetings held during the year 2017-2018		Whether attended last AGM for FY 2016-17	No. of Membership/ Chairpersonship in mandatory Committees	
		Held	Attended		Chairpersonship	Membership
1. Mr. Surender Kumar	Whole-time Director	6	6	Yes	0	4
2. Mr. Sehdev Shori	Director	3	3	No	0	3
3. Ms. Daman Preet Kaur	Independent Director	3	3	Yes	0	3
4. Ms. Richa Kalra	Independent Director	6	6	Yes	4	4
5. Ms. Medini Jaiswal	Independent Director	6	6	Yes	0	2
6. Ms. Rajni Gupta *w.e.f. 12.02.2018	Independent Director	6	1	No	0	0

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.

During the period, the Board of Directors of your Company met Six times, the dates on which the meetings were held are 22/05/2017, 29/05/2017, 11/08/2017, 25/10/2017, 13/11/2017 and 12/02/2018 and the gap requirement of 120 days between two meetings has been complied with. The necessary quorum was present for all the meetings.

**B. 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.

**C. 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 2017-18.

**III. COMMITTEES OF THE BOARD**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has **Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Internal Compliant Committee and Vigil Mechanism Committee**. 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 of SEBI 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 head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.
- iv. The previous Annual General Meeting (AGM) of the Company was held on 30th November, 2017 and was attended by Ms. Richa Karla, 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	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Richa Karla	Chairperson	4	4
2.	Surender Kumar	Member	4	4
3.	Medini Jaiswal	Member	4	4

- vi. Four Audit Committee meetings were held during the year 2017-18 on 29th May, 2017, 11th August, 2017, 13th November, 2017, 12th February, 2018.
- 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 statements are 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 of judgment by management;
    - d. significant adjustments made in the financial statements arising out of audit findings;
    - e. compliance with listing and other legal requirements relating to financial statements;
    - f. disclosure of any related party transactions;
    - g. modified opinion(s) in the draft audit report;
  5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. 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. Headed by Ms. Richa Kalra, the Non-Executive Director.
- 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	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Richa Kalra	Chairperson	4	4
2.	*Sehdev Shori	Member	2	2
3.	Surender Kumar	Member	4	4
4.	**Daman Preet Kaur	Member	2	2

***\*Mr. Sehdev Shori has been resigned from the Directorship of the company w.e.f. August 11, 2017.***

***\*\* Ms. Daman Preet Kaur is appointed as the Director of the company w.e.f. August 11, 2017.***

- iii. Four Stakeholders' Relationship Committee meetings were held during the year 2017-18 on 29th May, 2017, 11th August, 2017, 13th November, 2017 and 12th February, 2018. 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:

- To consider and resolve the grievance of security holders of the Company.
- To review important circulars issued by SEBI /Stock Exchanges
- To take note of compliance of Corporate Governance during the quarter/year.
- To approve request for share transfer and transmissions.
- 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	Priya Sharma
Designation	Company secretary & compliance officer
Address	D 7/3, Okhla Industrial Estate, Area - II, New Delhi, Delhi, 110020

**vi. Details of investor complaints received and redressed during the year 2017-18 are as follows:**

No. of Complaints pending as on 01.04.2017	No. of Complaints received during the year 2017-18	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 31.03.2018
Nil	10	10	Nil	Nil

**C. Nomination & Remuneration Committee**

- Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has duly constituted the Nomination & Remuneration Committee, with all members being Non-Executive Directors and Independent Director as Chairperson. The composition of Nomination & Remuneration Committee is as follows:

S. No.	Name of the Member	Category	No. of Committee Meetings held	No. of Committee Meetings Attended
1.	Richa Kalra	Chairperson	4	4
2.	*Sehdev Shori	Member	2	2
3.	Medini Jaisai Kumar	Member	4	4
4.	**Daman Preetkaur	Member	2	2

**\*Mr. Sehdev Shori has been resigned from the Directorship of the company w.e.f. August 11, 2017.**

**\*\* Ms. Daman Preetkaur is appointed as the Director of the company w.e.f. August 11, 2017.**

The committee meetings were held on 22nd May, 2017, 11th August, 2017, 13th November, 2017, 12th February, 2018.

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.
- f) 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. 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.

iv. **Remuneration of Directors**

The remuneration payable to all Directors including Managing Director, if any 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 2017-18.

Remuneration of Executive Directors for the financial year 2017-18

(Amount in ₹Rs)

S. No.	Name of Director	Designation	Salary	Benefits	Performance Related Pay (PRP) for the year 2017-18	Total
1.	Surender Kumar	Whole time Director	344250	51468	-	395718

The Company had not given any stock options during the year 2017-18.

Except as mentioned above, there was no pecuniary relationship or transaction with Non-Executive Directors vis-a-vis the Company during the financial year 2017-18.

Criteria of making payment to non-executive directors is available on the website of the company.

#### IV. 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 under review, no complaint(s) have been reported under Whistle Blower Policy.

#### V. VIGILMECHANISM

The Vigil Mechanism of the Company, which also 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 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.

#### VI. RISK MANAGEMENT

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

#### VII. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 12th February, 2018, inter alia to discuss the following matters:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### VIII. 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

- 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.

#### **IX. 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.
- II. 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.

#### **X. SUBSIDIARY COMPANIES**

- i. **Global ITOptions Limited**
  - ii. Global It Options Limited is the subsidiary Company of our Company. During the year, the minutes of the meetings of the Board of Directors of subsidiary company were placed before the Board of Directors of holding company. The Board of the Company was also apprised about the significant transactions and arrangements entered into by the subsidiary Company at periodical intervals. The Company is a material Non-Listed Indian Subsidiary Company of the Company as per Regulation 24 of SEBI Regulations, 2015.
- Ms. Rajni Gupta (DIN: 07242992), being an Independent Director of the holding Company has joined the board of w.e.f. 12th February, 2018 in compliance of the requirements of Regulation 24 of LODR Regulations.

#### **XI. RELATED PARTY TRANSACTIONS:**

During the financial year under review, the Company has not entered into any material transaction with any of its related party.

#### **XII. 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 till date and has followed the relevant provisions of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to Financial Statements.

**XIII. GENERAL BODY MEETING****a) Annual General Meeting**

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

<b>Financial Year</b>	<b>Day and Date</b>	<b>Venue</b>	<b>Time</b>	<b>Whether any Special Resolution passed</b>
2014-15	30th November, 2015	Executive Club, 439, Village Shahoorpur, P.O. FatehpurBerl, New Delhi 110030	10:00 AM	01
2015-16	30th November, 2016	Executive Club, 439, Village Shahoorpur, P.O. FatehpurBerl, New Delhi 110030	10.00 AM	00
2016-17	30th November, 2017	Executive Club, 439, Village Shahoorpur, P.O FatehpurBerl, New Delhi- 110030	10:30 A.M.	00

b) NoExtraordinary General Meeting of Members was held during the year under review.

c) NoPostal Ballot was conducted during the year under review.

**XIV. MEANS OF COMMUNICATION**

The Company's quarterly financial results in the format prescribed under the SEBI Regulations, 2015, were approved and taken on record by the Board within the prescribed period under the Regulations and were sent to all Stock Exchanges on which the Company's shares are listed.

The quarterly, half-yearly and annual results of the Company are published both in Vernacular languageand English National newspapers. The said results are also displayed on Company's website.

**XV. DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2018: NIL**

**XVI. GENERAL SHAREHOLDER INFORMATION**

S. No.	Particulars	Information
1.	Annual General Meeting:	
	Day & Date	<b>Friday, November 30, 2018</b>
	Venue	The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030
2.	Financial year	2017-18
3.	Book Closure	November 25, 2018 to November 30, 2018
4.	Listed on	NSE, BSE & CSE
5.	Dividend payment date	The Company has not recommended or paid any dividend during the financial year under review.

**XVII. ANNUAL LISTING FEES**

The Company has paid dues of the Stock Exchange(s) where the shares of the Company are listed in respect of Annual Listing Fees for the financial year 2018-19.

**XVIII. Statutory Compliance, Penalties and Strictures**

The Company has continued to comply with the requirements of the Stock Exchanges, 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 authorities for any violation related to the Capital market during the last three years which has a bearing on the going concern status of the company.

**XIX. Listing Regulations Compliance**

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

**XX. 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 2017-18, the paid up share capital of the Company was **22,12,50,540**/(i.e. below the stipulated limit of Rs. 10 crores) and net worth was **(422,605,794/-)**/(i.e. below the stipulated limit of Rs. 25 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;
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 with role as mentioned in Part D of Schedule II;
5. Vigil Mechanism has been adopted by the Company pursuant to Regulation 22 of the Listing Regulations, 2015.

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

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

**XXII. 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.

**XXIII. STOCKEXCHANGE CODE**

Stock Exchange	Scrip Code/Symbol/Security Code
BSE Limited	511611
NSE Limited	DCMFINSERV
CSE Limited	14032

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

The Market price data is given in the table mentioned below:

Month	High(Rs.)	Low(Rs.)	Closing(Rs.)
April '17	4.01	3.14	3.68
May '17	4.08	2.86	2.87
June '17	3.15	2.50	2.81
July '17	3.49	2.85	3.00
August '17	3.22	1.91	2.20
Sep '17	3.94	2.20	3.50
Oct '17	3.67	2.82	3.01
Nov '17	3.75	2.95	3.08
Dec '17	3.46	2.85	3.20
Jan '18	3.60	2.75	3.28
Feb '18	3.28	2.55	2.65
March '18	2.65	1.91	2.14

**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 2017-18.

**XXV. REGISTRAR& SHARE TRANSFER AGENT**

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

MCSShare Transfer Agent Limited

Add.: F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020

Ph:- 011-4140 6149, Fax:- 011-4170 9881

email:helpdeskdelhi@mcsregistrars.com

**XXVI. SHARE TRANSFER SYSTEM**

The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Share transfers are approved/ratified by the Stakeholders' Relationship Committee. Share transfer activities are being carried out by Share Transfer Agent of the Company.

Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis from Practicing Company Secretary confirming due compliance of share transfer formalities by the Company through its share transfer agent have been submitted to stock exchange(s) within the one month from the end of half financial year.

**XXVII. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018:**

Shareholding of Nominal value of Rs. 10/-	No. of Share-holders	% of Share-holders	No. of Shares held	Amount	% to total
Up to 5000	19126	86.30	2841451	28414510	12.84
5001-10000	1551	7.00	1345876	13458760	6.08
10001-20000	718	3.24	1157125	11571250	5.23
20001-30000	258	1.16	677348	6773480	3.06
30001-40000	123	0.55	454546	4545460	2.05
40001-50000	122	0.55	589016	5890160	2.66
50001-100000	152	0.69	1119074	11190740	5.06
100001 & above	113	0.51	13940618	139406180	63.01
Total	22163	100.00	22125054	221250540	100

**Categories of Equity shareholders as on March 31, 2018**

	Category	No. of Shares	% of Holding
<b>1.</b>	<b>Promoters Holding</b>		
	Promoters		
	- Indian Promoters	87,39,952	39.50%
	- Foreign Promoters		
	- Persons acting in concert		
	<b>Sub Total</b>	<b>87,39,952</b>	<b>39.50%</b>
<b>2.</b>	<b>Non Promoters Holding</b>		
	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	-	-
	<b>Sub Total</b>	<b>13,86,400</b>	<b>6.26%</b>
<b>3.</b>	<b>Others</b>		
	Corporate Bodies	12,74,075	5.75
	Indian Public	1,01,60,667	45.92
	NRI with Repat	43,809	0.19
	NRI without Repat	5,20,151	2.35
	Any Other (HUF/Firm/Foreign Companies) Clearing Member		
	<b>Sub Total</b>	<b>1,19,98,702</b>	<b>54.24%</b>
	<b>Grand Total</b>	<b>2,21,25,054</b>	<b>100%</b>

**XXVIII. 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 2018**.

Particulars	Total Shares	% to Equity
Shares in dematerialized form with NSDL	1,58,88,262	71.81%
Shares in dematerialized form with CDSL	24,48,534	11.07%
Physical	37,88,258	17.12%
<b>Total</b>	<b>2,21,25,054</b>	<b>100%</b>

**ISIN of the Company** : INE891B01012

The names and addresses of the depositories are as under:

- National Securities Depository Limited**  
Trade World, A-Wing, 4th & 5th Floors,  
Kamala Mills Compound,  
SenapatiBapatMarg,  
Lower Parel, Mumbai - 400 013
- Central Depository Services (India) Limited**  
Marathon Futorex, A-Wing, 25th floor,  
NM Joshi Marg, Lower Parel, Mumbai 400013

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

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

**XXXI. 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

Particulars	Telephone Number	Fax No.
Registered Office: D-7/3 Okhla Industrial Area, Phase-2 New Delhi- 110020	011-26387750	

As per Circular of the Securities & Exchange Board of India dated 22.01.2007, exclusive e-mail address for redressal of Investor Complaints is [info@dfsionline.com](mailto:info@dfsionline.com).

**On behalf of 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: 22/10/2018  
Place: New Delhi**

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF DCM FINANCIAL SERVICES LIMITED****REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **DCM FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 preparation of these Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS financial statements by the Directors of the Company.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

**Basis for Qualified Opinion**

- (i) Justice Anil Kumar as one man committee was appointed vide order dated:- 3<sup>rd</sup> September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22<sup>nd</sup> April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10<sup>th</sup> August, 2017 accepted the recommendation of one man committee enumerated in the report. Under Scheme of One Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of

properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholders creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the financial statements on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2018 would have been higher by Rs 1,683 Lacs. The same has been explained in Note **15.1 and Note 15.4**

- (ii) For redemption of 'B' series debentures of Rs. 2365.54 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2365.54 Lacs has not been created due to insufficient profits. The same has been explained in **Note 15.1**.
- (iii) The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in **Note 15.1, 15.2 and 15.3**.
- (iv) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/ payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. Please refer **Note No. 40**.
- (v) The subsidiary company namely, Global IT Options Limited has till 31st March, 2018 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. It is a non compliance of Section 186 of the Companies Act, 2013, which could attract penalties.
- (vi) Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees. However during the year ended March 31<sup>st</sup>, 2017, the Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Company has made relevant disclosures in the Board of Directors meeting regarding this issue.

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

Regarding non appointment of Whole Time Company Secretary till 22<sup>nd</sup> April, 2017, 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.

- (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 31<sup>st</sup>, 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 30<sup>th</sup> June, 2015 and thereafter Rs. 1,000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5,000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y Rs.16.85 Lacs) till date of appointment of women director (i.e. 5<sup>th</sup> October, 2016). No provision of Rs 16.85 Lacs has made in the books of accounts. Had provision been provided for in the financial statements, the net profit before tax for the year ended 31<sup>st</sup> March, 2018 would have been lower by Rs 16.85 Lacs and net profit after tax would have been lowered by Rs. 13.45 Lacs. The cumulative net loss as well as Current/ Non Current Liability/ Provisions as at 31<sup>st</sup> March, 2018 would have been higher by Rs.16.85 Lacs.

- (viii) As per the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax, MAT Credit is an asset to be recognized in the Financial Statement when it is 'Probable' that the future economic benefits associated with it will flow to the enterprise and asset has a cost or value that can be measured reliably. In the previous periods, the company has already recorded MAT Credit Entitlement of Rs 28.52 Lacs in the books of accounts. Considering that the matter is Scheme of One Man Committee is still under process and Hon'ble Delhi High Court has held that the revival of Company will be decided later-on depending on the successful Implementation of scheme of One Man Committee, there is no virtual certainty that future economic benefit would flow to company. Considering this, we are of opinion that such MAT Credit Entitlement of Rs 28.52 Lacs needs to be derecognized.

Had MAT Credit of Rs 28.52 Lacs had been reversed in financial statements in year ended March, 2018, the net profit after tax would have been lower by Rs 28.52 Lacs and net profit after tax would have been lowered by Rs. 28.52 Lacs and consequently the net cumulative loss would have been higher by Rs 28.52 Lacs. In addition to, non-current loans and advances would have been lowered by Rs 28.52 Lacs after considering the tax effects.

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

- x(a) Mr. Dhruv Prakash had lodged a claim of recovery of Rs 913,362. against which a decree of Rs 6,96,887 was passed by Additional District Judge, Tis Hazari Court, New Delhi on 2nd August, 2005 along-with 6% simple interest from the date lodging of suit till actual realization. The contingent liability arising out of this suit amounts to Rs 6,96,887 along-with 6% simple interest from the date lodging of suit till actual realization. The same is being contested by Company in Delhi High Court. There are also other cases filed in consumer, civil & criminal courts and other courts against the company for which the company is contingently liable but for which the amount is not quantifiable.
- x(b) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2018.
- x(c) There is a demand of Rs. 3,458,902 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 2018.
- x(d) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.
- x(e) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs . 28,829,634 mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
<b>TOTAL</b>		<b>28,829,634/-</b>

#### 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 Ind AS 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,

- In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2018; and
- In the case of Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2018.
- In the case of Cash Flow Statement for the year ended on date March 31, 2018.
- In the case of Statement of changes in equity for the year ended on date March 31, 2018.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 38 in the financial statements, which indicates that the Company incurred a net loss of Rs. 751,721 during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs 27,47,43,361. The accumulated loss as on 31st March, 2018 stands to Rs. 84,48,27,519 /-(Previous year Rs. 84,40,75 ,798/-). As on 31st March, 2018, the Company's total liabilities exceeded to its total assets by Rs. 42,26,05,793/- (Previous year Rs. 42,18,54,070/-)

As stated in Note 38, these events or conditions, along with other matters as set forth in Note 38 which are as under :-

- The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and 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 contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing, would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court and
- Adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report :-

- We draw attention to Note 28 in the financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments

described under Phase-I and Phase-II, but also realisability of funds from the disposal of Fixed Assets especially Building which is under dispute with Tenant as well as NBCC.

- (ii) We draw attention to Note 34 in the financial statements on the deposit Rs. 195,000,000 with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court. The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order DCM Services Limited deposited Rs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company till 31st March, 2018 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited by company or there would be no liability on the Company to either to pay the said amount or issue any shares in lieu of that. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

#### **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, 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:
- 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;
  - 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;
  - 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;
  - 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;
  - 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.
  - 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 and One Man Committee appointed by Hon'ble Delhi High Court is already implementing schedule of modified scheme.
  - 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 B".
  - 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.
  - 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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note 30** to the financial statement.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The company moved an application before the Hon'ble Company Law Board, New Delhi on 22<sup>nd</sup> 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.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I. The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court.

All the unpaid matured Public Fixed Deposits of Rs 5,449.92 Lacs Unpaid Matured Debentures of Rs. 2374.04 Lacs which was more than seven year old. 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 15.1 and 15.4.

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner  
M.No. 521860

Place : New Delhi  
Dated : 30th May, 2018

**ANNEXURE A 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, 2018***

- 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, 2018.
  - (c) The title deeds of all the immovable properties are held in the name of the company.
- 2) Inventory consists of shares considered as current investments 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.  
  
Except this, the company is not holding any inventory as on 31st March, 2018.
- 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 5,449.92 Lacs. Unpaid Matured Debentures of Rs. 2374.04 Lacs standing as at 31st March, 2018 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.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I.

The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court. The company contends that the aforesaid Public Deposits and payment to Debenture-holders shall be settled as per schedule laid down by the implementation of One Man Committee 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, 2018.
- 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, 2018 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 Statutes	Assessment years	Tax Demand in (Rs.)	Forum where dispute is pending	Remarks
Income Tax Act, 1961	2006-2007	Rs. 34.59 Lacs	CIT(A)	Appeal filed before CIT (A) on 27th April 2016. Appeal heard – order from CIT (A) awaited
Income Tax Act, 1961	2003-2004	No Demand	ITAT	Company had issued shares in lieu of Interest paid to P&S Bank and Indusind Bank and claimed as expenses. CIT Appeal allowed the appeal.  Case is fixed before ITAT on 14 June 2018 as department gone for appeal

- 8) The company had defaulted in the repayment of dues to financial institutions, banks and debenture holders as explained in Note Nos. 15.2 to and Note 15.3 and Note No-18.2 to Note No-18.3 of Notes to Accounts.

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

Particulars	Amount	Default Period
Punjab and Sind Bank	Rs. 241.02 Lacs	Default since Financial Year 1997-98.
SIDBI	Rs. 10.89 Lacs	Default since Financial Year 1997-98.

#### 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.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes.

The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -I, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I.

The matter regarding payment to aforesaid Financial Institution Parties are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court. The company contends that the payment to aforesaid Financial Institution Parties shall be settled as per schedule laid down by the implementation of One Man Committee outcome of Fresh Restructuring Scheme.

- 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 31st March, 2018.
- 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, 2018.
- 11) Managerial remuneration amounting to Rs. 3.85 Lacs to the Key Managerial Personnel defined under Section 2(51) of Companies Act, 2013 has been provided for the period relating to 1-April-2017 to 31-March-2018 on the basis of approval received from Central Government on 1st May, 2017 which contains payment of managerial remuneration of note more than Rs 3.99 Lac per annum for the period from 1-Dec-2015 to 30-Nov-2018.
- 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 Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner

Place : New Delhi  
Dated : 30th May, 2018

M.No. 521860

**ANNEXURE-“B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the Ind As financial statements of the Company as of and for the year ended 31 March, 2018 we have audited the internal financial controls over financial reporting of **DCM FINANCIAL SERVICES LIMITED** (“the Company”) as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the company are 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”) issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorizations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention and timely detection of unauthorized 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, 2018.

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 Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
*Partner*  
M.No. 521860

Place : New Delhi  
Dated : 30th May, 2018

**BALANCE SHEET AS AT 31ST MARCH 2018**

Particulars	Note No.	(Amount in Rupees)		
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	1	125,365,924	128,509,121	131,769,621
(b) Financial Assets				
(i) Investments	2	-	9,690,348	10,300,348
(ii) Trade Receivable	3	-	-	-
(iii) Other Financial Assets	4	87,000	87,000	87,000
(c) Deferred Tax Assets (Net) Including MAT	5	37,042,962	48,149,613	48,278,965
(d) Other Non-Current Assets	6	18,096,675	19,471,235	20,866,843
<b>2 Current assets</b>				
(a) Financial Assets				
(i) Investments	7	15,233,121	4,950,229	3,599,161
(ii) Trade Receivable	8	-	-	-
(iii) Cash and cash equivalents	9	11,227,801	4,174,676	1,349,428
(iv) Other Bank Balance	10	336,054,596	468,770,507	444,512,551
(v) Other Financial Assets	11	18,850,464	30,625,795	34,001,238
(b) Other Current Assets	12	-	-	-
<b>TOTAL ASSETS</b>		<b>561,958,541</b>	<b>714,428,523</b>	<b>694,765,156</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	13	221,250,540	221,250,540	221,250,540
(b) Other Equity	14	<b>(643,856,334)</b>	<b>(643,104,611)</b>	<b>-658,785,517</b>
<b>2 Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	131,457,258	1,082,027,188	1,068,789,523
(ii) Other Financial Liabilities		-	-	-
(b) Other Non Current Liabilities	16	15,878,429	24,597,477	36,460,993
(c) Provisions	17	526,745	411,614	230,169
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Other Financial Liabilities	18	832,233,236	23,036,678	20,987,084
(b) Other current liabilities	19	3,320,158	5,464,921	5,351,165
(c) Provisions	20	1,148,509	744,714	481,200
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>561,958,541</b>	<b>714,428,523</b>	<b>694,765,156</b>

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
*Partner*  
M.No. 521860

Richa Kalra  
Director  
DIN: 07632571

Surender Kumar  
Executive Director  
DIN: 02188166

Poonam Kumari  
Company Secretary  
M.No.A37057

Place : New Delhi  
Dated : 30th May, 2018

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018**

		(Amount in Rupees)	
Particular	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
I. Revenue From Operations		-	-
II. Other income	21	72,516,125	49,547,455
<b>III. Total Revenue (I + II)</b>		<b>72,516,125</b>	<b>49,547,455</b>
IV. Expenses:			
Changes in inventories of Stock in Trade		-	-
Employee benefits expense	22	4,498,627	3,832,307
Finance costs	23	10,062,478	14,237,439
Depreciation and amortization expense	1	3,142,697	3,056,758
Other expenses	24	40,368,367	7,896,775
Total expenses		<b>58,072,169</b>	<b>29,023,279</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>14,443,956</b>	<b>20,524,176</b>
VI. Exceptional Item			
<b>VII. Profit before tax (V - VI)</b>		<b>14,443,956</b>	<b>20,524,176</b>
VIII. Tax expense:	25		
(1) Current tax		3,900,462	4,400,000
(2) Deferred tax		11,090,671	33,618
(3) Prior Period Taxes		83,170	-
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(630,348)</b>	<b>16,090,558</b>
<b>X Profit (Loss) for the period</b>		<b>(630,348)</b>	<b>16,090,558</b>
<b>XI Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		(105,392)	(325,095)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(15,981)	(95,732)
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XII Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and other Comprehensive Income for the period)</b>		<b>(751,721)</b>	<b>15,669,731</b>
<b>XIII Earnings per equity share (for continuing operation):</b>			
- Basic		(0.03)	0.71
- Diluted		(0.03)	0.71

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner  
M.No. 521860

Richa Kalra  
Director  
DIN: 07632571

Surender Kumar  
Executive Director  
DIN: 02188166

Poonam Kumari  
Company Secretary  
M.No.A37057

Place : New Delhi  
Dated : 30th May, 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

		(Amount in Rupees)	
Particulars	31.03.2018	31.03.2017	
(A) <b>Cash flow from Operating Activities</b>	-	-	
Profit Before Tax	14,443,956	20,524,176	
<b>Add:</b>			
Depreciation	3,142,697	3,056,758	
Interest Paid	10,062,478	14,237,439	
Balances written off	-	203,742	
Provision for Impairment of Investment	1,800,000	-	
<b>Less:</b> Remeasurement of post employment defined benefit plans	(105,392)	(325,095)	
Interest on Fixed Deposits	(29,009,969)	(36,712,851)	
Deferred Income	(8,580,448)	(11,863,516)	
Dividend Income	(19,112)	(19,839)	
Gain on sale of Fixed Assets	(7,600)	-	
Unrealised gain on account of fair valuation of Investments	(2,392,549)	(741,063)	
<b>Operating Profits before working Capital changes</b>	<b>(10,665,939)</b>	<b>(11,640,249)</b>	
Adjustment for:			
Change in Other Non Current Assets	300,231	-	
Change in Other Financial Current Assets	11,775,331	3,375,443	
Change in Current Liabilities	(2,144,763)	113,756	
Change in Other Current Financial Liabilities	(1,107,765)	2,049,593	
Change in Other Non Current Financial Liabilities	(138,600)	-	
Change in Provisions	518,925	444,960	
Cash generation from Operating Activities	(1,462,580)	(5,656,496)	
<b>Less:</b> Income Tax paid	<b>2,909,303</b>	<b>3,004,392</b>	
	<b>(4,371,883)</b>	<b>(8,660,888)</b>	
(B) <b>Cash Flow from Investing Activities</b>			
Interest Income	29,009,969	36,712,851	
Dividend Income	19,112	19,839	
Redemption/(Purchase) of FD	132,715,911	(24,257,956)	
Sale of Fixed Assets	8,100	-	
	<b>161,753,092</b>	<b>12,474,734</b>	
(C) <b>Cash Flow from Financing Activities</b>			
Repayment to Debenture Holders	(17,616,779)	(209,595)	
Repayment to SIDBI	(2,540,959)	-	
Repayment of Bank Loan - PSB	(56,238,322)	-	
Repayment of Loan to Fixed Depositors	(17,911,251)	(823,904)	
Repayment of Loan to Related Parties	(56,020,773)	44,900	
	<b>(150,328,084)</b>	<b>(988,599)</b>	
Net increase decrease in cash & cash equivalents	7,053,125	2,825,247	
Cash and Cash equivalents (Opening Balance)	4,174,676	1,349,428	
<b>Cash and Cash equivalents (Closing Balance)</b>	<b>11,227,801</b>	<b>4,174,676</b>	

Notes forming part of Financial Statements

This is the Cash Flow Statement referred to in our report of even date.

**As per our report annexed,**

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner  
M.No. 521860

Richa Kalra  
Director  
DIN: 07632571

Surender Kumar  
Executive Director  
DIN: 02188166

Poonam Kumari  
Company Secretary  
M.No.A37057

Place : New Delhi  
Dated : 30th May, 2018

**A. Equity Share Capital**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the reporting period;	221,250,540	221,250,540	221,250,540
Changes in equity share capital during the year;	-	-	-
<b>Balance at the end of the reporting period</b>	<b>221,250,540</b>	<b>221,250,540</b>	<b>221,250,540</b>

**B. Other Equity**

Other equity consist of following:

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Special Reserve	Retained Earnings	
<b>Balance as at April 1, 2016</b>	19,386,846	165,086,340	875,000	15,623,000	(859,756,704)	(658,785,518)
Profit/(loss) for the year	-	-	-	-	16,090,558	16,090,558
Other comprehensive income/(loss) for the year	-	-	-	-	(420,827)	(420,827)
Deemed distribution by Subsidiary	-	-	-	-	11,175	11,175
Dividends (including corporate dividend tax)	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2017</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(844,075,798)</b>	<b>(643,104,612)</b>
Profit/(loss) for the year	-	-	-	-	(630,348)	(630,348)
Other comprehensive income/(loss) for the year	-	-	-	-	(121,373)	(121,373)
Dividends (including corporate dividend tax)	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-	-
Issue of Equity Share Capital	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2018</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(844,827,519)</b>	<b>(643,856,333)</b>

# 1 Property, Plant and Equipment

Property, plant and equipment consist of the following :

Particulars	Land	Plant & Machinery	Buildings	Vehicles	Furniture & Fixtures	Office Equipment & Appliances	Total
<b>Year ended 31 March 2017</b>							
<b>Deemed cost as at 01.04.2016</b>	<b>306,000</b>	<b>43,708</b>	<b>130,434,470</b>	-	<b>792,098</b>	<b>193,345</b>	<b>131,769,621</b>
Additions	-	-	-	-	-	-	-
Disposals	-	40,939	-	-	1,188	161,615	203,742
<b>Closing gross carrying amount as at March 31, 2017</b>	<b>306,000</b>	<b>2,769</b>	<b>130,434,470</b>	-	<b>790,970</b>	<b>31,730</b>	<b>131,565,879</b>
Depreciation charged during the year 2016-2017	-	-	2,862,476	-	180,539	13,743	3,056,758
Depreciation on Disposals	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>2,862,476</b>	<b>-</b>	<b>180,539</b>	<b>13,743</b>	<b>3,056,758</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>306,000</b>	<b>2,769</b>	<b>127,571,994</b>	<b>-</b>	<b>610,371</b>	<b>17,987</b>	<b>128,509,121</b>
<b>Year ended 31 March 2018</b>							
<b>Opening gross carrying amount</b>	<b>306,000</b>	<b>2,769</b>	<b>130,434,470</b>	<b>-</b>	<b>790,970</b>	<b>31,730</b>	<b>131,565,879</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	10,000	-	10,000
<b>Closing gross carrying amount as at March 31, 2018</b>	<b>306,000</b>	<b>2,769</b>	<b>130,434,470</b>	<b>-</b>	<b>780,970</b>	<b>31,730</b>	<b>131,555,879</b>
Opening accumulated depreciation	-	-	2,862,476	-	180,539	13,743	3,056,758
Depreciation charged during the year 2017-2018	-	-	2,862,475	-	269,253	10,969	3,142,697
Depreciation on Disposals	-	-	-	-	9,500	-	9,500
<b>Closing accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>5,724,951</b>	<b>-</b>	<b>440,292</b>	<b>24,712</b>	<b>6,189,955</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>306,000</b>	<b>2,769</b>	<b>124,709,519</b>	<b>-</b>	<b>340,618</b>	<b>7,018</b>	<b>125,365,924</b>

## Deemed cost as on 01.04.2016

<b>Opening gross value as on 01.04.2015</b>	<b>306,000</b>	<b>4,197,294</b>	<b>185,516,994</b>	<b>87,139</b>	<b>5,720,888</b>	<b>3,266,002</b>	<b>199,094,317</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2016</b>	<b>306,000</b>	<b>4,197,294</b>	<b>185,516,994</b>	<b>87,139</b>	<b>5,720,888</b>	<b>3,266,002</b>	<b>199,094,317</b>
Opening acc Dep as on 01.04.2015	-	4,146,206	52,220,048	87,139	4,745,574	3,053,855	64,252,822
Depreciation charged during the year	-	7,380	2,862,476	-	183,216	18,802	3,071,873
<b>Depreciation on Disposals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing accumulated depreciation as at March 31, 2016</b>	<b>-</b>	<b>4,153,586</b>	<b>55,082,524</b>	<b>87,139</b>	<b>4,928,790</b>	<b>3,072,657</b>	<b>67,324,696</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>306,000</b>	<b>43,708</b>	<b>130,434,470</b>	<b>-</b>	<b>792,098</b>	<b>193,345</b>	<b>131,769,621</b>

**2 NON CURRENT INVESTMENTS**

Particulars	As at 31st March, 2018 Amount in Rs.	As at 31st March, 2017 Amount in Rs.	As at 1st April, 2016 Amount in Rs.
<b>Details of non current investment</b>			
-Investments in Equity Shares	-	9,690,348	10,300,348
<b>Total</b>	-	<b>9,690,348</b>	<b>10,300,348</b>

**2(A) Details of non-current investment consist of following:**

(Amount in Rs.)

Sr. No.	Particulars	Subsidiary / Associate / JV/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
			As at 31 st March, 2018	As at 1st April, 2016					
(a)	Investments in Equity Shares								
	<b>Trade Investments</b>								
1	Global IT Options Ltd	Subsidiary	-	900,000	UnQuoted	Fully Paid	-	9,000,000	9,000,000
	Less: Provision for Impairment						-	(7,200,000)	(7,200,000)
	<b>TOTAL (a)</b>		-	<b>900,000</b>			-	<b>1,800,000</b>	<b>1,800,000</b>
	<b>Non -Trade Investments</b>								
1	Punj Llyod Ltd.	Others	-	200,000	Quoted	Fully Paid	-	3,880,000	4,490,000
2	RFB Latex Ltd*	Others	-	220,000	UnQuoted	Fully Paid	-	4,010,348	4,010,348
	<b>TOTAL (b)</b>		-	<b>420,000</b>			-	<b>7,890,348</b>	<b>8,500,348</b>
	<b>GRAND TOTAL (a+b)</b>		-	<b>1,320,000</b>			-	<b>9,690,348</b>	<b>10,300,348</b>

\* The equity shares has been shown at cost which deemed to be fair value. The Company is running and reporting profits.



**Note 3: Trade Receivables (Non-current)**

Trade receivables consist of the following: (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Unsecured, considered doubtful	-	187,381,057	187,381,057
Less: Provision for Doubtful Debts/ ECL	-	(187,381,057)	(187,381,057)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4: Other Financial Assets (Non-current)**

Other Financial Assets consist of the following : (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
<b>Security Deposits</b>			
- Deposits for Rented Premises	87,000	87,000	87,000
	87,000	87,000	87,000
<b>Other Loans</b>			
Unsecured, Doubtful			
- Inter Corporate Deposit	-	7,957,994	7,957,994
- Bills Receivable	-	10,717,132	10,717,132
Less: Provision for Doubtful Debts/ ECL	-	(18,675,126)	(18,675,126)
<b>Total</b>	<b>87,000</b>	<b>87,000</b>	<b>87,000</b>

**Note 5: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances (Amount in Rs.)

Deferred Tax Liabilities	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Depreciation and amortisation	31,126,586	36,870,597	38,944,272
Unrealised gain on securities carried at fair value through statement of profit and loss	1,697,831	1,254,807	1,069,061
<b>Total (a)</b>	<b>32,824,417</b>	<b>38,125,404</b>	<b>40,013,334</b>
<b>Deferred Tax Assets</b>	<b>As at 31 st March, 2018</b>	<b>As at 31 st March, 2017</b>	<b>As at 1st April, 2016</b>
Post Employment Defined Benefit Plans	431,378	437,696	261,662
Provision for Doubtful Debts	67,869,814	84,919,534	87,909,630
Related Parties	-1,285,719	-1,934,117	-2,730,900
<b>Total (b)</b>	<b>67,015,473</b>	<b>83,423,112</b>	<b>85,440,392</b>
<b>Net Deferred Tax (Liabilities)/ Assets (b-a)</b>	<b>34,191,056</b>	<b>45,297,708</b>	<b>45,427,058</b>
<b>Add Minimum Alternative Tax (MAT) credit entitlement</b>	<b>2,851,906</b>	<b>2,851,906</b>	<b>2,851,906</b>
<b>Net Deferred Tax Asset</b>	<b>37,042,962</b>	<b>48,149,614</b>	<b>48,278,964</b>

**Movement in Deferred Tax Assets/(Liabilities)**

Particulars	Property, Plant and Equipment	Post Employment Defined Benefit Plans	Provision for Doubtful Debts	Remeasurement of Investment through Profit and Loss	Related Parties	Total
<b>Particulars</b>						
<b>At April 1, 2016</b>	<b>(38,944,272)</b>	<b>261,662</b>	<b>87,909,630</b>	<b>(1,069,061)</b>	<b>(2,730,900)</b>	<b>45,427,058</b>
(Charged) / credited						
– to Statement of Profit and Loss	2,073,675	80,302	(2,990,096)	(185,746)	796,783	(225,082)
– to other comprehensive income	-	95,732	-	-	-	95,732
<b>At 31st March, 2017</b>	<b>(36,870,597)</b>	<b>437,696</b>	<b>84,919,534</b>	<b>(1,254,807)</b>	<b>-1,934,117</b>	<b>45,297,708</b>
(Charged) / credited						
– to Statement of Profit and Loss	5,744,011	2,961	(17,049,719)	(443,024)	648,398	(11,097,374)
– to other comprehensive income	-	(9,279)	-	-	-	(9,279)
<b>At 31st March, 2018</b>	<b>(31,126,586)</b>	<b>431,378</b>	<b>67,869,814</b>	<b>(1,697,831)</b>	<b>(1,285,719)</b>	<b>34,191,056</b>

**6 OTHER NON CURRENT ASSETS**

Other non current assets consist of the following : (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Advances other than capital advances:			
Security Deposits	918,344	1,203,167	1,203,167
	918,344	1,203,167	1,203,167
Tax Recoverable (Net of Provisions) (Refer Note 6A)	17,178,331	18,252,660	19,648,268
	17,178,331	18,252,660	19,648,268
Unsecured , Doubtful			
- Employee Advances	-	1,110,499	1,110,499
- Others	1,022,936	1,051,645	1,051,645
Less: Provision towards doubtful advances/ ECL	(1,022,936)	(2,146,736)	(2,146,736)
	-	15,408	15,408
<b>Total</b>	<b>18,096,675</b>	<b>19,471,235</b>	<b>20,866,843</b>

**6A Details of Tax Recoverable**

(Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Advance Tax	3,845,157	3,115,157	2,305,000
TDS	29,845,495	27,749,362	25,683,317
Provision for Tax	16,512,321	12,611,859	8,340,049
<b>Net</b>	<b>17,178,331</b>	<b>18,252,660</b>	<b>19,648,268</b>

## 7 CURRENT INVESTMENTS

Particulars	As at 31st March, 2018 Amount in Rs.	As at 31st March, 2017 Amount in Rs.	As at 1st April, 2016 Amount in Rs.
<b>Details of current investment</b>			
--Investments in Equity Shares	15,233,121	4,950,229	3,599,161
<b>Total</b>	<b>15,233,121</b>	<b>4,950,229</b>	<b>3,599,161</b>

7(A) Details of current investment consist of following: (Amount in Rs.)

Sr. No.	Particulars	Subsidiary / Associate / JV/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
			As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016				
(a)	Investments in Equity Shares								
	Trade Investments								
1	Global IT Options Ltd	Subsidiary	900,000	-	- UnQuoted	Fully Paid	9,000,000	-	-
	Less: Provision for impairment						(9,000,000)	-	-
2	Profin Money Market Ltd	Others	25,000	25,000	UnQuoted	Fully Paid	250,000	250,000	250,000
	Less: Provision for impairment						(249,999)	(249,999)	(249,999)
3	World Tex Ltd	Others	437,500	437,500	UnQuoted	Fully Paid	11,953,000	11,953,000	11,953,000
	Less: Provision for impairment						(11,952,999)	(11,952,999)	(11,952,999)
4	Banaras Beads Ltd	Others	110	110	Quoted	Fully Paid	6,435	8,580	4,879
5	Bharati Telecom Ltd	Others	100	100	Quoted	Fully Paid	6,662	6,662	1
6	Calcom Vision Ltd	Others	5,600	5,600	Quoted	Fully Paid	76,440	31,360	1
7	Clutch Auto Limited	Others	98,050	98,050	Quoted	Fully Paid	619,676	619,676	1
8	Daewoo Motors India Ltd	Others	8,250	8,250	Quoted	Fully Paid	55,358	55,358	1
9	Doin Global Solutions Ltd (Religare Technova)	Others	40	40	Quoted	Fully Paid	2,568	2,568	3,046
10	ESSAR Ports Ltd.	Others	3	3	Quoted	Fully Paid	30	30	1

11	ESSAR Shipping Ltd.	Others	33	33	33	Quoted	Fully Paid	756	924	827
12	Flex Foods Ltd	Others	100	100	100	Quoted	Fully Paid	10,520	9,130	5,540
13	Gagan Polycot Ltd	Others	800	800	800	Quoted	Fully Paid	3,312	2,608	3,480
14	Galaxy Indo Fab Ltd(Shri Laksmi cotayn Ltd)	Others	200	200	200	Quoted	Fully Paid	400	400	400
15	GE Shipping Ltd	Others	65	65	65	Quoted	Fully Paid	20,163	20,163	20,163
16	Gujarat Meditech Ltd	Others	200	200	200	Quoted	Fully Paid	820	902	416
17	Haryana Sheet Glass Ltd	Others	200	200	200	Quoted	Fully Paid	2,060	2,060	1
18	Hazira Cargo Terminals Ltd	Others	9	9	-	Quoted	Fully Paid	90	90	-
19	Health fore Technologies(Religare Technologies Ltd)	Others	10	10	10	Quoted	Fully Paid	77	252	291
20	Indo Biotech Foods Ltd	Others	300	300	300	Quoted	Fully Paid	1,200	1,200	1
21	Innovative Tech Pack Ltd	Others	100	100	100	Quoted	Fully Paid	6,945	6,595	3,315
22	Jsw Ispat Steel Ltd	Others	80	80	80	Quoted	Fully Paid	-	648	1
23	Jamna Auto Ind. Ltd. (Jaiparabolic Springs Ltd)	Others	200	200	200	Quoted	Fully Paid	15,730	42,530	27,780
24	Kesar Terminal Infrastructure Ltd. (Kesar Enterprises Ltd)	Others	145	145	70	Quoted	Fully Paid	18,567	27,804	26,740
25	Kinetic Trust Ltd.	Others	100	100	100	Quoted	Fully Paid	900	900	900
26	Mid India Industries Ltd	Others	100	100	100	Quoted	Fully Paid	100	100	11,000
27	Nagarjuna Oil Refinery Ltd	Others	100	100	100	Quoted	Fully Paid	350	460	370
28	Nagarjuna Fertilizers & Chemicals Ltd	Others	110	110	110	Quoted	Fully Paid	2,136	2,136	1
29	Padmini Technology Ltd	Others	500	500	500	Quoted	Fully Paid	5,000	2,000	1
30	Pioneer Investcorp Ltd	Others	100	100	100	Quoted	Fully Paid	3,765	7,010	1,700
31	Profin Capital Services Ltd	Others	19,300	19,300	19,300	Quoted	Fully Paid	4,341,535	2,813,940	2,713,580
32	Radhika Spinning Mills Ltd	Others	300	300	300	Quoted	Fully Paid	723	723	1
33	Rain Industries Ltd	Others	500	500	500	Quoted	Fully Paid	187,325	54,800	14,950
34	Salaya Bulk Terminals Ltd	Others	3	3	-	Quoted	Fully Paid	30	30	-

35	Shree Rajasthan Syntex Ltd	Others	500	500	500	500	Quoted	Fully Paid	7,150	7,150	3,415
36	Shree Rayalaseema Hi Strength Hypo Ltd	Others	8,255	8,255	8,255	8,255	Quoted	Fully Paid	1,194,499	1,028,986	553,085
37	Skypack Courier Ltd	Others	100	100	100	100	Quoted	Fully Paid	443	443	443
38	Sujana Universal Industries Ltd	Others	1,100	1,100	1,100	1,100	Quoted	Fully Paid	1,485	2,600	1,397
39	Sujana Steel Ltd	Others	1,300	1,300	1,300	1,300	Quoted	Fully Paid	2,600	1	2,600
40	Svam Software Ltd	Others	200	200	200	200	Quoted	Fully Paid	200	1	136
41	Thomas Cook Ltd.	Others	660	660	660	660	Quoted	Fully Paid	186,582	1	124,080
42	Tulip Finance Ltd	Others	1,000	1,000	1,000	1,000	Quoted	Fully Paid	1,000,000	6,166	1
43	United Breweries Limited	Others	8	8	8	8	Quoted	Fully Paid	7,583	1	6,592
44	Uniworth Textiles Ltd.(Bonus)	Others	100	100	100	100	Quoted	Fully Paid	300	1	1
45	Vadinar Oil Terminal Ltd	Others	49	49	49	-	Quoted	Fully Paid	490	1	-
46	Virtualsoft System Limited (Suri Capital Leasing Ltd)	Others	13,400	13,400	13,400	13,400	Quoted	Fully Paid	21,708	1	67,938
47	Other Investment	Others	369,950	369,950	369,950	369,950	Quoted	Fully Paid	61	183,238	86
	Total (a)		532,330	532,330	532,330	532,257			7,812,773	4,950,229	3,599,161
	Non-Trade Investments										
1	Punj Llyod Ltd.	Others	200,000	-	-	-	Quoted	Fully Paid	3,410,000	-	-
2	RFB Latex Ltd*	Others	220,000	-	-	-	UnQuoted	Fully Paid	4,010,348	-	-
	Total (b)		420,000	-	-	-			7,420,348	-	-
	Grand Total (a+b)		952,330	532,330	532,257				15,233,121	4,950,229	3,599,161

\*The equity shares has been shown at cost which deemed to be fair value. The Company is running and reporting profits.

**8 TRADE RECEIVABLES**

Trade receivables consist of the following:

(Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Unsecured, considered doubtful	169,467,432	-	-
Less: Provision for doubtful debts	(169,467,432)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9 Cash and Cash Equivalent**

Cash and cash equivalents consist of the following at amortised cost:

(Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
<b>(a) Balances with Bank</b>			
-Restricted Bank Balance (Refer Note 9A and 9D)	12,171,374	4,184,006	1,357,253
Less: Provision for impairment (Refer Note 9B & 9C)	(945,374)	(11,131)	(11,131)
	<u>11,226,000</u>	<u>4,172,875</u>	<u>1,346,122</u>
<b>(b) Cash in hand</b>	<u>1,801</u>	<u>1,801</u>	<u>3,306</u>
<b>Total</b>	<b><u>11,227,801</u></b>	<b><u>4,174,676</u></b>	<b><u>1,349,428</u></b>

**9A Restricted Bank Balances Includes :**

(Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Canara Bank	748,745	748,745	361,975
IDBI Bank Limited	10,729,119	2,619,180	239,008
Axis Bank	481,162	577,398	478,265
Other Bank	212,348	238,682	278,005
<b>Total</b>	<b><u>12,171,374</u></b>	<b><u>4,184,006</u></b>	<b><u>1,357,253</u></b>

- 9B** During the year ended 31st March, 2018, the provision for impairment of Rs. 9,45,374 has been provided for the banks balances which are not in operation from past years and confirmations to their balances are not made available.

(Amount in Rs.)

Particulars	As at 31 st March, 2018
Canara Bank	748,745
UTI Special Collection A/C	<u>170,734</u>
UTI	<u>25,895</u>
<b>Total</b>	<b><u>945,374</u></b>

- 9C** Bank Balances amounting to Rs. 41,436 have been written off during the year ended 31st March 2018, out of which Rs. 11,131 has been written-off against provisions created in earlier years.

- 9D** These are restricted bank balance and cannot be operated without getting prior approval of Hon'ble Delhi High Court.

**10 Other Bank Balances**

Other Bank Balances consist of the following at amortised cost:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Bank Deposits</b>			
(deposits with original maturity of more than 3 months having remaining maturity less than 12 months from reporting date)	336,054,596	468,770,507	444,512,551
<b>Total</b>	<b>336,054,596</b>	<b>468,770,507</b>	<b>444,512,551</b>

**11 Other Current Financial Assets**

Other Current Assets consist of the following at amortised cost: (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Interest accrued but not due on Fixed Deposits	18,850,464	30,625,795	34,001,238
<b>(A)</b>	<b>18,850,464</b>	<b>30,625,795</b>	<b>34,001,238</b>
Unsecured, Doubtful			
- Inter Corporate Deposit	7,957,994	-	-
- Bills Receivable	10,717,132	-	-
- Rent Receivable	51,846,552	56,176,710	56,176,710
Less: Provision towards Doubtful Debts/ECL	(70,521,678)	(56,176,710)	(56,176,710)
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>18,850,464</b>	<b>30,625,795</b>	<b>34,001,238</b>

**12 Other Current Assets (Non-Financial)**

Other Current Assets consist of the following:- (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Employee Advances	358,359	439,052	639,169
Other Advances	53,318	64,256	64,256
	411,677	503,308	703,425
Less: Provision NPA	(411,677)	(503,308)	(703,425)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**13 SHARE CAPITAL**

The Authorised, Issued, Subscribed and fully Paid up Share Capital of Equity Shares having a par value of Rs. 10/- each as follows:

Share Capital	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b>						
Equity Shares of Rs. 10/- each	65,000,000	650,000,000	65,000,000	650,000,000	65,000,000	650,000,000
6,50,00,000 Equity Shares of Rs. 10 each						
	<b>65,000,000</b>	<b>650,000,000</b>	<b>65,000,000</b>	<b>650,000,000</b>	<b>65,000,000</b>	<b>650,000,000</b>
<b>Issued</b>						
2,21,25,054 Equity Shares of Rs. 10 each Fully paid up	22,125,054	221,250,540	22,125,054	221,250,540	22,125,054	221,250,540
<b>Total</b>	<b>22,125,054</b>	<b>221,250,540</b>	<b>22,125,054</b>	<b>221,250,540</b>	<b>22,125,054</b>	<b>221,250,540</b>

Particulars	Equity Shares					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	22,125,054	221,250,540	22,125,054	221,250,540	22,125,054	221,250,540
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Any other movement (please specify)	-	-	-	-	-	4,706,737
Shares outstanding at the end of the year	22,125,054	221,250,540	22,125,054	221,250,540	22,125,054	225,957,277

**13B Details of shares held by shareholders holding more than 5% of aggregate shares in the company**

Particulars	Equity Shares					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
DCM Services Ltd	6,352,487	28.71%	6,352,487	28.71%	6,352,487	28.71%
Intellect Capital Services Ltd	2,075,000	9.38%	2,075,000	9.38%	2,075,000	9.38%
Punjab & Sind Bank	1,319,900	5.97%	1,319,900	5.97%	1,319,900	5.97%
<b>Total</b>	<b>9,747,387</b>	<b>44.06%</b>	<b>9,747,387</b>	<b>44.06%</b>	<b>9,747,387</b>	<b>44.06%</b>

**14 OTHER EQUITY**

Other equity consist of following :

Other Equity	Reserves and Surplus				Retained Earnings	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Special Reserve		
a. Balance at the beginning of the reporting period	19,386,846	165,086,340	875,000	15,623,000	(936,893,666)	(735,922,479)
b. Changes in accounting policy or prior period errors	-	-	-	-	-	-
c. Restated balance at the beginning of the reporting period	-	-	-	-	-	-
d. Total comprehensive income for the year	-	-	-	-	77,076,034	77,076,034
e. Dividends	-	-	-	-	60,927	60,927
f. Transfer to retained earnings	-	-	-	-	-	-
g. Total other comprehensive income for the year	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2016</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(859,756,704)</b>	<b>(658,785,517)</b>
a. Balance at the beginning of the reporting period	19,386,846	165,086,340	875,000	15,623,000	(859,756,704)	(658,785,518)
b. Changes in accounting policy or prior period errors	-	-	-	-	-	-
c. Restated balance at the beginning of the reporting period	-	-	-	-	-	-
d. Total comprehensive income for the year	-	-	-	-	15,669,731	15,669,731



Other Equity	Reserves and Surplus				Retained Earnings	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Special Reserve		
e. Dividends	-	-	-	-	11,175	11,175
f. Transfer to retained earnings	-	-	-	-	-	-
g. Total other comprehensive income for the year	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2017</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>5,623,000</b>	<b>(844,075,798)</b>	<b>(643,104,612)</b>
a. Balance at the beginning of the reporting period	19,386,846	165,086,340	875,000	15,623,000	(844,075,798)	(643,104,612)
b. Changes in accounting policy or prior period errors	-	-	-	-	-	-
c. Restated balance at the beginning of the reporting period	-	-	-	-	-	-
d. Total comprehensive income for the year	-	-	-	-	(751,721)	(751,721)
e. Dividends	-	-	-	-	-	-
f. Transfer to retained earnings	-	-	-	-	-	-
g. Total other comprehensive income for the year	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2018</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(844,827,519)</b>	<b>(643,856,333)</b>

**15 Long Term Borrowing**

Long term borrowings consist of following :

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Secured</b>			
(i) Debentures (Refer Note 15.1)	-	255,020,844	255,230,439
(ii) Term Loan from Institution - SIDBI (Refer Note 15.2)	-	3,629,941	3,629,941
(iii) Due to Banks (Refer Note 15.3)	-	80,340,463	80,340,463
	-	<u>338,991,248</u>	<u>339,200,843</u>
<b>B. Unsecured</b>			
(i) Fixed Deposit from Public (Refer Note 15.4)		562,903,780	563,727,684
(ii) Term Loan from SBI HF (Refer Note 15.5)	2,500,000	2,500,000	2,500,000
(iii) Inter-Corporate Deposits (Refer Note 15.6)	-	2,716,607	2,716,607
(iv) Payable to Related Party		439,052	639,169
- DCM Services Ltd	18,270,000	18,270,000	18,270,000
- Others	110,687,258	156,645,553	142,374,389
<b>(Refer Note 15.7, 15.8 and 15.9)</b>			
	<u>131,457,258</u>	<u>743,035,940</u>	<u>729,588,680</u>
<b>Total</b>	<b><u>131,457,258</u></b>	<b><u>1,082,027,188</u></b>	<b><u>1,068,789,523</u></b>

**15.1 DEBENTURES**

(Amount in Rs.)

(b) Debentures	Current*	Non Current	Non Current
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
"A" Series Debenture	850,000	850,000	850,000
"B" Series Debenture			
- 19.5% Regular	101,541,923	118,084,273	118,115,273
- 19.5% Cumulative	105,202,987	105,932,800	105,989,050
- Deep Discount Bonds	29,809,155	30,153,771	30,276,116
	<u>237,404,065</u>	<u>255,020,844</u>	<u>255,230,439</u>

\*Post approval of scheme of one man committee by Hon'ble Delhi High Court, Debentures worth of Rs 23,74,04,065 as at 31-March-2018 has been presented as Other Current Financial Liability in Note No-18

**(b) Scheme "A" Series**

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996 respectively. These debentures are secured against mortgage/hypothecation/charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs. 850,000 were overdue as on March 31, 2018 & these are to be paid as per report of One Man Committee under Fresh Restructuring Scheme.

**(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 allotted were Rs 281,804,100 which matured for redemption on 5th May, 1998. Out of total debentures allotted amounting to Rs 281,804,100, debentures of Rs. 45,250,035 have been redeemed till March 31st, 2018. The remaining debentures as at March 31, 2018 in the "B" series amounting to Rs 236,554,065 consist of the following:-

Particulars	(Amount in Rs.)
19.5% Regular	101,541,923
19.5% Cumulative	105,202,987
Deep Discount Bonds	29,809,155
<b>Total</b>	<u><b>236,554,065</b></u>

- (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.
- (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.
- (f) **Status till 31-March-2017** - 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. 482,230,034 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 Debentureholders 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.

However, since the Restructuring Scheme proposed by One Man Committee has been approved Hon'ble Delhi High Court, the maturity interest amount is restricted to Rs 2.35 Crores

which is scheduled to be shall be to be paid in Phase-2, although decision regarding payment of interest after maturity will be taken at a future date by Hon'ble Delhi Court.

- (g) **Status till 31-March-2017** - The Central Bank of India, Bombay, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs. 442,178,385 on 14th October, 1999 before the Hon'ble Bombay High Court. It includes interest of Rs. 155,361,443 and Rs. 286,796,000 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, 2018.

However, some of the debentures holders have already been paid by the Central Bank of India. The amount which has been already been paid to the Debenture Holders by the Central Bank of India be paid to the Bank. The Central Bank of India has also claimed some amount in a suit filed before the Hon'ble Bombay High Court. No claim has however, been filed by the Central Bank of India before the One Man Committee despite opportunity granted to the Bank. While computing the amount payable in phases to other creditors, this amount claimed by the Bank will be not disbursed till the bank is able to establish its claim in the appropriate proceedings before the Court/One Man Committee.

(h) **DECISION OF ONE MAN COMMITTEE**

As per report of One Man Committee pursuant to order dated 3.9.2015 passed by Hon'ble Delhi Court as on 10th August, 2017, repayment of Debentureholders of "A" Series as well as "B" Series is to be made in two phases. In the first phase of scheme of repayment, debentureholders are to be paid 70% the balance principal amount. The Debentureholders having balance of Rs 5,000 or less will be paid their 100% principal amount in the First Phase. In the second phase maturity interest on debentures is to be paid along with remaining 30%. The schedule of payment to Debentureholders to settle debt will be as under:-

(i) **Amount due to Debenture-holders B137**

Particulars	Amount (In Cr.)
I. Principal Outstanding	25.53
II. Maturity Interest	2.35
<b>Total</b>	<b>27.88</b>

(ii) **Payment Schedule**

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	17.87	-
II. Less than Rs 5,000	1.69	-
III. 30% of total amount	-	5.97
IV. Maturity Interest	-	2.35
<b>Total</b>	<b>19.56</b>	<b>8.32</b>

(i) **Statement on Reconciliation of Debentures:**

<b>Principal Outstanding as per the Scheme of One Man Committee</b>	<b>255,285,689</b>
Less: Redemption made during the year with the approval of High Court of Delhi	264,845
Balance as on 1st April 2017	255,020,844
Less: Redemption made during the year ended 31-March-2018 as per the scheme of one man committee	17,616,779
<b>Balance as on 31st March 2018</b>	<b>237,404,065</b>

**15.2 SIDBI**

- (a) **Status till 31-March-2017** - SIDBI has filed a petition for winding up on alleged non-payment of Rs. 5,440,000 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. 1,810,059 towards overdue int & other charges has been made by the company in the books of accounts.
- (b) Hypothecation / charge on assets financed out of the said loan.
- (c) The value of the assets charged in favour of institutions have been 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.
- (d) **DECISION OF ONE MAN COMMITTEE**

As per report of One Man Committee pursuant to order dated 3.9.2015 accepted by Hon'ble Delhi Court as on 10th August, 2017, the debt settlement for amount due to SIDBI will be as follows:-

**(i) Amount due to SIDBI as at 31-Dec-2015 as per scheme of One Man Committee**

Particulars	Amount (In Lac)
I. Principal Outstanding	36.3
II. Maturity Interest	-
<b>Total</b>	<b>36.3</b>

**(ii) Payment schedule**

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	25.41	-
II. 30% of total amount	-	10.89
III. Maturity Interest	-	-
<b>Total</b>	<b>25.41</b>	<b>10.89</b>

Under the scheme of One Man Committee, amount of Rs 36.30 Lacs was payable, out of which 70% amounting to Rs 25.41 Lacs has been paid under Phase-I during the year ended 31-March-2018. As per scheme, no interest has to be paid.

**(e) Statement on Reconciliation of Loan:**

	Amount (In Rs.)
Principal Outstanding as per the Scheme	3,629,941
Less: Redemption made during the year as per the scheme of scheme of one man committee	2,540,959
<b>Balance as on 31st March 2018</b>	<b>1,088,982</b>

**15.3 PUNJAB AND SIND BANK**

(Amount in Rs.)

	Current* As at 31st March, 2018	Non Current As at 31st March, 2017	Non Current As at 1st April, 2016
(a) Due to Banks			
Punjab & Sind Bank	24,102,140	80,340,463	80,340,463
	29,809,155	30,153,771	30,276,116
	<b>24,102,140</b>	<b>80,340,463</b>	<b>80,340,463</b>

\*Post approval of scheme of one man committee by Hon'ble Delhi High Court, Loan of Rs 2,41,02,140 as at 31-March-2018 has been presented as Other Current Financial Liability in Note No-18

- (b) 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.
- (c) **STATUS AS AT 31-MARCH-2017 - PUNJAB & SIND BANK (PSB):** As per the Fresh Restructuring Scheme, the total amount payable to PSB remains quantified at Rs. 90,180,463 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. 9,840,000 and the balance of Rs. 80,340,463 as on 30th June 2008 is payable as per the Fresh Restructuring Scheme pending before the Hon'ble Delhi High Court. Out of Rs.80,340,463 i.e. Rs.4,42,68,278 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. 3,60,72,185 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. 39,597,000, 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. 90,180,463 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. 121,752,117 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 121,752,117 filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided for.

(d) **DECISION OF ONE MAN COMMITTEE**

As per report of One Man Committee pursuant to order dated 3.9.2015 accepted by Hon'ble Delhi Court as on 10th August, 2017, the debt settlement in respect of Punjab and Sind Bank will be as under:-

(i) **Amount due to PSB as at 31-Dec-2015 as per scheme of One Man Committee**

Particulars	Amount (In Lac)
I. Principal Outstanding	8.03
II. Maturity Interest	-
<b>Total</b>	<b>8.03</b>

(ii) **Payment Schedule** (In Cr.)

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	5.62	-
II. 30% of total amount	-	2.41
III. Maturity Interest	-	-
<b>Total</b>	<b>5.62</b>	<b>2.41</b>

Under the scheme of One Man Committee, amount of Rs 8.03 Crore was payable, out of which 70% amounting to Rs 5.62 Crore has been paid under Phase-I during the year ended 31-March-2018. No interest has to be paid.

(e) **Statement on Reconciliation of Loan:**

	Amount (In Rs.)
Principal Outstanding as per the Scheme	80,340,463
Less: Redemption made during the year as per the scheme of one man committee	56,238,324
<b>Balance as on 31st March 2018</b>	<b>24,102,139</b>

**15.4 FIXED DEPOSITS**

- (a) **STATUS AS AT -31-MARCH-2017** - 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 High Court in 2004 does not envisage payment of interest accordingly provision of interest payable amounting to Rs. 82,706,000 recorded earlier has been written back in earlier years.

**STATUS AS AT -31-MARCH-2017** - 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. 1,158,866,417 (including Rs. 1,102,721,307 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 cumulative Interest of Rs.1,147,419,074 were not provided for. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.

- (b) 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 scheme of One Man Committee only after the evidence of receipt of money is established.

(c) **DECISION OF ONE MAN COMMITTEE**

As per Report of One Man Committee pursuant to order dated 3.9.2015 passed by Hon'ble Delhi Court as on 10th August, 2017, repayment to Fixed Depositors is to be made in two phases. In the first phase of scheme of repayment are to be paid 70% the balance principal amount. The Depositors having balance of Rs 5000 or less will be paid their 100% principal amount in the first phase. In the second phase maturity interest is to be paid along with remaining 30%. In the circumstances the debt settlement will be as follows:

(i) **Amount due to Fixed Depositors as at 31-Dec-2015**

Particulars	Amount (In Cr)
I. Principal Outstanding	56.31
II. Maturity Interest	14.48
<b>Total</b>	<b>70.79</b>

(ii) **Payment Schedule** (In Cr.)

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	36.15	-
II. Less than Rs 5,000	4.67	-
III. 30% of total amount	-	15.59
IV. Maturity Interest	-	14.48
<b>Total</b>	<b>40.82</b>	<b>30.07</b>

(d) Statement on Reconciliation of FDs Accepted:	Amount (In Rs.)
Balance as on 1st April 2016	563,136,275
Less: Redemption made during the year with the approval of High Court of Delhi	232,495
Balance as on 1st April 2017	562,903,780
Less: Redemption made during the year as per the scheme of one man committee	17,911,251
<b>Balance as on 31st March 2018</b>	<b>544,992,529</b>

However, since the Fresh Restructuring Scheme has been approved by One Man Committee, the maturity interest amount is decided to be 14.48 Crores payable in II Phase. Although the same is not recorded in Books of Accounts. Also the decision regarding payment of interest after maturity will be taken at a future date by Hon'ble Delhi Court.

#### 15.5 SBI HOME FINANCE LIMITED

- (a) **Status till 31-March-2017** - The company has already paid Rs. 29,000,000 under the Old Scheme and proposes to allot shares worth Rs. 2,500,000 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.

The Company has to allot fully paid up shares of Rs. 25 Lacs of the Company at Rs. 30/- per share (share value Rs. 10/- plus premium Rs. 20/- per shares) or as per SEBI guidelines to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines.

#### (b) DECISION OF ONE MAN COMMITTEE

As per Report of One Man Committee pursuant to order dated 3.9.2015 passed by Hon'ble Delhi Court as on 10th August, 2017, the debt settlement will be as follows:

##### (i) Amount due to Fixed Depositors as at 31-Dec-2015

Particulars	Amount (In Lacs)
I. Principal Outstanding	25.00
II. Maturity Interest	-
<b>Total</b>	<b>25.00</b>

##### (ii) Payment Schedule by issuing in shares (In Lacs)

Particulars	Phase-I
To be discharged by issuance of Equity shares of the Company of the face value of Rs. 10/- at a premium of Rs. 20/- per share or as per applicable SEBI guidelines	25.00
The Company proposes to: allot shares worth Rs. 25.00 Lacs to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines	
<b>Total</b>	<b>25.00</b>

Since, the number of shares to be allotted are not clear, presently the amount of Rs. 25 Lacs is shown in Other Current Financial Liabilities and not under other equity. The same shall be reclassified depending upon whether Company has to issue variable number of equity shares or fixed number of equity shares.

**15.6 INTER CORPORATE DEPOSITS**

- (a) **Status as at 31-March-2017** – The value of inter corporate deposits is Rs 27,16,607. 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 liability comes to be approximately Rs. 5,433,213 which includes approximately Rs. 5,161,553 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. The interest is not provided in the books of accounts.

(b) **DECISION OF ONE MAN COMMITTEE**

ICD Lenders will be paid principal due to them as on 30th June 2004. Interest dues are waived and cancelled. The payment of principal to the ICD lenders will be made as follows:

(i) **Amount due to ICD Lenders as at 31-Dec-2015**

Particulars	Amount (In Lacs)
I. Principal Outstanding	27.17
II. Maturity Interest	-
<b>Total</b>	<b>27.17</b>

(ii) **Payment Schedule**

(Amount In Cr.)

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	19.02	-
II. Less than Rs 5,000	-	-
III. 30% of total amount	-	8.15
<b>Total</b>	<b>19.02</b>	<b>8.15</b>

However, after approval of Scheme of One Man Committee, the settlement has been decided at Rs 27.17 Lacs. Interest Dues are waived and cancelled.

**15.7 INDUSIND BANK**

- (a) **STATUS AS AT 31-MARCH-2017 - IndusInd Bank:** The amount payable to Indusind Bank after calculating interest up to March 31, 2000 had been quantified at Rs. 65,149,000 as on 30-June-2004 in accordance with the "Fresh Restructuring Scheme Under Review". Out of which Fixed Deposit of Rs 74,49,324 has been adjusted by IndusInd Bank. The balance amount of Rs. 57,699,676 shall be payable as per Fresh Restructuring Scheme. Out Rs. 57,699,676, Rs. 2,83,82,676 shall be payable in six equal yearly installments of Rs 56,76,400 from the 2nd year of the effective date of approval of Fresh Restructuring Scheme by Hon'ble Delhi High Court. The balance of Rs 2,93,17,000 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. 30,020,010, 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. 65,149,000 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.

(b) **DECISION OF ONE MAN COMMITTEE**

Decision of One MAN COMMITTEE - Now, as per the scheme, the total principal amount payable to Indusind Bank has been quantified at Rs 6.515 Lacs as on 30th June 2004. This figure has been arrived at after calculating interest upto 31st March 2000 @12% p.a. compounded quarterly on the principal amount of L/C devolvement, after allowing credits for actual amounts



paid till date and credit for margin money amounting to Rs. 35.99 Lacs, and excludes penal interest/ additional interest/ overdue charges, if any, debited by the Bank. (Present outstanding after all adjustments is Rs 5.77Cr) The settlement made with the Bank in the earlier scheme has been considered as the base. The total amount payable under the scheme to Indusind Bank so quantified shall be repaid in line with the above settlement and RBI guidelines of OTS is as under:

**(i) Amount due to ICD Lenders as at 31-Dec-2015**

Particulars	Amount (In Cr)
I. Principal Outstanding	5.77
II. Maturity Interest	-
<b>Total</b>	<b>5.77</b>

**(ii) Payment Schedule**

**(Amount In Cr.)**

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	4.04	-
II. 30% of total amount	-	1.73
III. Maturity Interest	-	-
<b>Total</b>	<b>4.04</b>	<b>1.73</b>

**Now, after approval of Fresh Restructuring Scheme as recommended by One Man Committee, the payment to Indusind Bank is restricted to the Principal Amount only. Hence, no payment of Interest is envisaged in the Scheme.**

- (c) The Loan of Indusind Bank was acquired by DCM Anubhavi Marketing Private Limited. The company pursuant to scheme of One Man Committee, has paid 70% of the principal amount to DCM Anubhavi Marketing Private Limited in th FY 17-18, being assignee of said loan of Indusind Bank under Phase-I. The balance 30% amount forms the part of closing balance of the current year. The aforesaid amounts are included in the Payment to Related Party which will be released in Phase-II.

**Statement on Reconciliation of Loan:**

	Amount (In Rs.)
Principal Outstanding as per the Scheme	57,699,675
Less: Redemption made during the year as per the scheme	40,389,773
<b>Balance as on 31st March 2018</b>	<b>17,309,903</b>

**15.8 PRESSMAN LEASING**

**(a) DECISION OF ONE MAN COMMITTEE**

The amount due to M/s, Pressman Leasing has been quantified at the lump sum of Rs 4.10 Cr and such amount would be paid 55% (Rs. 2.26 Crore) in cash and 45% (Rs. 1.84 Crore) in shares and details are under:-

**Payment Schedule**

**(Amount In Cr.)**

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	1.58	-
II. 30% of total amount	-	0.68
<b>Total</b>	<b>1.58</b>	<b>0.68</b>

- (b) The Company has to allot fully paid up shares of the Company as per SEBI guidelines to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme.

Since, the number of shares to be allotted are variable, the amount is shown in Liabilities and not equity.

- (c) The Interest dues are waived and cancelled.

- (d) The Loan of Pressman Leasing was acquired by DCM Services Limited. The company pursuant to scheme of One Man Committee, has paid 70% of the principal amount to DCM Services Limited under Phas-I during the year ended 31-March-2018, being assignee of said loan of Pressman Leasing. The balance 30% amount forms the part of closing balance of the current year. The aforesaid amounts are included in the Payment to Related Party which will be released in Phase-II as per Schedule.

#### 15.9 OTHERS

The Related Party includes the following:

- DCM International Limited
- DCM Services Limited
- DCM Anubhavi Market Private Limited
- Global IT Options Limited

#### 16 Other Non Current Liabilities (Non-Financial)

Other Non Current Liabilities consist of the following:-

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Interest	15,878,429	24,458,877	36,322,393
Employee Advances	-	138,600	138,600
<b>Total</b>	<b>15,878,429</b>	<b>24,597,477</b>	<b>36,460,993</b>

#### 17 Provisions (Non-Current)

Provisions consist of the following :

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Provision for employee benefits			
Leave Encashment	104,963	70,392	31,212
Gratuity	421,782	341,222	198,957
<b>Total</b>	<b>526,745</b>	<b>411,614</b>	<b>230,169</b>

#### 18 Other Current Financial Liabilities

Other Financial Liabilities consist of the following at amortised cost:-

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>a. Secured</b>			
Debentures (Refer Note 18.1)	237,404,065	-	-
Term Loan from Institution - SIDBI (Refer Note 18.2)	1,088,982	-	-
Due to Banks (Refer Note 18.3)	24,102,141	-	-
	<u>262,595,188</u>	<u>-</u>	<u>-</u>
<b>b. Unsecured</b>			
Fixed Deposit from Public (Refer Note 18.4)	544,992,529	-	-
Inter - Corporate Deposits (Refer Note 18.5)	2,716,607	-	-
	<u>547,709,136</u>	<u>-</u>	<u>-</u>
<b>(c) Rent Payable</b>	-	671,969	671,969
(d) Security Deposits	625,000	625,000	625,000
(e) Payable to Punjab & Haryana High Court (Refer Note 18.6)	10,000,000	-	-
(f) Expenses Payable	6,465,346	14,777,539	12,569,073
(g) Other Payable	4,838,567	6,962,170	7,121,043
<b>Total</b>	<b>832,233,236</b>	<b>23,036,678</b>	<b>20,987,084</b>

**18.1 DEBENTURES**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already commenced in the FY 17-18 and payments to debentureholders amounting of Rs.1,76,16,779 has already been made. Remaining debt includes balance 30% and unclaimed original principal amount invested of Rs 5000 or less. Since KYC norms are still under process and payments are to be made in coming periods, the entire debt balance of Rs 23,74,04,065 is shown as Other Current Financial Liability. For further details Refer Note 15.1

**18.2 SIDBI**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already commenced in the FY 17-18 and payments to SIDBI amounting of Rs. 25,40,919 has been already paid in the FY 17-18 as per the First Phase which is equivalent to 70% of the total principal amount. Hence, the balance 30% i.e. Rs. 10,88,982 which is payable in Second Phase is classified as Other Current Financial Liability. For further details Refer Note 15.2

**18.3 PUNJAB AND SIND BANK**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already commenced in the FY 17-18 and payments to Punjab & Sind Bank amounting of Rs. 5,62,38,324 has been already paid in the FY 17-18 as per the First Phase which is equivalent to 70% of the total principal amount. Hence, the balance 30% i.e. Rs. 2,41,02,139 which is payable in Second Phase is classified as Other Current Financial Liability. For further details Refer Note 15.3

**18.4 FIXED DEPOSITORS**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already begun in the FY 17-18 and payments to depositors of Rs.1,79,11,251 has already made. Remaining debt includes balance 30% and unclaimed original principal amount invested of Rs 5000 or less. Since KYC norms are still under process and payments are to be made in coming periods, the entire debt balance of Rs 54,49,92,529 is shown as Other Current Financial Liability. For further details Refer Note 15.4

**18.5 INTER CORPORATE DEPOSITS**

No payment has been made till date to ICD Lenders. However, scheme has been approved in the current year, so the amount is to be paid in coming periods as per Phase-1 and Phase-2. Hence, the amount of ICD is classified as Other Current Financial Liability. For further details Refer Note 15.6

- 18.6** During the year 1999, the company had received Rs. 10,000,000 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.

**19 Other Current Liabilities (Non-Financial)**

Other current liabilities consist of the following:-

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Liabilities	223,332	4,498,491	4,589,902
Payable to Employees/Employee Advances	3,096,826	966,430	761,263
<b>Total</b>	<b>3,320,158</b>	<b>5,464,921</b>	<b>5,351,165</b>

**20 Provision (Current)**

Provisions consist of the following :

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Provision for employee benefits</b>			
- Leave Encashment	226,378	121,093	62,080
- Gratuity	922,131	623,621	419,120
<b>Total</b>	<b>1,148,509</b>	<b>744,714</b>	<b>481,200</b>

**21 Other Income**

Other income (net) consist of the following:

(Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest on Fixed Deposits	29,009,969	36,712,851
Deferred Income	8,580,448	11,863,516
Dividend Income	19,112	19,839
Balances Written Back	9,047,236	-
Provision for NPA Written Back	23,459,216	200,117
Miscellaneous Income	-	10,064
Gain on sale of Fixed Assets	7,600	-
Unrealised gain on account of fair valuation of Investments	2,392,544	741,068
<b>Total</b>	<b>72,516,125</b>	<b>49,547,455</b>

**22 Employee Benefit Expense**

Employee benefits expenses consist of the following:

(Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Salaries, Wages & Bonus	3,028,447	3,506,612
(b) Contributions to Provident Fund and other funds	1,470,180	325,695
(c) Staff Welfare expenses	-	-
<b>Total</b>	<b>4,498,627</b>	<b>3,832,307</b>

**23 Finance Cost**

Finance costs consist of the following:

(Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest paid on FD	-	-
Interest Expense	10,062,478	14,237,439
<b>Total</b>	<b>10,062,478</b>	<b>14,237,439</b>

**24 Other Expenses**

Other expenses consist of the following

(Amount In Rs.)

<b>Particulars</b>	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
Travelling & Conveyance	179,448	168,176
Repairs		
- Building	8,400	-
- Others	20,619	2,000
Electricity & Water	85,362	83,409
Legal & Consultancy Charges	4,398,700	4,216,990
Auditors Remuneration:		
- Statutory/Tax Audit	383,500	373,752
- Other	6,325	9,550
Rent	481,194	471,618
Telephone Expenses	74,440	86,912
Advertisement & Publicity	637,711	75,930
Bad Debts Written off	29,142,775	-
Provision for Diminuation of Investments	1,800,000	-
Provision for Impairment	945,374	-
Share Transfer Expenses	99,738	230,139
AGM Expenses	987,589	880,806
Internal Audit Fees	20,000	23,000
Lisiting Fees	687,151	639,118
Rates and Taxes	16,200	239,619
Prior Period Expenses	-	6,852
Penalty on late deposit of EPF challan	20	66,461
Fixed Assets write off	-	203,742
Other Expenses	393,821	118,701
<b>TOTAL</b>	<b>40,368,367</b>	<b>7,896,775</b>

25 Income tax expenses		(Amount In Rs.)	
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	
<b>A. Amount recognised in profit or loss</b>			
Current tax			
Income tax for the year			
Current tax	3,900,462	4,400,000	
Adjustments/(credits) related to previous years - Net	83,170	-	
<b>Total current tax</b>	<b>3,983,632</b>	<b>4,400,000</b>	
<b>Deferred tax</b>			
Deferred tax for the year	11,090,671	33,618	
Adjustments/(credits) related to previous years - Net	-	-	
<b>Total deferred tax</b>	<b>11,090,671</b>	<b>33,618</b>	
<b>TOTAL</b>	<b>15,074,304</b>	<b>4,433,618</b>	
<b>B Amount recognised in other comprehensive income</b>			
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows			
<b>Deferred tax</b>			
On items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plans	15,981	95,732	
<b>TOTAL</b>	<b>15,981</b>	<b>95,732</b>	

**Notes:****26) Significant Accounting Policies****A. Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in **Note 34 (First-time Adoption)**.

**B. Basis of Preparation**

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3** -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IndAS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

All the amounts included in the financial statements are reported in Indian Rupees ('Rupees' or 'Rs.'), except per share data and unless stated otherwise and rounded off to nearest Rupees.

#### **C. Basis of classification of Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

#### **D. Operating Cycle**

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 and Ind AS 1 – Presentation of Financial Statements.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **E. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

**F. Property, Plant and Equipment – Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up-gradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Asset	Life of Asset
Buildings	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Plant & Machinery	15 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

**G. Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

**H. Financial Assets**

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- Amortized cost**, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- Fair value through other comprehensive income (FVTOCI)**, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being



recognised in other comprehensive income.

- c) **Fair value through profit or loss (FVTPL)**, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognized in the Statement of Profit and Loss in the period in which they arise. Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortized cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortized cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognized gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are de-recognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- Amortized cost, the gain or loss is recognized in the Statement of Profit and Loss;
- Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Income Recognition:** Interest income is recognized in the Statement of Profit and Loss using the effective interest method. Dividend income is recognized in the Statement of Profit and Loss when the right to receive dividend is established.

#### **I. Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortized cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

#### **J. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **K. Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**L. Equity Instruments**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

**M. Revenue**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
  - Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - The amount of revenue can be measured reliably;
  - It is probable that the economic benefits associated with the transaction will flow to the Company; and
- a) **Interest income:** Income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.
  - b) **Dividend income:** dividend is recognised when the right to receive the payment is established (generally on shareholder's approval by the reporting date).
  - c) **Other revenues:** are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

**N. Employee Benefits****a) Retirement benefit costs and termination benefits :**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund is paid as per the statutory provisions. These benefits are charged to the Statement of profit and loss of the year when they become due. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets(excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

**b) Short-term and other long-term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Company Scheme. Employee's are entitled to accumulate leaves subject to certain limit as per Company scheme. Liabilities for compensated absence that are not expected to be settled wholly within 12

months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of reporting period. Re-measurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The liability is determined through actuarial valuation using projected unit credit method.

## **O. Leases**

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **a) Company as a Lessee**

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **b) Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

## **P. Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred taxation.

### **a) Current Tax**

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

### **b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**c) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Q. Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**R. Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

**S. Operating Segment**

The Company is engaged in a single segment i.e. Financing Operations viz., inter corporate deposits and investments. Presently Company is not carrying on any operation except realizing all debts or maintaining existing assets. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

**T. Earnings per share**

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue. For the purpose of calculating diluted earnings per share, profit or loss attributable to the owners of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**U. Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

**V. Financial and Management Information Systems**

The Company's Accounting System is designed to unify the Financial Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## **27. First-time adoption of Ind-AS**

These Separate financial statements have been prepared voluntarily by the company for the year ended March 31,2018 in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS101-First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP. The company has prepared the opening balance sheet as per Ind AS as April 01, 2016 (the transition date by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out have been applied in preparing the financial statements for the year ended March 31,2018 and the comparative information.

### **A. Notes to the Reconciliations**

#### **a) Re-measurements of post-employment benefit obligations**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of the Statement of Profit and Loss. Under the IGAAP, these re-measurements were forming part of the Statement of Profit and Loss for the year.

#### **b) Property, Plant and Equipment – Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP

#### **c) Deferred Tax**

Under Ind AS deferred tax has been recognised on the adjustments made on transition to Ind AS. Leasehold land is a non-depreciable asset, Management is expecting that its carrying value will be recovered through sale and the indexation benefit at the time of disposal will be available, accordingly deferred tax asset on the difference between carrying value and indexed value has been created.

#### **d) Retained Earnings**

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

#### **e) Other comprehensive income**

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. 'Items of income and expense that are not recognized in the Statement of Profit and Loss but are shown in the Statement of Profit and Loss as 'Other comprehensive income' includes re-measurements of defined benefit plan. The concept of other comprehensive income did not exist under IGAAP.

#### **f) Investments**

Under Previous GAAP, investments were classified into current and long term investments. Current investments were carried at the lower of cost or market value, while long term investments were carried at cost less any impairment that was other than temporary.

Under Ind AS, equity investments have been classified as Fair Value through Profit and Loss (FVTPL). The Company has made an irrevocable election of present it in Profit and Loss statement (FVTPL). Fair value movements are recognized directly in Profit and Loss statement on such investments.

**g) Provision for expected credit losses**

Financial guarantees issued by the Company are accounted in Ind AS initially at fair value and subsequently measured at the higher of the loss allowance based on Ind AS 109; and the amount initially recognized, reduced by the amount of income recorded as per Ind AS 18. On the transition date, such contracts are measured based on the expected credit losses.

Under Previous GAAP, such estimates were determined based on experience of historic losses on such contracts.

Impairment for trade receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

**B. Reconciliations between IGAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

The presentation requirements under IGAAP differ from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2016 and March 31, 2017.

**ADDITIONAL NOTES TO ACCOUNTS****28) RESTRUCTURING SCHEME****Preamble**

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 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 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 erstwhile 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 not 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 filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the "Fresh Restructuring Scheme" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

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

approved the scheme by the requisite majority after considering some modifications proposed by the Punjab & Sind Bank.

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

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.

Over the years and till 31st March, 2017, 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.

#### **Developments during the financial year ended 31st March, 2018**

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The Hon'ble High Court of Delhi entrusted the following functions to said One Man Committee :-

- (i) To scrutinize and finalize the list of depositors/ claimants so as to assess the genuineness of the depositors and their claim and to weed out any duplicate) benami, fictitious and doubtful claims.
- (ii) To categorize the claimants/ depositors into groups, on the basis of various parameters. For instance, depositors could be segregated into (a) individuals (b) corporate (c) institutions (Banks and Finance Companies), etc. Similarly, very small depositors wherein, the amount due is only upto Rs. 5,000 could be segregated as a separate category.
- (iii) At the same time it would also be open to the Central Bank of India which was constituted a debenture trustee by the company, to put up any claims that they may have before the said committee.
- (iv) To take stock of the entire assets of the company, whether in the form of fixed assets or bank accounts and fixed deposits, etc.
- (v) To assess the value of the fixed assets of the company and for the purpose, If need be, take the help of a professional valuer. Also, to get from the company its brief statement of accounts which shall include all income and expenditures, so as to enable a proper review of the assets and liabilities of the company.
- (vi) To suggest modalities for the disposal of 'fixed assets, so that the money realized could be used for disbursal of principal amounts as well as interest (over the delayed period), if possible, amongst the depositors.
- (vii) To make suggestions on the modalities of payment, which would obviously depend upon the amounts finally realized after disposing off/ liquefying all assets of the company.

The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. Hon'ble High Court of Delhi also noted that none of the parties had any objection on the implementation of the report. The task of implementing the report was also assigned to Justice Anil Kumar. Hon'ble High Court of Delhi held that the issue of revival of the company will be decided once all payments are made in the manner as suggested in the report. The report of one committee has laid the schedule of payments to parties covered under the scheme as under :-

- (i) Before starting repayment of amount, the genuineness of the all the depositors and their claims shall be assessed to weed out any benami, fictitious and doubtful claims. Notices to

all the depositors/ claimants shall be sent and consideration of their pleas and contentions will be necessary. From the data it has also been observed that some of the individuals and companies have invested sums by depositing multiple small amounts. Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. It is recommended in the circumstances that 70% a part of the amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. 5,000 or less than Rs.5,000 in the first instance.

- (ii) In order to realise the maximum value of the immovable asset of the Company, the premises/property in the building of NBCC, it is the recommendation of the committee that the same be sold by the auction by the Hon'ble Company Court. The company has estimated its value around Rs.41 Cr., whereas the creditors are of the view that its value will not be less than Rs 80 crores. It has been noticed that the disputes are pending between NBCC and the Petitioner Company with regard to the said property which is pending adjudication before Shri S.K. Kaul, Sole Arbitrator appointed by NBCC in terms of Agreement dated 9th Dec, 1995 and is now fixed for final arguments. The claim of NBCC is for an amount of Rs.2.88 Cr. It is also noticed that such other and several disputes are pending with regard to this NBCC property, which make it unfeasible for anyone to sell it easily or to get a realistic value of the property on the basis of valuation report and then to decide on such valuation as to how much total amount is to be paid to the creditors. Valuation of such a property will also be more of distress sale value and will not be realistic. In the circumstances an efficacious way will be to pay a part of the amount from the liquid assets available with the company and in the meantime also to sell the fixed assets of the Company by auction by the Hon'ble Company Court. This will result in a part payment to all the genuine creditors and to realize the actual value of the immovable assets of the Company. This will also facilitate the Hon'ble Company Court to determine whether some interest should be paid to the creditors considering all the other factors including that the endeavour is not to wind up the Company but to revive the Company if sufficient surplus is available with the Company after selling all its immovable assets. Therefore, it is recommended" that the" immovable and fixed assets of the company be sold by auction by Hon'ble Company Court in the manner adopting the modalities which are followed while selling the fixed assets and the immovable properties of the companies which are under liquidation with the help from Official Liquidator or a Consultant, though the sale of the properties is not for the purpose of winding up the Petitioner Company.
- (iii) Tentative realizable value of the following assets of the Company will be :-

#### 1. Value of Assets/Sources of Funds

As on 31.12.15

S.N.	Source	Amount Rs in Cr.
1	Sale of Immoveable assets	42.00
	Receivables	8.50
	Investments in shares	1.00
	Fixed Deposits with Banks	47.50
	Promoter Contribution-Deposits with High Court	29.50
	Total	128.50
Less	Scheme Repayment Cost	1.00
	Statutory Dues & Taxation	1.43
	Legal Cost	0.50
	To be deposited with P & H High Court	1.00
	Due to Employees	0.50
	Claim of MS Shoes arbitration award	5.13
	Claim of NBCC-pending arbitration	2.88
	Income Tax on Interest for Deposit with Delhi High Court	3.00
	Total	15.44
	<b>Net Available</b>	<b>113.06</b>



As on 31.12.2015, the details of creditors for repayment are as follows however after weeding out the claims of fictitious, doubtful claims and benami, the amount payable to creditors may decrease and may not increase.

**Details of Creditors for repayment under Scheme:**

**(As on 31.12.15)**

**Rs in Cr**

S.N.	Source	Amount Rs in Cr.
I	Fixed Deposit holders	56.31
II	Debentures	25.53
III	ICD & BRD lenders	0.27
IV	Punjab & Sind Bank	8.03
V	Indusind Bank	5.77
VI	Pressman Limited	4.10
VII	SBI Homes Finance Ltd (To be paid in shares)	0.25
VIII	SIDBI	0.36
IX	Maturity Interest on Fixed Deposits	14.48
X	Maturity interest on Debentures	2.35
	<b>Total</b>	<b>117.45</b>

**Taking these figures and facts and circumstances it is recommended that repayment be made in two phases, as detailed below:**

**Phase 1:**

S.N.	Particulars	Source of Utilization
I	Repayment to the extent of 70% of the principal amount of Fixed Deposits, Debentures and Banks having deposits of more than Rs.5,000/	Available Cash in Bank, Fixed Deposits and Promoter's Deposits with Court
II	Full amount be paid to Fixed Deposits, Debentures and Banks having deposit of Rs. 5,000 / - and less	Available Cash in Bank, Fixed Deposits and Promoter's Deposits with Court

**Phase 2:**

In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal and the maturity value on the fixed deposits, debentures and banks. If the amount is still available to the Company, the Hon'ble Company Court may decide whether some amount - be paid as interest as has also been recommended by the Reserve Bank of India. Certain steps of the Phase 2 which can commence with phase 1 i.e. sale of the properties of the Company by the Hon'ble Company Court and/or such steps which will be required to sell the assets of the Company in order to realize the value of the assets to meet the liabilities of the fixed deposits and debentures creditors. In the circumstances, the Debt Settlement is under :-

**DEBENTURES**

**(A) Amount due to Debenture-holders as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount
I	Principal Outstanding	Rs 25.53 Cr
II	Maturity Interest	Rs 2.35 Cr
	<b>TOTAL</b>	<b>Rs 27.88Cr</b>

**(A) Payment Schedule****(Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	17.87	-
II	Less than Rs 5,000	1.69	-
III	30% of total amount	-	5.97
IV	Maturity Interest	-	2.35
	<b>TOTAL</b>	<b>19.56</b>	<b>8.32</b>

Some of the debentures holders have already been paid by the Central Bank of India. The amount which has been already been paid to the Debenture Holders by the Central Bank of India be paid to the Bank. The Central Bank of India has also claimed some amount in a suit filed before the Hon'ble Bombay High Court. No claim has however, been filed by the Central Bank of India before the Committee despite opportunity granted to the Bank. While computing the amount payable in phases to other creditors, this amount claimed by the Bank will be not disbursed till the bank is able to establish its claim in the appropriate proceedings before the Court.

**FIXED DEPOSITS****(B) Amount due to Fixed Depositors as decided one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	56.31
II	Maturity Interest	14.48
	<b>TOTAL</b>	<b>70.79</b>

**(A) Payment Schedule****(Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	36.15	-
II	Less than Rs 5,000	4.67	-
III	30% of total amount	-	15.49
IV	Maturity Interest	-	14.48
	<b>Total</b>	<b>40.82</b>	<b>29.97</b>

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)****(C) Amount due to SIDBI as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs . in Lacs
I	Principal Outstanding	36.30
II	Maturity Interest	--
	<b>TOTAL</b>	<b>36.30</b>

**(B) Payment Schedule****(Rs. in lacs)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	25.41	-
II	Less than Rs 5,000	-	-
III	30% of total amount	-	10.89
	<b>Total</b>	<b>25.41</b>	<b>10.89</b>

**PUNJAB & SIND BANK (PSB)****Background**

The Punjab and Sind Bank had filed recovery proceedings in the year 2000 before the Debt Recovery Tribunal for Rs.12.17 Cr. comprising of Rs.8.50 Cr. as ledger balance and Rs.3.76 Cr. as Memo Interest. In the year 2000. Company in order to redress the repayment issues, propounded a scheme and in the scheme of rearrangement with its creditors proposed to pay Rs 9.51Cr to the Bank and the Bank voted in favour of scheme and the suit in DRT has been stayed by the High Court and the Bank agreed to receive Rs. 9.51 crores. This amount was agreed after protracted discussions/ negotiations with PSB, and it has been agreed that amount payable as on Sept,1997 will be taken as principal and interest from Sept 1997 to March, 2000 will be added @ 10% quarterly compounded. Thus the amount payable became Rs 9.51 Cr. It was admitted and justified by the said bank that this settlement was as per RBI guidelines. Reliance for this can be placed on an internal note dated 12th Sept, 2000 of the bank and a letter dated 20th Oct,2000 from the counsel of PSB. As per terms of settlement Rs 50.00 Lacs were paid to PSB in the year 2000. Though the part payment has been made to the Bank pursuant to settlement and scheme, however, due to modifications made in scheme for, PSB by Company in the creditors meeting. The scheme was, will be paid in 6 equal yearly installments of one year after the approval of the said scheme or 1st April, 2006 which ever will be earlier and balance 40% by equity shares at any time within three years of the effective date or 1.4.2006. The shares were to be allotted on preferential allotment basis as per the rate approved by SEBI under its guidelines. The sale price of the share was protected to the extent of Rs.375 lacs by issuing fresh additional equity, if required. The bank was paid Rs. 90 lacs in the year 2005-06, but further amount could not be paid on account of order dated 6th March, 2006 "of the Hon'ble Court. The Bank received the amounts partly under the settlement and could not withdraw from the scheme without refunding the amounts received by it, yet in 2012 it filed an application for intervention/ objection to the scheme which has not been allowed. In the circumstances the amount payable to the bank has been taken as settled with the Bank and 70% of the. said amount be paid forthwith in the first phase and balance in the second phase which is substantially better as earlier only Rs.60 lakhs was payable in six years and equity shares were to be issued for the balance amount. Under the previous proposal which has been accepted by the Bank, the amount was payable in installments and part of the amount by converting the amount in equity shares **whereas under present recommendation 70% of the amount is payable forthwith and balance' amount in second phase after liquefying all the assets of the Company which will be probably within two years.**

In the scheme, the amount payable to Punjab & Sind Bank has been quantified at Rs. 9.0180 Cr as on 30th June 2004. This figure has been arrived at after compounding the interest payable on the principal amount due as on 30th September 1997, at the rate of 10% compounded quarterly till 31st March 2000, after allowing credit for actual amount paid till date. (Present Value of amount payable after all adjustments the payable amount is Rs 8.034 Cr) The settlement made with the Bank in the scheme earlier has been considered as the base. Accordingly, keeping in line with the above settlement and OTS guidelines of RBI, the following payments is recommended to be made to PSB:

**(D) Amount due to PSB as decided one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	8.03
II	Interest	--
	<b>TOTAL</b>	<b>8.03</b>

**(A) Payment Schedule****(Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	5.62	-
II	Less than Rs 5,000	-	-
III	30% of total amount	-	2.39
	<b>Total</b>	<b>5.62</b>	<b>2.39</b>

**INDUSIND BANK**

In the scheme, the total principal amount payable to IndusInd Bank has been quantified at Rs 6.515 Lacs as on 30th June 2004. This figure has been arrived at after calculating interest upto 31st March 2000 @12% p.a. compounded quarterly on the principal amount of L/C devolvement, after allowing credits for actual amounts paid till date and credit for margin money amounting to Rs. 35.99 Lacs, and excludes penal interest/ additional interest/ overdue charges, if any, debited by the Bank. (Present outstanding after all adjustments is Rs 5.77Cr) The settlement made with the Bank in the earlier scheme has been considered as the base. The total amount payable under the scheme to IndusInd Bank so quantified shall be repaid in line with the above settlement and RBI guidelines of OTS is as under:

**(E) Amount due to INDUSIND Bank as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	5.77
II	Interest	--
	<b>TOTAL</b>	<b>5.77</b>

**(A) Payment Schedule (Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	4.04	-
II	Less than Rs 5,000	-	-
III	30% of total amount	-	1.73
	<b>Total</b>	<b>4.04</b>	<b>1.73</b>

**SBI HOME FINANCE LTD**

A consent decree was passed by the Hon'ble High Court of Delhi at New Delhi on 12th December 2000 for an amount of Rs.315,00,000/- The terms of the Consent Decree were as under :-

- Rs 2.90 Crores were to be paid on or before 31st March 2001 under a monthly payment schedule commencing from December 2000, and on payment of Rs. 2.90 Crores, the title of the property was to be released;
- the sum of Rs. 25.00 Lacs was to be discharged by issuance of Equity shares of the Company of the face value of Rs. 10/- at a premium of Rs. 20/- per share or as per applicable SEBI guidelines. In terms of the Decree, a sum of Rs. 2.90 Crores has been paid by the Company to SBI Home Finance and the title deeds of the NBCC property have been released by SBI Home Finance Ltd. However, balance amount of Rs. 25.00 Lacs which was to be converted into fully paid up shares of the Company at Rs. 30/- per share (share value Rs. 10/- plus premium Rs. 20/- per shares) have not been issued by the Company.

The Company proposes to allot shares worth Rs. 25.00 Lacs to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines. Under this scheme, payment shall be discharged in the following manner:-

**(F) Amount due to SBI Home Finance Ltd as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	25 Lacs
II	Interest	--
	<b>TOTAL</b>	<b>Rs 25 Lacs</b>

**(G) Payment Schedule by issuing in Shares**

S.N.	Particulars	Rupees in Lac
I	To be discharged by issuance of Equity shares of the Company of the face value of Rs. 10/- at a premium of Rs. 20/- per share or as per applicable SEBI guidelines	25.00
II	The Company proposes to: allot shares worth Rs. 25.00 Lacs to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two' years from the effective date of the scheme as per applicable SEBI guidelines	-
	<b>Total</b>	<b>25.00</b>

**ICD LENDERS**

ICD Lenders will be paid principal due to them as on 30th June 2004. Interest dues are waived and cancelled. The payment of principal to the ICD lenders will be made as follows:

**(A) Amount due to ICD Lenders as decided by one man committee**

S.N.	Particulars	Amount Rs in Lac
I	Principal Outstanding	27.17
II	Interest	--
	<b>TOTAL</b>	<b>27.17</b>

**(A) Payment Schedule****(Rs. in Lac)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	19.02	-
II	30% of total amount	-	8.15
	<b>Total</b>	<b>19.02</b>	<b>8.15</b>

**PRESSMAN LEASING**

The amount due to M/s, Pressman Leasing has been quantified at the lump sum of Rs 4.10 Cr and such amount would be paid 55% in cash and 45% in shares and details are under :-

**(A) Amount due to PRESSMAN LEASING as decided by one man committee**

S.N.	Particulars	Amount Rs in Cr
I	Principal Outstanding	4.10
II	Interest	--
	<b>TOTAL</b>	<b>4.10</b>

**(B) Payment Schedule****Amount Rs in Cr**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	1.58	-
II	30% of total amount	-	00.68
	<b>Total</b>	<b>1.58</b>	<b>00.68</b>

**(H) Balance Payment by issuing of Equity Shares**

S.N.	Particulars	Amount Rs in Cr
I	To be discharged by issuance of Equity shares of the Company of the face value of Rs. 10 as per applicable SEBI guidelines	1.84
	<b>TOTAL</b>	<b>1.84</b>

**29) Earnings Per Share (EPS):**

		Year ended 31st March, 2018	Year ended 31st March, 2017
a)	<b>Calculation of Weighted Average Number of Equity Shares of 100 each</b>		
	Number of Shares at the beginning of the period**	22,125,054	22,125,054
	Number of Shares at the close of the period**	22,125,054	22,125,054
	Weighted Average number of Equity Shares**		
	During the period	22,125,054	22,125,054
b)	Net Profit/(Loss) for the period attributable to Equity Shares (in Rs.)	(7,51,721)	1,56,69,731
c)	Earning per share – Basic**	(0.03)	0.71
d)	Earning per share – Diluted**	(0.03)	0.71

**30) Contingent Liabilities and Commitments****A) Contingent Liabilities**

- (a) Mr. Dhruv Prakash had lodged a claim of recovery of Rs 913,362. against which a decree of Rs 6,96,887 was passed by Additional District Judge, Tis Hazari Court, New Delhi on 2nd August, 2005 along-with 6% simple interest from the date lodging of suit till actual realization. The contingent liability arising out of this suit amounts to Rs 6,96,887 along-with 6% simple interest from the date lodging of suit till actual realization. The same is being contested by Company in Delhi High Court. 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) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2018.
- (c) There is a demand of Rs. 3,458,902 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 2018.
- (d) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.
- (e) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S.No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
<b>TOTAL</b>		<b>28,829,634/-</b>

**B) Commitments**

There are no non-cancellable capital commitments.

**31) Defined Benefit Plans/Long Term Compensated Absences :-****Description of Plans**

The Company makes contributions to Defined Benefit and Defined Contribution Plans for qualifying employees. Gratuity Benefits and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Plans are based on employees' length of service.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to these Employee Benefit Plans. The net Defined benefit cost is recognized by the companies in Financial Statements.

**Discount Rate:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

The estimated term of the benefit obligations works out to 9.18 years. For the current valuation a discount rate of 7.74% p.a. compound has been used.

**Salary Escalation Rate:** The Salary Escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again, a long term view as to the trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

**Withdrawals Rate:** Past experience indicates the current level of attrition. The assumption may incorporate the Company's policy towards retention of employees, historical data and industry outlook.

**Mortality Rate:** We have used Indian Assured Lives Mortality Table (IALM) 2006-08, as issued by Institute of Actuaries of India, for the valuation.

The following table summarize the components of net benefit expenses recognized in the statement of Profit & loss and the funded status and the amount recognized in Balance Sheet during 2017-18.

PARTICULARS	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Unfunded	Unfunded	Unfunded	Unfunded
	31.03.2018		31.03.2017	
<b>Statement of profit &amp; loss</b>				
<b>Net employee benefit expense recognized in employee cost</b>				
Current Service Cost	70,303	18,047	53,585	11,291
Interest Cost on Defined Benefit Obligation	74,679	14,821	47,777	7,211
<b>Total Expense recognized in the Statement of Profit and Loss</b>	144,982	32,868	101,362	18,502
<b>Remeasurements recognised in Other Comprehensive Income</b>				
Net Actuarial (Gain)/Loss	234,088	106,988	245,404	79,691
<b>Total defined benefit cost recognized in Profit &amp; Loss and Other Comprehensive Income</b>	379,070	139,856	346,766	98,193
<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
Opening Defined Benefit Obligation	964,843	191,485	618,077	93,292
Interest Cost	74,679	14,821	47,777	7,211
Current Service Cost	70,303	18,047	53,585	11,291
Benefits Paid	-	-	-	-
Actual Losses / (Gain) on Obligation	234,088	106,988	245,404	79,691
Closing Defined Benefit Obligation	1,343,913	331,341	964,843	191,485
<b>Classification in Balance Sheets</b>				
Net Assets/ (Liability)	Gratuity		Leave Encashment	
	Current	Non-Current	Current	Non-Current
As at 31st March 2018	922,131	421,782	226,378	104,963
As at 31st March 2017	623,621	341,222	121,093	70,392
As at 31st March 2016	419,120	198,957	62,080	31,212
<b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>				
Discount Rate	7.74	7.74	7.31	7.31
Increase in Compensation Cost	6.00	6.00	6.00	6.00



**SENSITIVITY ANALYSIS**

A quantitative sensitivity analysis for significant assumptions as at March 31, 2018 is as follows:

PARTICULARS	INCREASE EFFECT	DECREASE EFFECT
<i>Effect of increase / decrease in discount rate by 1% on defined benefit obligations</i>	(590697)	621985
Effect of increase / decrease in salary escalation by 1% on defined benefit obligations	628524	(602105)
Effect of increase / decrease in withdrawal rate by 1% on defined benefit obligations	-	-

- 32) For year ended 31st March, 2018, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).
- 33) As the Company has carry forward unabsorbed depreciation amounting to Rs. 281,512,454 under the Income Tax Act, 1961 and is unlikely to have taxable income in the foreseeable future. Deferred tax assets in situation where carry forward unabsorbed depreciation/business loss exists, are recognized to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered, accordingly Deferred Tax Assets on Unabsorbed Depreciation Losses are not recognized in accordance with Ind AS 12 "Income Taxes".

The components of Deferred Tax balances as on 31st March 2018 are as follow:-

Particulars	31st Mar.'18	31st Mar.'17
Deferred Tax Liability-	NIL	NIL
Total (A)	NIL	NIL
Deferred Tax Assets-		-
Brought forward unabsorbed depreciation (in Rs.)	28,15,12,454	30,64,70,464
Total (B) (in Rs.)	28,15,12,454	30,64,70,464
Net Deferred Tax Assets (B-A) (in Rs.)	28,15,12,454	30,64,70,464

**34) Deposit of Rs 195,000,000 by DCM Services Limited**

DCM Services Ltd, as a promoter had committed to bring in Rs 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court.

The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order.DCM Services Limited depositedRs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 &Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company for the period ended 31st March, 2018 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited or there would be no liability on the Company to pay or issue any shares. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

**35) Related Parties Transactions:**

**A. List of Related parties**

SN	Description of Relationship	Name of Party	
(a)	Control Exist		
	- Subsidiary Company	(i)	Global IT Option Limited
(b)	Significant Influence Exist	(i)	DCM Services limited
		(ii)	DCM International Limited
		(iii)	DCM Anubhavi Marketing Private Limited
(c)	Key Management Personnel	(i)	Mr. Om Prakash Gupta –Director
		(ii)	Mr. Surender Kumar Sharma – Executive Director
		(iii)	Mr. Sehdev Shori- Additional Director

**B. Transactions with related parties during the year**

(Amount in Rs.)

	Particulars	For the year ending 31st March 2018	For the year ending 31st March 2017
<b>Key Management Personnel</b>			
1.	<b>Remuneration</b>	384,982	514,164
2.	<b>Repayment of loan</b>		
	- DCM Services Limited	1,56,31,000	-
	- DCM Anubhavi Marketing Private Limited	4,03,89,773	-
3.	<b>Interest Expense</b>		
	- DCM Services Limited	61,06,222	69,72,111
	- DCM International Limited	21,14,915	19,22,650
	- DCM Anubhavi Marketing Private Limited	16,69,753	51,89,755
	- Global IT Options Limited	1,71,587	1,52,923
4.	<b>Loan Taken</b>		
	- Global IT Options Limited	-	44,900

**C. Balance Outstanding**

(Amount in Rs.)

1.	DCM Services Ltd.	6,71,68,445	7,66,93,223
2.	DCM International Limited	2,32,64,070	2,11,49,154
3.	DCM Anubhavi Marketing Limited	1,83,67,281	5,70,87,301
4.	Global IT Options	18,87,462	17,15,874

**36) Fair value measurement****i) Financial Instruments by category**

	As at 31st March 2018			As at 31st March 2017			As at 31st March 2016		
	FVPL	FV OCI	Amortised cost	FVPL	FV OCI	Amortised cost	FVPL	FV OCI	Amortised cost
<b>Financial Assets</b>									
<b>Investments</b>	1,12,22,773	-	40,10,348	88,30,229	-	58,10,348	80,89,161	-	58,10,348
Cash and cash equivalents	-	-	1,12,27,801	-	-	41,74,676	-	-	13,49,428
Other bank balance	-	-	33,60,54,596	-	-	46,87,70,507	-	-	44,45,12,551
Others	-	-	1,89,37,464	-	-	3,07,12,795	-	-	3,40,88,238
<b>Borrowing</b>	-	-	131,457,258	-	-	1,08,26,47,458	-	-	1,06,98,59,294
Others	-	-	84,81,11,665	-	-	4,76,34,155	-	-	5,74,48,077
<b>Financial Liabilities</b>									
<b>Borrowing</b>	-	-	131,457,258	-	-	1,08,26,47,458	-	-	1,06,98,59,294
Others	-	-	84,81,11,665	-	-	4,76,34,155	-	-	5,74,48,077

**ii) The carrying value and fair value of financial instruments by categories as of March 31, 2018 are as under:**

Particulars	Financial assets/ (Financial liabilities) at fair value through profit or loss (FVTPL)	Total Carrying value	Total fair value
<b>Investment in Equity Shares</b>			
As on 31st March 2018	23,92,542	<b>1,28,40,579</b>	<b>1,52,33,121</b>
As on 31st March 2017	7,41,068	<b>1,38,99,509</b>	<b>1,46,40,577</b>
As on 31st March 2016	34,59,746	<b>1,04,39,763</b>	<b>1,38,99,509</b>

**iii) Fair value hierarchy**

**Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.**

**Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).**

**Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).**

**Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:**

Particulars	Amount	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Investment in Equity shares				
As at 31st March, 2018	15233121	1,12,22,773	-	40,10,348
As at 31st March, 2017	14640647	88,30,229	-	58,10,348
As at 31st March, 2016	13899509	80,89,161	-	58,10,348

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

**iv) Fair value of financial assets and liabilities measured at amortised cost:**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
<b>Investments</b>	40,10,348	40,10,348	58,10,348	58,10,348	58,10,348	58,10,348
<b>Cash &amp; Cash equivalent</b>	1,12,27,801	1,12,27,801	41,74,676	41,74,676	13,49,428	13,49,428
<b>Other Bank Balance</b>	33,60,54,596	33,60,54,596	46,87,70,507	46,87,70,507	44,45,12,551	44,45,12,551
<b>Others</b>	1,89,37,464	1,89,37,464	3,07,12,795	3,07,12,795	3,40,88,238	3,40,88,238
<b>Financial Liabilities</b>						
<b>Borrowings</b>	131,457,258	131,457,258	1,08,26,47,458	1,08,26,47,458	1,06,98,59,294	1,06,98,59,294
<b>Other financial liabilities</b>	84,81,11,665	84,81,11,665	4,76,34,155	4,76,34,155	5,74,48,077	5,74,48,077

### 37) Capital Management

The Company's objective for managing capital is to ensure as under:

- To ensure the company's ability to continue as a going concern.
- Maintaining a strong credit rating and healthy debt equity ratio in order to support business and maximize the shareholders' value.
- Maintain an optimal capital structure.
- Compliance financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

- Compliance of financial covenants of borrowing facilities.
- Changes in economic conditions.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants as decided by **One Man Committee and Delhi High Court. One Man Committee has given few recommendations for payments to its creditors which has been accepted by Hon'ble Delhi High Court.**

There has been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year.

### 38) Going Concern Basis

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 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, contributed Rs. 195,000,000 of which Rs. 156,000,000 were deposited with the Registrar of the Hon'ble Delhi High Court Registrar, as per court order by the promoter group, and the balance amount of Rs 39,000,000 had been deposited on 27th April, 2012. The Fresh Restructuring Scheme kept pending for approval of Hon'ble High Court of Delhi. Over the years and till 31st March, 2017, 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.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes.

The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% a part of the amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance. In the second phase, which should also commence. with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal and the maturity value on the fixed deposits, debentures and banks. If the amount is still available to the Company, the Hon'ble Company Court may decide whether some amount - be paid as interest as has also been recommended by the Reserve Bank of India. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I. Hon'ble High Court of Delhi held that the issue of revival of the company will be decided once all payments are made in the manner as suggested in the report. The accounts of the company have been prepared on a "going concern" basis on an assumption & premises made by the management that :-

- (a) Company incurred a net loss of Rs. 751,721 during the year ended March 31, 2018 and as of that date, the Company's current liabilities exceeded its total assets by Rs 27,47,43,361. The accumulated loss as on 31st March, 2018 stands to Rs. 84,48,27,519 /-(Previous year Rs. 84,40,75,798/-). As on 31st March, 2018, the Company's total liabilities exceeded to its total assets by Rs. 42,26,05,793/- (Previous year Rs. 42,18,54,070/-).
- (b) The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India the company ceased to accept deposits from September 1997 and 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 contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI HOME FINANCE LTD and Pressman Leasing would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court and

(c) Adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis,

- 39)** The Company's application to RBI for Certificate of Registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The company had made an appeal to the Appellate Authority, Ministry of Finance which directed the RBI to keep its order of rejection of CoR in abeyance for a period of six months and directed the company to file Fresh Restructuring Scheme before Hon'ble Delhi High Court. RBI has preferred an appeal before the Hon'ble Delhi High Court against the order of the appellate authority, which is still pending. This may be decided upon once scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme would be approved/decided upon by the Hon'ble Delhi High Court.
- 40)** 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.
- 41) Segment information for the year ended 31st March 2018**  
The Company is engaged in a single segment i.e. Financing Operations viz., inter corporate deposits and investments. Presently Company is not carrying on any operation except realizing all debts or maintaining existing assets. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.
- 42)** Figures for the previous year are in brackets and have been re-grouped/re-classified wherever necessary to make them comparable with the figures of the current year.

**For Mukesh Aggarwal**

Chartered Accountants  
Firm Registration No. 011393N

**Rishi Mittal**

Partner  
M.No. 521860

**Richa Kalra**

Director  
DIN: 07632571

**Surender Kumar**

Executive Director  
DIN: 02188166

Place : New Delhi  
Dated : 30th May, 2018

Poonam Kumari  
Company Secretary  
M.No.A37057

**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, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph of the Other Key Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Basis for Qualified Opinion**

- (i) Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. Under Scheme

of One Man Committee, Interest of Rs 235 Lacs are payable to Debenture Holders and Rs 1,448 Lacs are payable to Fixed Depositors under Phase-2 of Schedule of Payments laid down by One Man Committee. Presently the said committee has waived any further payment of Interest to Fixed Depositors, Debenture-holders and other lenders, however on complete liquidation of properties and investments, if any surplus remains after payment to all stakeholder creditors, then further payment of Interest would be decided. All stakeholders creditors which are covered under scheme has given its consent to the scheme. No provision of Rs. 1,683 Lacs as laid down under the the scheme towards Interest on Debentures and Fixed Deposits, have been provided in the financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the financial statements on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current / Non-Current Liabilities as at 31st March, 2018 would have been higher by Rs 1,683 Lacs. The same has been explained in **Note 15.1 and Note 15.4**.

- (ii) For redemption of 'B' series debentures of Rs. 2365.54 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2365.54 Lacs has not been created due to insufficient profits. The same has been explained in **Note 15.1**.
- (iii) The value of assets charged as security in favor of banks, debenture-holders & financial institutions have been depleted over a period of time. The depletion has not yet been ascertained by the Company. To the extent of shortfall, if any, the liability is unsecured, whereas the same has been shown as secured. The same has been explained in **Note 15.1, 15.2 and 15.3**.
- (iv) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management about its recoverability in the financials including considering the NPA Provisions, are good for recovery/ payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, it is not feasible for us to determine financial impact on the financials and the amount referred as payable in the financials can differ. **Please refer Note No-40**
- (v) The subsidiary company namely, Global IT Options Limited has till 31st March, 2018 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. It is a non compliance of Section 186 of the Companies Act, 2013, which could attract penalties.
- (vi) Pursuant to sub-section 5 of section 203 Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to appoint a Whole Time Company Secretary, non compliance of which the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees. However during the year ended March 31st, 2017, the Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The Company has made relevant disclosures in the Board of Directors meeting regarding this issue.

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

Regarding non appointment of Whole Time Company Secretary till 22nd April, 2017, it is 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.

- (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 Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non compliance which are Rs. 50,000 from 1-April-2015 to 30th June,2015 and thereafter Rs. 1,000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5,000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y RS.16.85 Lacs) till date of appointment of women director (i.e. 5th October, 2016). No provision of Rs 16.85 Lacs has made in the books of accounts. Had provision been provided for in the financial statements, the net profit before tax for the year ended 31st March, 2018 would have been lower by Rs 16.85 Lacs and net profit after tax would have been lowered by Rs. 13.45 Lacs. The cumulative net loss as well as Current/ Non Current Liability/ Provisions as at 31st March, 2018 would have been higher by Rs.16.85 Lacs.

- (viii) As per the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax, MAT Credit is an asset to be recognized in the Financial Statement when it is 'Probable' that the future economic benefits associated with it will flow to the enterprise and asset has a cost or value that can be measured reliably. In the previous periods, the company has already recorded MAT Credit Entitlement of Rs 28.52 Lacs in the books of accounts. Considering that the matter is Scheme of One Man Committee is still under process and Hon'ble Delhi High Court has held that the revival of Company will be decided later-on depending on the successful Implementation of scheme of One Man Committee, there is no virtual certainty that future economic benefit would flow to company. Considering this, we are of opinion that such MAT Credit Entitlement of Rs 28.52 Lacs needs to be derecognized.

Had MAT Credit of Rs 28.52 Lacs had been reversed in financial statements in year ended March, 2018, the net profit after tax would have been lower by Rs 28.52 Lacs and net profit after tax would have been lowered by Rs. 28.52 Lacs and consequently the net cumulative loss would have been higher by Rs 28.52 Lacs. In addition to, non-current loans and advances would have been lowered by Rs 28.52 Lacs after considering the tax effects.

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

- x(a) Mr. Dhruv Prakash had lodged a claim of recovery of Rs 913,362. against which a decree of Rs 6,96,887 was passed by Additional District Judge, Tis Hazari Court, New Delhi on 2nd August, 2005 along-with 6% simple interest from the date lodging of suit till actual realization. The contingent liability arising out of this suit amounts to Rs 6,96,887 along-with 6% simple interest from the date lodging of suit till actual realization. The same is being contested by Company in Delhi High Court. There are also other cases filed in consumer, civil & criminal courts and other courts against the company for which the company is contingently liable but for which the amount is not quantifiable.
- x(b) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2018.
- x(c) There is a demand of Rs. 3,458,902 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 2018.
- x(d) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.
- X(e) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S. No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
<b>TOTAL</b>		<b>28,829,634/-</b>

### 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 Ind AS 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,

- In the case of the Balance Sheet, of the Consolidated State of Affairs of the Company as at March 31, 2018;
- In the case of Consolidated Statement of Profit and Loss account including consolidated other comprehensive income, of the loss for the year ended on date March 31, 2018.
- In the case of Consolidated Cash Flow Statement for the year ended on date March 31, 2018 and
- In the case of Consolidated Statement of changes in equity for the year ended on date March 31, 2018.

### Material Uncertainty Related to Going Concern

We draw attention to Note 38 in the financial statements, which indicates that the Company incurred a net loss of Rs. 751,721 during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs 27,47,43,361. The accumulated loss as on 31st March, 2018 stands to Rs. 84,48,27,519 /-(Previous year Rs. 84,40,75 ,798/-). As on 31st March, 2018, the Company's total liabilities exceeded to its total assets by Rs. 42,26,05,793/- (Previous year Rs. 42,18,54,070/-)

As stated in Note 38, these events or conditions, along with other matters as set forth in Note 38 which are as under :-

- The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India, the company ceased to accept deposits from September 1997 and 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 contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI Home Finance Limited and Pressman Leasing, would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court and
- Adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report :-

- (i) We draw attention to Note 28 in the financial statements regarding successful implementation of scheme of One Man Committee on which continuity and revival of the Company is completely dependent which not only includes successful implementation of Schedule of payments described under Phase-I and Phase-II, but also realisability of funds from the disposal of Fixed Assets especially Building which is under dispute with Tenant as well as NBCC.
- (ii) We draw attention to Note 34 in the financial statements on the deposit Rs. 195,000,000 with the Hon'ble Delhi High Court. DCM Services Ltd, as a promoter had committed to bring in Rs 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court. The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order DCM Services Limited deposited Rs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company till 31st March, 2018 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited by company or there would be no liability on the Company to either to pay the said amount or issue any shares in lieu of that. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts
- (iii) We did not audit the financial statements of subsidiary Company, whose financial statements reflect total assets of Rs 24,62,187 as at 31 March 2018, total loss of Rs 118,668 for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group share of net loss of Rs 1,06,801 of the year ended 31 March 2018, as considered in consolidated Ind AS financial statement. The financial statement of Subsidiary Company has been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1st April 2016 in respect of subsidiary Company included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on other legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiary incorporated in India, referred to in other Matters paragraph above, we report, to the extent applicable, 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 Ind AS 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 relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by so far as appears from our examination of those books and reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d. Except for the impact of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow

Statement and the Consolidated Statement of Equity, 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. On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the board of directors of the Company and reports of the statutory auditors of its subsidiary company, none of the Group Companies is disqualified as at 31st March, 2018 from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013, except disqualification under Section 164(2)(b) on account of non-payment of Public Deposits and debentures by Company. As explained by the Company, the matter presently is sub-joined as Company has already submitted Fresh Restructuring Scheme with Hon'ble Delhi High Court and One Man Committee appointed by Hon'ble Delhi High Court is already implementing schedule of modified scheme.
- g. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the auditor's reports of the Company and Subsidiary Company incorporated in India. Our report expresses an modified opinion on the adequacy and operating effectiveness of the Company, and Subsidiary Company's internal financial controls over financial reporting.
- 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:-
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with generally accepted accounting practice – **Refer Note 22** to the consolidated Ind AS financial statement.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts
  - iii. The company moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule 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.

Justice Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% of the principal amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance to fixed depositors, Debenture-holders and banks. In the second phase, which should also commence with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal amount and the maturity interest component only on the fixed deposits and debentures. Other creditors such as banks, financial institutions, ICD Holders shall also be paid 30% of the Principal Amount except

to SBI Home Finance Limited and Pressman Leasing which will be issued equity shares in Second Phase. Depending upon the availability of surplus amount from disposal of assets with the Company, the Hon'ble High Court of Delhi may decide whether some additional amount of interest can be paid to depositors or other creditors. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I. The matter regarding payment to fixed depositors, debenture-holders and other sums are already covered under Phase-I and Phase-II schedule of payment decided by One Man Committee duly appointed by Hon'ble Delhi High Court.

All the unpaid matured Public Fixed Deposits of Rs 5,449.92 Lacs Unpaid Matured Debentures of Rs. 2374.04 Lacs which was more than seven year old. 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. 29.**

There is no outstanding amounts in Subsidiary Company which are required to be transferred to the Investor Education and Protection Fund.

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
*Partner*  
M.No. 521860

Place : New Delhi  
Dated : 30th May, 2018

**ANNEXURE-“B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2018 we have audited the internal financial controls over financial reporting of **DCM FINANCIAL SERVICES LIMITED** (hereinafter referred as “the Company”) and its subsidiary, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the company and its subsidiary company are 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 internal financial controls over financial reporting of the Company and its subsidiary company, 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”) issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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 and audit evidence obtained by other auditors of the subsidiary company, in terms of their report referred to in other key matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on company's internal financial controls system over financial reporting of the the Company's and subsidiary Company.

**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:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorizations of management and directors of the company; and

- c) Provide reasonable assurance regarding prevention and timely detection of unauthorized 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, 2018.

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.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary, is based on solely on the corresponding reports of the auditors of such company incorporated in India.

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
*Partner*  
M.No. 521860

Place : New Delhi  
Dated : 30th May, 2018

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018**

(Amount in Rupees)				
Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	1	125,596,004	128,804,481	132,168,276
(b) Financial Assets				
(i) Investments	2	45,367	7,935,831	8,523,220
(ii) Trade Receivable	3	-	-	-
(iii) Other Financial Assets	4	87,000	87,000	87,000
(c) Deferred Tax Assets (Net) Including MAT	5	37,146,815	48,314,961	48,483,203
(d) Other Non-Current Assets	6	18,154,795	19,529,355	20,924,506
<b>2 Current assets</b>				
(a) Financial Assets				
(i) Investments	7	15,233,121	4,950,229	3,599,161
(ii) Trade Receivable	8	-	-	-
(iii) Cash and cash equivalents	9	11,358,706	4,441,801	1,738,269
(iv) Other Bank Balance	10	336,054,596	468,770,507	444,512,551
(v) Other Financial Assets	11	18,850,464	30,625,795	34,001,238
(b) Other Current Assets	12	6,399	5,334	4,823
<b>TOTAL ASSETS</b>		<b>562,533,268</b>	<b>713,465,294</b>	<b>694,042,249</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	13	221,250,540	221,250,540	221,250,540
(b) Other Equity	14			
Attributable to Owners of the Parent		(641,856,840)	-642,798,317	-658,415,893
Non - Controlling Interests		319,607	331,474	337,269
<b>2 Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	129,569,796	1,080,311,314	1,067,260,296
(ii) Other Financial Liabilities		-	-	-
(b) Other Non Current Liabilities	16	15,878,429	24,597,477	36,460,993
(c) Provisions	17	526,745	411,614	230,169
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Other Financial Liabilities	18	832,376,324	23,151,556	21,086,510
(b) Other current liabilities	19	3,320,158	5,464,921	5,351,165
(c) Provisions	20	1,148,509	744,714	481,200
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>562,533,268</b>	<b>713,465,294</b>	<b>694,042,249</b>

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner  
M.No. 521860

Richa Kalra  
Director  
DIN: 07632571

Surender Kumar  
Executive Director  
DIN: 02188166

Poonam Kumari  
Company Secretary  
M.No.A37057

Place : New Delhi  
Dated : 30th May, 2018



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

		(Amount in Rupees)		
Particular	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
I. Revenue From Operations		-	-	-
II. Other income	21	72,541,369	49,599,925	112,055,028
III. <b>Total Revenue (I + II)</b>		<b>72,541,369</b>	<b>49,599,925</b>	<b>112,055,028</b>
IV. Expenses:				
Changes in inventories of Stock in Trade		-	-	415,632
Employee benefits expense	22	4,498,627	3,832,307	2,353,162
Finance costs	23	9,890,891	14,084,516	60,813,947
Depreciation and amortization expense	1	3,203,955	3,168,933	3,154,605
Other expenses	24	38,761,114	8,009,054	8,090,522
Total expenses		<b>56,354,587</b>	<b>29,094,810</b>	<b>74,827,868</b>
V. <b>Profit before exceptional items and tax (III-IV)</b>		<b>16,186,782</b>	<b>20,505,115</b>	<b>37,227,160</b>
VI. Exceptional Item				-
VII. <b>Profit before tax (V - VI)</b>		<b>16,186,782</b>	<b>20,505,115</b>	<b>37,227,160</b>
VIII. Tax expense:	25			
(1) Current tax		3,900,462	4,400,000	5,359,953
(2) Deferred tax		11,152,166	72,508	(45,629,923)
(3) Prior Period Taxes		83,170	-	-
IX <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,050,984</b>	<b>16,032,607</b>	<b>77,497,130</b>
X <b>Profit (Loss) for the period</b>		<b>1,050,984</b>	<b>16,032,607</b>	<b>77,497,130</b>
XI <b>Other Comprehensive income</b>				
A (i) Items that will not be reclassified to profit or loss		(105,392)	(325,095)	4,447
(ii) Income tax relating to items that will not be reclassified to profit or loss		(15,981)	(95,732)	(1,374)
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to items that will be reclassified to profit or loss				
XII <b>Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and other Comprehensive Income for the period)</b>		<b>929,611</b>	<b>15,611,781</b>	<b>15,669,731</b>
<b>Profit for the year</b>				
<b>Attributable to:</b>				
Owners of the Parent		1,062,851	16,038,403	77,455,328
Non-Controlling Interests		(11,867)	(5,795)	41,802
<b>Total Comprehensive Income for the year</b>				
<b>Attributable to:</b>				
Owners of the Parent		941,478	15,617,576	77,452,255
Non-Controlling Interests		(11,867)	(5,795)	41,802
XIII Earnings per equity share (for continuing operation):				
- Basic		0.04	0.71	3.50
- Diluted		0.04	0.71	3.50

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner  
M.No. 521860

Richa Kalra  
Director  
DIN: 07632571

Surender Kumar  
Executive Director  
DIN: 02188166

Poonam Kumari  
Company Secretary  
M.No.A37057

Place : New Delhi  
Dated : 30th May, 2018

**CONSOLIDATED CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH 2018**

		(Amount in Rupees)	
Particulars	31.03.2018	31.03.2017	
<b>(A) Cash flow from Operating Activities</b>	-	-	
Profit Before Tax	16,186,782	20,505,115	
<b>Add:</b>			
Depreciation	3,203,955	3,168,933	
Interest Paid	9,890,891	14,084,516	
Loss on Sale of Fixed Assets	7,022	-	
Balances written off	-	203,742	
<b>Less:</b> Remeasurement of post employment defined benefit plans	(105,392)	(325,095)	
Interest on Fixed Deposits	(29,009,969)	(36,717,418)	
Deferred Income	(8,580,448)	(11,863,516)	
Dividend Income	(19,472)	(20,131)	
Gain on sale of Fixed Assets	(7,600)	-	
Unrealised gain on account of fair valuation of Investments	(2,392,433)	(763,673)	
<b>Operating Profits before working Capital changes</b>	<b>(10,826,664)</b>	<b>(11,727,527)</b>	
Adjustment for:			
Change in Non Current Assets	300,231	-	
Change in Current Assets	11,774,266	3,374,932	
Change in Current Liabilities	(3,224,318)	2,178,802	
Change in Non Current Liabilities	(138,600)	-	
Change in Provisions	518,925	444,960	
Cash generation from Operating Activities	(1,596,160)	(5,728,833)	
<b>Less:</b> Income Tax paid	<b>2,909,303</b>	<b>3,004,849</b>	
	<b>(4,505,463)</b>	<b>(8,733,682)</b>	
<b>(B) Cash Flow from Investing Activities</b>			
Interest Income	29,009,969	36,717,418	
Dividend Income	19,472	20,131	
Redemption/(Purchase) of FD	132,715,912	(24,257,956)	
Sale of Fixed Assets	18,100	-	
Purchase of Fixed Assets	(13,000)	(8,880)	
	<b>161,750,452</b>	<b>12,470,713</b>	
<b>(C) Cash Flow from Financing Activities</b>			
Repayment to Debenture Holders	(17,616,779)	(209,595)	
Repayment to SIDBI	(2,540,959)	-	
Repayment of Bank Loan - PSB	(56,238,322)	-	
Repayment of Loan to Fixed Depositors	(17,911,251)	(823,904)	
Repayment of Loan to Related Parties	(56,020,773)	-	
	<b>(150,328,084)</b>	<b>(1,033,499)</b>	
Net increase decrease in cash & cash equivalents	6,916,905	2,703,532	
Cash and Cash equivalents (Opening Balance)	4,441,801	1,738,269	
<b>Cash and Cash equivalents (Closing Balance)</b>	<b>11,358,706</b>	<b>4,441,801</b>	

Notes forming part of Financial Statements

This is the Cash Flow Statement referred to in our report of even date.

**As per our report annexed,**

For Mukesh Aggarwal  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
Partner  
M.No. 521860

Richa Kalra  
Director  
DIN: 07632571

Surender Kumar  
Executive Director  
DIN: 02188166

Poonam Kumari  
Company Secretary  
M.No.A37057

Place : New Delhi  
Dated : 30th May, 2018

**1 Property, Plant and Equipment**

Property, plant and equipment consist of the following :

Particulars	Land	Plant & Machinery	Buildings	Vehicles	Computers	Furniture & Fixtures	Office Equipment & Appliances	Total
<b>Year ended 31 March 2017</b>								
<b>Deemed cost as at 01.04.2016</b>	<b>306,000</b>	<b>43,708</b>	<b>130,434,470</b>	<b>378,229</b>	<b>3,688</b>	<b>792,098</b>	<b>210,083</b>	<b>132,168,276</b>
Additions	-	-	-	-	-	-	8,880	8,880
Disposals	-	40,939	-	-	-	1,188	161,615	203,742
<b>Closing gross carrying amount as at March 31, 2017</b>	<b>306,000</b>	<b>2,769</b>	<b>130,434,470</b>	<b>378,229</b>	<b>3,688</b>	<b>790,910</b>	<b>57,348</b>	<b>131,973,414</b>
Depreciation charged during the year 2016-2017	-	-	2,862,476	98,434	-	180,539	27,484	3,168,933
Depreciation on Disposals	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>2,862,476</b>	<b>98,434</b>	<b>-</b>	<b>180,539</b>	<b>27,484</b>	<b>3,168,933</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>306,000</b>	<b>2,769</b>	<b>127,571,994</b>	<b>279,795</b>	<b>3,688</b>	<b>610,371</b>	<b>29,864</b>	<b>128,804,481</b>

**Year ended 31 March 2018**

<b>Opening gross carrying amount</b>	<b>306,000</b>	<b>2,769</b>	<b>130,434,470</b>	<b>378,229</b>	<b>3,688</b>	<b>790,910</b>	<b>57,348</b>	<b>131,973,414</b>
Additions	-	-	-	-	-	-	13,000	13,000
Disposals	-	-	-	-	-	10,000	17,022	27,022
<b>Closing gross carrying amount as at March 31, 2018</b>	<b>306,000</b>	<b>2,769</b>	<b>130,434,470</b>	<b>378,229</b>	<b>3,688</b>	<b>780,910</b>	<b>53,326</b>	<b>131,959,392</b>
Opening accumulated depreciation	-	-	2,862,476	98,434	-	180,539	27,484	3,168,933
Depreciation charged during the year 2017-2018	-	-	2,862,475	55,354	-	269,253	16,873	3,203,955
Depreciation on Disposals	-	-	-	-	-	9,500	-	9,500
<b>Closing accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>5,724,951</b>	<b>153,788</b>	<b>-</b>	<b>440,292</b>	<b>44,357</b>	<b>6,363,388</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>306,000</b>	<b>2,769</b>	<b>124,709,519</b>	<b>224,441</b>	<b>3,688</b>	<b>340,618</b>	<b>8,969</b>	<b>125,596,004</b>

## Deemed cost as on 01.04.2016

Opening gross value as on 01.04.2015	306,000	4,197,294	185,516,994	623,848	41,500	5,720,888	3,300,502	199,707,026
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2016</b>	<b>306,000</b>	<b>4,197,294</b>	<b>185,516,994</b>	<b>623,848</b>	<b>41,500</b>	<b>5,720,888</b>	<b>3,300,502</b>	<b>199,707,026</b>
Opening acc Dep as on 01.04.2015	-	4,146,206	52,220,048	180,907	27,832	4,745,574	3,063,577	64,384,144
Depreciation charged during the year	-	7,380	2,862,476	64,712	9,980	183,216	26,842	3,154,605
<b>Depreciation on Disposals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing accumulated depreciation as at March 31, 2016</b>	<b>-</b>	<b>4,153,586</b>	<b>55,082,524</b>	<b>245,619</b>	<b>37,812</b>	<b>4,928,790</b>	<b>3,090,419</b>	<b>67,538,750</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>306,000</b>	<b>43,708</b>	<b>130,434,470</b>	<b>378,229</b>	<b>3,688</b>	<b>792,098</b>	<b>210,083</b>	<b>132,168,276</b>

**2 NON CURRENT INVESTMENTS**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
<b>Details of non current investment</b>			
-Investments in Equity Shares	45,367	7,935,831	8,523,220
<b>Total</b>	<b>45,367</b>	<b>7,935,831</b>	<b>8,523,220</b>

**2(A) Details of non-current investment consist of following:**

(Amount in Rs.)

Sr. No.	Particulars	Subsidiary / Associate / JV/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
			As at 31 st March, 2018	As at 31 st March, 2017					
(a)	Investments in Equity Shares								
	Non -Trade Investments								
1	Punj Llyod Ltd.	Others	-	200,000	Quoted	Fully Paid	-	3,880,000	4,490,000
2	RFB Latex Ltd*	Others	-	220,000	UnQuoted	Fully Paid	-	4,010,348	4,010,348
3	Hindalco Industries Limited	Others	82	82	Quoted	Fully Paid	17,564	15,998	7,208
4	Digiam Limited	Others	58	58	Quoted	Fully Paid	520	670	580
	Less: Provision for diminution								(414)
5	Federal Bank Limited	Others	300	300	Quoted	Fully Paid	26,805	27,405	13,830
6	Religare Technova Ltd.	Others	20	20	Quoted	Fully Paid	473	1,284	1,523
7	Religare Technologies Ltd.	Others	5	5	Quoted	Fully Paid	5	126	145
	<b>TOTAL</b>		<b>465</b>	<b>420,465</b>			<b>45,367</b>	<b>7,935,831</b>	<b>8,523,220</b>

\*The equity shares has been shown at cost which deemed to be fair value. The Company is running and reporting profits.

**Note 3: Trade Receivables (Non-current)**

Trade receivables consist of the following: (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Unsecured, considered doubtful	-	187,381,057	187,381,057
Less: Provision for Doubtful Debts/ ECL	-	(187,381,057)	(187,381,057)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4: Other Financial Assets (Non-current)**

Other Financial Assets consist of the following : (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
<b>Security Deposits</b>			
- Deposits for Rented Premises	87,000	87,000	87,000
	87,000	87,000	87,000
<b>Other Loans</b>			
Unsecured, Doubtful			
- Inter Corporate Deposit	-	7,957,994	7,957,994
- Bills Receivable	-	10,717,132	10,717,132
Less: Provision for Doubtful Debts/ ECL	-	(18,675,126)	(18,675,126)
<b>Total</b>	<b>87,000</b>	<b>87,000</b>	<b>87,000</b>

**Note 5: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances (Amount in Rs.)

Deferred Tax Liabilities	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Depreciation and amortisation	31,117,339	36,866,211	38,957,333
Unrealised gain on securities carried at fair value through statement of profit and loss	1,705,443	1,263,671	1,071,244
<b>Total (a)</b>	<b>32,822,782</b>	<b>38,129,882</b>	<b>40,028,577</b>
<b>Deferred Tax Assets</b>	<b>As at 31 st March, 2018</b>	<b>As at 31 st March, 2017</b>	<b>As at 1st April, 2016</b>
Post Employment Defined Benefit Plans	431,378	437,696	261,662
Provision for Doubtful Debts	67,869,814	84,919,534	87,909,630
Related Parties	-1,183,501	-1,764,291	-2,511,418
<b>Total (b)</b>	<b>67,117,691</b>	<b>83,592,938</b>	<b>85,659,873</b>
<b>Net Deferred Tax (Liabilities)/ Assets (b-a)</b>	<b>34,294,909</b>	<b>45,463,056</b>	<b>45,631,296</b>
<b>Ad Minimum Alternative Tax (MAT) Credit entitlement</b>	<b>2,851,906</b>	<b>2,851,906</b>	<b>2,851,906</b>
<b>Net Deferred Tax Asset</b>	<b>37,146,815</b>	<b>48,314,962</b>	<b>48,483,202</b>

**Movement in Deferred Tax Assets/(Liabilities)**

Particulars	Property, Plant and Equipment	Post Employment Defined Benefit Plans	Provision for Doubtful Debts	Remeasurement of Investment through Profit and Loss	Related Parties	Total
<b>At April 1, 2016</b>	<b>(38,957,333)</b>	<b>261,662</b>	<b>87,909,630</b>	<b>(1,071,244)</b>	<b>(2,511,418)</b>	<b>45,631,296</b>
(Charged) / credited						
– to Statement of Profit and Loss	2,091,122	80,302	(2,990,096)	(192,427)	747,127	(263,972)
– to other comprehensive income	-	95,732	-	-	-	95,732
<b>At 31st March, 2017</b>	<b>(36,866,211)</b>	<b>437,696</b>	<b>84,919,534</b>	<b>(1,263,671)</b>	<b>-1,764,291</b>	<b>45,463,056</b>
(Charged) / credited						
– to Statement of Profit and Loss	5,748,872	2,961	(17,049,719)	(441,772)	580,790	(11,158,868)
– to other comprehensive income	-	(9,279)	-	-	-	(9,279)
<b>At 31st March, 2018</b>	<b>(31,117,339)</b>	<b>431,378</b>	<b>67,869,814</b>	<b>(1,705,443)</b>	<b>(1,183,501)</b>	<b>34,294,909</b>

**6 OTHER NON CURRENT ASSETS**

Other non current assets consist of the following :

(Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Advances other than capital advances:			
Security Deposits	918,344	1,203,167	1,203,167
	918,344	1,203,167	1,203,167
Tax Recoverable (Net of Provisions) (Refer Note 6A)	17,236,451	18,310,780	19,705,931
	17,236,451	18,310,780	19,705,931
Unsecured , Doubtful			
- Employee Advances	-	1,110,499	1,110,499
- Others	1,022,936	1,051,645	1,051,645
Less: Provision towards doubtful advances/ ECL	(1,022,936)	(2,146,736)	(2,146,736)
	-	15,408	15,408
<b>Total</b>	<b>18,154,795</b>	<b>19,529,355</b>	<b>20,924,506</b>

**6A Details of Tax Recoverable**

Other non current assets consist of the following :

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Advance Tax	3,903,277	3,173,277	2,362,663
TDS	29,845,495	27,749,362	25,683,317
Provision for Tax	16,512,321	12,611,859	8,340,049
<b>Net</b>	<b>17,236,451</b>	<b>18,310,780</b>	<b>19,705,931</b>

## 7 CURRENT INVESTMENTS

Particulars	As at 31st March, 2018 Amount in Rs.	As at 31st March, 2017 Amount in Rs.	As at 1st April, 2016 Amount in Rs.
<b>Details of current investment</b>			
--Investments in Equity Shares	15,233,121	4,950,229	3,599,161
<b>Total</b>	<b>15,233,121</b>	<b>4,950,229</b>	<b>3,599,161</b>

7(A) Details of current investment consist of following:

(Amount in Rs.)

Sr. No.	Particulars	Subsidiary / Associate / JV/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
			As at 31 st March, 2018	As at 31 st March, 2017					
(a)	Investments in Equity Shares								
	Trade Investments								
1	Global IT Options Ltd	Subsidiary	900,000	-	UnQuoted	Fully Paid	9,000,000	-	-
	Less: Provision for impairment						(9,000,000)	-	-
2	Profin Money Market Ltd	Others	25,000	25,000	UnQuoted	Fully Paid	250,000	250,000	250,000
	Less: Provision for impairment						(249,999)	(249,999)	(249,999)
3	World Tex Ltd	Others	437,500	437,500	UnQuoted	Fully Paid	11,953,000	11,953,000	11,953,000
	Less: Provision for impairment						(11,952,999)	(11,952,999)	(11,952,999)
4	Banaras Beads Ltd	Others	110	110	Quoted	Fully Paid	6,435	8,580	4,879
5	Bharati Telecom Ltd	Others	100	100	Quoted	Fully Paid	6,662	6,662	1
6	Calcom Vision Ltd	Others	5,600	5,600	Quoted	Fully Paid	76,440	31,360	1
7	Clutch Auto Limited	Others	98,050	98,050	Quoted	Fully Paid	619,676	619,676	1
8	Daewoo Motors India Ltd	Others	8,250	8,250	Quoted	Fully Paid	55,358	55,358	1
9	Doin Global Solutions Ltd (Religare Technova)	Others	40	40	Quoted	Fully Paid	2,568	2,568	3,046
10	ESSAR Ports Ltd.	Others	3	3	Quoted	Fully Paid	30	30	1



11	ESSAR Shipping Ltd.	Others	33	33	33	Quoted	Fully Paid	756	924	827
12	Flex Foods Ltd	Others	100	100	100	Quoted	Fully Paid	10,520	9,130	5,540
13	Gagan Polycot Ltd	Others	800	800	800	Quoted	Fully Paid	3,312	2,608	3,480
14	Galaxy Indo Fab Ltd(Shri Laksmi cotayn Ltd)	Others	200	200	200	Quoted	Fully Paid	400	400	400
15	GE Shipping Ltd	Others	65	65	65	Quoted	Fully Paid	20,163	20,163	20,163
16	Gujarat Meditech Ltd	Others	200	200	200	Quoted	Fully Paid	820	902	416
17	Haryana Sheet Glass Ltd	Others	200	200	200	Quoted	Fully Paid	2,060	2,060	1
18	Hazira Cargo Terminals Ltd	Others	9	9	-	Quoted	Fully Paid	90	90	-
19	Health fore Technologies(Religare Technologies Ltd)	Others	10	10	10	Quoted	Fully Paid	77	252	291
20	Indo Biotech Foods Ltd	Others	300	300	300	Quoted	Fully Paid	1,200	1,200	1
21	Innovative Tech Pack Ltd	Others	100	100	100	Quoted	Fully Paid	6,945	6,595	3,315
22	Jsw Ispat Steel Ltd	Others	80	80	80	Quoted	Fully Paid	-	648	1
23	Jamna Auto Ind. Ltd. (Jaiparabolic Springs Ltd)	Others	200	200	200	Quoted	Fully Paid	15,730	42,530	27,780
24	Kesar Terminal Infrastructure Ltd. (Kesar Enterprises Ltd)	Others	145	145	70	Quoted	Fully Paid	18,567	27,804	26,740
25	Kinetic Trust Ltd.	Others	100	100	100	Quoted	Fully Paid	900	900	900
26	Mid India Industries Ltd	Others	100	100	100	Quoted	Fully Paid	100	100	11,000
27	Nagarjuna Oil Refinery Ltd	Others	100	100	100	Quoted	Fully Paid	350	460	370
28	Nagarjuna Fertilizers & Chemicals Ltd	Others	110	110	110	Quoted	Fully Paid	2,136	2,136	1
29	Padmini Technology Ltd	Others	500	500	500	Quoted	Fully Paid	5,000	2,000	1
30	Pioneer Investcorp Ltd	Others	100	100	100	Quoted	Fully Paid	3,765	7,010	1,700
31	Profin Capital Services Ltd	Others	19,300	19,300	19,300	Quoted	Fully Paid	4,341,535	2,813,940	2,713,580
32	Radhika Spinning Mills Ltd	Others	300	300	300	Quoted	Fully Paid	723	723	1
33	Rain Industries Ltd	Others	500	500	500	Quoted	Fully Paid	187,325	54,800	14,950
34	Salaya Bulk Terminals Ltd	Others	3	3	-	Quoted	Fully Paid	30	30	-

35	Shree Rajasthan Syntex Ltd	Others	500	500	500	Quoted	Fully Paid	7,150	7,150	3,415
36	Shree Rayalaseema Hi Strength Hypo Ltd	Others	8,255	8,255	8,255	Quoted	Fully Paid	1,194,499	1,028,986	553,085
37	Skypack Courier Ltd	Others	100	100	100	Quoted	Fully Paid	443	443	443
38	Sujana Universal Industries Ltd	Others	1,100	1,100	1,100	Quoted	Fully Paid	1,485	2,600	1,397
39	Sujana Steel Ltd	Others	1,300	1,300	1,300	Quoted	Fully Paid	2,600	1	2,600
40	Svam Software Ltd	Others	200	200	200	Quoted	Fully Paid	200	1	136
41	Thomas Cook Ltd.	Others	660	660	660	Quoted	Fully Paid	186,582	1	124,080
42	Tulip Finance Ltd	Others	1,000	1,000	1,000	Quoted	Fully Paid	1,000,000	6,166	1
43	United Breweries Limited	Others	8	8	8	Quoted	Fully Paid	7,583	1	6,592
44	Uniworth Textiles Ltd.(Bonus)	Others	100	100	100	Quoted	Fully Paid	300	1	1
45	Vadinar Oil Terminal Ltd	Others	49	49	-	Quoted	Fully Paid	490	1	-
46	Virtualsoft System Limited (Suri Capital Leasing Ltd)	Others	13,400	13,400	13,400	Quoted	Fully Paid	21,708	1	67,938
47	Other Investment	Others	369,950	369,950	369,950	Quoted	Fully Paid	61	183,238	86
	Total (a)		532,330	532,330	532,257			7,812,773	4,950,229	3,599,161
	Non-Trade Investments									
1	Punj Llyod Ltd.	Others	200,000	-	-	Quoted	Fully Paid	3,410,000	-	-
2	RFB Latex Ltd*	Others	220,000	-	-	UnQuoted	Fully Paid	4,010,348	-	-
	Total (b)		420,000	-	-			7,420,348	-	-
	<b>Grand Total (a+b)</b>		<b>952,330</b>	<b>532,330</b>	<b>532,257</b>			<b>15,233,121</b>	<b>4,950,229</b>	<b>3,599,161</b>

\*The equity shares has been shown at cost which deemed to be fair value. The Company is running and reporting profits.

**8 TRADE RECEIVABLES**

Trade receivables consist of the following:

(Amount in Rs.)

<b>TRADE RECEIVABLES</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Unsecured, considered doubtful	169,467,432	-	-
Less: Provision for doubtful debts	(169,467,432)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9 Cash and Cash Equivalent**

Cash and cash equivalents consist of the following at amortised cost:

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
<b>(a) Balances with Bank</b>			
-Current Accounts - Bank Balances	130,291	256,211	304,371
-Restricted Bank Balance (Refer Note 9B and 9E)	12,171,374	4,184,006	1,357,253
Less: Provision for impairment (Refer Note 9C & 9D)	(945,374)	(11,131)	(11,131)
	11,356,290	4,429,085	1,650,493
<b>(b) Cash in hand</b>	2,416	12,716	87,776
<b>Total</b>	<b>11,358,706</b>	<b>4,441,801</b>	<b>1,738,269</b>

**9A Current Bank Balances Includes:**

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Canara Bank	11,371	11,371	11,371
Axis Bank	118,920	244,840	293,000
<b>Total</b>	<b>130,291</b>	<b>256,211</b>	<b>304,371</b>

**9B Restricted Bank Balances Includes:**

<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Canara Bank	748,745	748,745	361,975
IDBI Bank Limited	10,729,119	2,619,180	239,008
Axis Bank	481,162	577,398	478,265
Other Bank	212,348	238,682	278,005
<b>Total</b>	<b>12,171,374</b>	<b>4,184,006</b>	<b>1,357,253</b>

- 9C During the year ended 31st March, 2018, the provision for impairment of Rs. 9,45,374 has been provided for the banks balances which are not in operation from past years and confirmations to their balances are not made available. (Amount in Rs.)

	As at 31 st March, 2018
Canara Bank	748,745
UTI Special Collection A/C	170,734
UTI	25,895
<b>Total</b>	<b>945,374</b>

- 9D Bank Balances amounting to Rs. 41,436 have been written off during the year ended 31st March 2018, out of which Rs. 11,131 has been written-off against provisions created in earlier years.

- 9E These are restricted bank balance and cannot be operated without getting prior approval of Hon'ble Delhi High Court.

#### 10 Other Bank Balances

Other Bank Balances consist of the following at amortised cost:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Bank Deposits</b>			
(deposits with original maturity of more than 3 months having remaining maturity less than 12 months from reporting date)	336,054,596	468,770,507	444,512,551
<b>Total</b>	<b>336,054,596</b>	<b>468,770,507</b>	<b>444,512,551</b>

#### 11 Other Current Financial Assets

Other Current Assets consist of the following at amortised cost: (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Interest accrued but not due on Fixed Deposits	18,850,464	30,625,795	34,001,238
<b>(A)</b>	<b>18,850,464</b>	<b>30,625,795</b>	<b>34,001,238</b>
Unsecured, Doubtful			
- Inter Corporate Deposit	7,957,994	-	-
- Bills Receivable	10,717,132	-	-
- Rent Receivable	51,846,552	56,176,710	56,176,710
Less: Provision towards Doubtful Debts/ECL	(70,521,678)	(56,176,710)	(56,176,710)
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>18,850,464</b>	<b>30,625,795</b>	<b>34,001,238</b>

#### 12 Other Current Assets (Non-Financial)

Other Current Assets consist of the following:- (Amount in Rs.)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1st April, 2016
Prepaid Expenses	6,399	5,334	4,823
Employee Advances	358,359	439,052	639,169
Other Advances	53,318	64,256	64,256
	411,677	503,308	703,425
Less: Provision NPA	(411,677)	(503,308)	(703,425)
<b>Total</b>	<b>6,399</b>	<b>5,334</b>	<b>4,823</b>

**13 SHARE CAPITAL**

The Authorised, Issued, Subscribed and fully Paid up Share Capital of Equity Shares having a par value of Rs.10/- each as follows:

Share Capital	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b>						
Equity Shares of Rs. 10/- each	65,000,000	650,000,000	65,000,000	650,000,000	65,000,000	650,000,000
6,50,00,000 Equity Shares of Rs.10 each						
	<b>65,000,000</b>	<b>650,000,000</b>	<b>65,000,000</b>	<b>650,000,000</b>	<b>65,000,000</b>	<b>650,000,000</b>
<b>Issued</b>						
2,21,25,054 Equity Shares of Rs.10 each Fully paid up	22,125,054	221,250,540	22,125,054	221,250,540	22,125,054	221,250,540
<b>Total</b>	<b>22,125,054</b>	<b>221,250,540</b>	<b>22,125,054</b>	<b>221,250,540</b>	<b>22,125,054</b>	<b>221,250,540</b>

**13A Reconciliation of number of shares**

Particulars	Equity Shares					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	22,125,054	221,250,540	22,125,054	221,250,540	22,125,054	221,250,540
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Any other movement (please specify)	-	-	-	-	-	4,706,737
Shares outstanding at the end of the year	<b>22,125,054</b>	<b>221,250,540</b>	<b>22,125,054</b>	<b>221,250,540</b>	<b>22,125,054</b>	<b>225,957,277</b>

**13B Details of shares held by shareholders holding more than 5% of aggregate shares in the company**

Particulars	Equity Shares					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
DCM Services Ltd	6,352,487	28.71%	6,352,487	28.71%	6,352,487	28.71%
Intellect Capital Services Ltd	2,075,000	9.38%	2,075,000	9.38%	2,075,000	9.38%
Punjab & Sind Bank	1,319,900	5.97%	1,319,900	5.97%	1,319,900	5.97%
<b>Total</b>	<b>9,747,387</b>	<b>44.06%</b>	<b>9,747,387</b>	<b>44.06%</b>	<b>9,747,387</b>	<b>44.06%</b>

**14 OTHER EQUITY**

Other equity consist of following :

Other Equity	Reserves and Surplus				Retained Earnings	Attributable to the owners of Parent	Non Controlling Interest	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Special Reserve				
a. Balance at the beginning of the reporting period	19,386,846	165,086,340	875,000	15,623,000	(936,839,334)	(735,868,148)	295,467	(735,572,661)
b. Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
c. Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-
d. Total comprehensive income for the year	-	-	-	-	77,452,255	77,452,255	41,802	77,494,058
e. Dividends	-	-	-	-	-	-	-	-
f. Transfer to retained earnings	-	-	-	-	-	-	-	-
g. Total other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2016</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(859,387,079)</b>	<b>(658,415,893)</b>	<b>337,269</b>	<b>(658,078,623)</b>
a. Balance at the beginning of the reporting period	19,386,846	165,086,340	875,000	15,623,000	(859,387,079)	(658,415,893)	337,269	(658,078,623)
b. Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
c. Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-
d. Total comprehensive income for the year	-	-	-	-	15,617,576	15,617,576	(5,795)	15,611,781
e. Dividends	-	-	-	-	-	-	-	-
f. Transfer to retained earnings	-	-	-	-	-	-	-	-
g. Total other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2017</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(843,769,503)</b>	<b>(642,798,317)</b>	<b>331,474</b>	<b>(642,466,843)</b>
a. Balance at the beginning of the reporting period	19,386,846	165,086,340	875,000	15,623,000	(843,769,503)	(642,798,317)	331,474	(642,466,843)
b. Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
c. Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-
d. Total comprehensive income for the year	-	-	-	-	941,478	941,478	(11,867)	929,611
e. Dividends	-	-	-	-	-	-	-	-
f. Transfer to retained earnings	-	-	-	-	-	-	-	-
g. Total other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the 31.03.2018</b>	<b>19,386,846</b>	<b>165,086,340</b>	<b>875,000</b>	<b>15,623,000</b>	<b>(842,828,026)</b>	<b>(641,856,840)</b>	<b>319,607</b>	<b>(641,537,232)</b>

**15 Long Term Borrowing**

Long term borrowings consist of following :

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Secured</b>			
(i) Debentures (Refer Note 15.1)	-	255,020,844	255,230,439
(ii) Term Loan from Institution - SIDBI (Refer Note 15.2)	-	3,629,941	3,629,941
(iii) Due to Banks (Refer Note 15.3)	-	80,340,463	80,340,463
	-	<b>338,991,248</b>	<b>339,200,843</b>
<b>B. Unsecured</b>			
(i) Fixed Deposit from Public (Refer Note 15.4)	-	562,903,780	563,727,684
(ii) Term Loan from SBI HF (Refer Note 15.5)	2,500,000	2,500,000	2,500,000
(iii) Inter-Corporate Deposits (Refer Note 15.6)	-	2,716,607	2,716,607
(iv) Payable to Related Party			
- DCM Services Ltd	18,270,000	18,270,000	18,270,000
- Others	108,799,796	154,929,679	140,845,163
(Refer Note 15.7, 15.8 and 15.9)			
	129,569,796	741,320,066	728,059,454
<b>Total</b>	<b>129,569,796</b>	<b>1,080,311,314</b>	<b>1,067,260,297</b>

**15.1 DEBENTURES**

(Amount in Rs.)

Debentures	Current* As at 31st March, 2018	Non Current As at 31st March, 2017	Non Current As at 1st April, 2016
"A" Series Debenture	850,000	850,000	850,000
"B" Series Debenture			
- 19.5% Regular	101,541,923	118,084,273	118,115,273
- 19.5% Cumulative	105,202,987	105,932,800	105,989,050
- Deep Discount Bonds	29,809,155	30,153,771	30,276,116
	<b>237,404,065</b>	<b>255,020,844</b>	<b>255,230,439</b>

\*Post approval of scheme of one man committee by Hon'ble Delhi High Court, Debentures worth of Rs 23,74,04,065 as at 31-March-2018 has been presented as Other Current Financial Liability in Note No-18

**(b) Scheme "A" Series**

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996 respectively. These debentures are secured against mortgage/hypothecation/charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs. 850,000 were overdue as on March 31, 2018 & these are to be paid as per report of One Man Committee under Fresh Restructuring Scheme.

**(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 allotted were Rs 281,804,100 which matured for redemption on 5th May, 1998. Out of total debentures allotted amounting to Rs 281,804,100, debentures of Rs. 45,250,035 have been redeemed till March 31st, 2018. The remaining debentures as at March 31, 2018 in the "B" series amounting to Rs 236,554,065 consist of the following:-

Particulars	(Amount in Rs.)
19.5% Regular	101,541,923
19.5% Cumulative	105,202,987
Deep Discount Bonds	29,809,155
<b>Total</b>	<b>236,554,065</b>

- (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.
- (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.
- (f) **Status till 31-March-2017** - 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. 482,230,034 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 Debentureholders 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.

However, since the Restructuring Scheme proposed by One Man Committee has been approved Hon'ble Delhi High Court, the maturity interest amount is restricted to Rs 2.35 Crores which is scheduled to be paid in Phase-2, although decision regarding payment of interest after maturity will be taken at a future date by Hon'ble Delhi Court.

- (g) **Status till 31-March-2017** - The Central Bank of India, Bombay, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs. 442,178,385 on 14th October, 1999 before the Hon'ble Bombay High Court. It includes interest of Rs. 155,361,443 and Rs. 286,796,000 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, 2018. However, some of the debentures holders have already been paid by the Central Bank of India. The amount which has been already been paid to the Debenture Holders by the Central Bank of India be paid to the Bank. The Central Bank of India has also claimed some amount in a suit filed before the Hon'ble Bombay High Court. No claim has however, been filed by the Central Bank of India before the One Man Committee despite opportunity granted to the Bank. While computing the amount payable in phases to other creditors, this amount claimed by the Bank will be not disbursed till the bank is able to establish its claim in the appropriate proceedings before the Court/One Man Committee.
- (h) **DECISION OF ONE MAN COMMITTEE**

As per report of One Man Committee pursuant to order dated 3.9.2015 passed by Hon'ble Delhi Court as on 10th August, 2017, repayment of Debentureholders of "A" Series as well as "B" Series is to be made in two phases. In the first phase of scheme of repayment, debentureholders are to be paid 70% the balance principal amount. The Debentureholders having balance of Rs 5,000 or less will be paid their 100% principal amount in the First Phase. In the second phase maturity interest on debentures is to be paid along with remaining 30%. The schedule of payment to Debentureholders to settle debt will be as under:-



**(i) Amount due to Debenture-holders B137**

Particulars	Amount (In Cr.)
I. Principal Outstanding	25.53
II. Maturity Interest	2.35
<b>Total</b>	<b>27.88</b>

**(ii) Payment Schedule**

Particulars	(Rs. in Cr.)	
	Phase-I	Phase-II
I. 70% of total principal amount	17.87	-
II. Less than Rs 5,000	1.69	-
III. 30% of total amount	-	5.97
IV. Maturity Interest	-	2.35
<b>Total</b>	<b>19.56</b>	<b>8.32</b>

**(i) Statement on Reconciliation of Debentures:**

<b>Principal Outstanding as per the Scheme of One Man Committee</b>	<b>255,285,689</b>
Less: Redemption made during the year with the approval of High Court of Delhi	264,845
Balance as on 1st April 2017	255,020,844
Less: Redemption made during the year ended 31-March-2018 as per the scheme of one man committee	17,616,779
<b>Balance as on 31st March 2018</b>	<b>237,404,065</b>

**15.2 SIDBI**

- (a) **Status till 31-March-2017** - SIDBI has filed a petition for winding up on alleged non-payment of Rs. 5,440,000 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. 1,810,059 towards overdue int & other charges has been made by the company in the books of accounts.
- (b) Hypothecation / charge on assets financed out of the said loan.
- (c) The value of the assets charged in favour of institutions have been 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.
- (d) **DECISION OF ONE MAN COMMITTEE**

As per report of One Man Committee pursuant to order dated 3.9.2015 accepted by Hon'ble Delhi Court as on 10th August, 2017, the debt settlement for amount due to SIDBI will be as follows:-

**(i) Amount due to SIDBI as at 31-Dec-2015 as per scheme of One Man Committee**

Particulars	Amount (In Lac)
I. Principal Outstanding	36.3
II. Maturity Interest	-
<b>Total</b>	<b>36.3</b>

(ii) Amount due to SIDBI as at 31-Dec-2015 as per scheme of One Man Committee  
(Rs. Lakhs)

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	25.41	-
II. 30% of total amount	-	10.89
III. Maturity Interest	-	-
<b>Total</b>	<b>25.41</b>	<b>10.89</b>

Under the scheme of One Man Committee, amount of Rs 36.30 Lacs was payable, out of which 70% amounting to Rs 25.41 Lacs has been paid under Phase-I during the year ended 31-March-2018. As per scheme, no interest has to be paid.

(e) Statement on Reconciliation of Loan:	Amount (In Rs.)
Principal Outstanding as per the Scheme	3,629,941
Less: Redemption made during the year as per the scheme of scheme of one man committee	2,540,959
<b>Balance as on 31st March 2018</b>	<b>1,088,982</b>

## 15.3 PUNJAB AND SIND BANK

(Amount in Rs.)

	Current* As at 31st March, 2018	Non Current As at 31st March, 2017	Non Current As at 1st April, 2016
Punjab & Sind Bank	24,102,140	80,340,463	80,340,463
	<b>24,102,140</b>	<b>80,340,463</b>	<b>80,340,463</b>

\*Post approval of scheme of one man committee by Hon'ble Delhi High Court, Loan of Rs 2,41,02,140 as at 31-March-2018 has been presented as **Other Current Financial Liability in Note No-18**

- (b) 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.
- (c) STATUS AS AT 31-MARCH-2017 - PUNJAB & SIND BANK (PSB): As per the Fresh Restructuring Scheme, the total amount payable to PSB remains quantified at Rs. 90,180,463 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. 9,840,000 and the balance of Rs. 80,340,463 as on 30th June 2008 is payable as per the Fresh Restructuring Scheme pending before the Hon'ble Delhi High Court. Out of Rs.80,340,463 i.e. Rs.4,42,68,278 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 3,60,72,185 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. 39,597,000, 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. 90,180,463 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. 121,752,117 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 121,752,117 filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided for.

**(d) DECISION OF ONE MAN COMMITTEE**

As per report of One Man Committee pursuant to order dated 3.9.2015 accepted by Hon'ble Delhi Court as on 10th August, 2017, the debt settlement in respect of Punjab and Sind Bank will be as under:-

**(i) Amount due to PSB as at 31-Dec-2015 as per scheme of One Man Committee**

Particulars	Amount (In Lac)
I. Principal Outstanding	8.03
II. Maturity Interest	-
<b>Total</b>	<b>8.03</b>

**(ii) Payment Schedule**

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	5.62	-
II. 30% of total amount	-	2.41
III. Maturity Interest	-	-
<b>Total</b>	<b>5.62</b>	<b>2.41</b>

Under the scheme of One Man Committee, amount of Rs 8.03 Crore was payable, out of which 70% amounting to Rs 5.62 Crore has been paid under Phase-I during the year ended 31-March-2018. No interest has to be paid.

**(e) Statement on Reconciliation of Loan:**

	Amount (In Rs.)
Principal Outstanding as per the Scheme	80,340,463
Less: Redemption made during the year as per the scheme of one man committee	56,238,324
<b>Balance as on 31st March 2018</b>	<b>24,102,139</b>

**15.4 FIXED DEPOSITS**

- (a) STATUS AS AT -31-MARCH-2017** - 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 High Court in 2004 does not envisage payment of interest accordingly provision of interest payable amounting to Rs. 82,706,000 recorded earlier has been written back in earlier years.

**STATUS AS AT -31-MARCH-2017** - 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. 1,158,866,417 (including Rs. 1,102,721,307 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 cumulative Interest of Rs.1,147,419,074 were not provided for. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.

- (b)** 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 scheme of One Man Committee only after the evidence of receipt of money is established.

**(c) DECISION OF ONE MAN COMMITTEE**

As per Report of One Man Committee pursuant to order dated 3.9.2015 passed by Hon'ble Delhi Court as on 10th August, 2017, repayment to Fixed Depositors is to be made in two phases. In the first phase of scheme of repayment are to be paid 70% the balance principal amount. The Depositors having balance of Rs 5000 or less will be paid their 100% principal amount in the first phase. In the second phase maturity interest is to be paid along with remaining 30%. In the circumstances the debt settlement will be as follows:

**(i) Amount due to Fixed Depositors as at 31-Dec-2015**

Particulars	Amount (In Cr)
I. Principal Outstanding	56.31
II. Maturity Interest	14.48
<b>Total</b>	<b>70.79</b>

**(ii) Payment Schedule**

Particulars	Phase-I	Phase-II (In Cr.)
I. 70% of total principal amount	36.15	-
II. Less than Rs 5,000	4.67	-
III. 30% of total amount	-	15.59
IV. Maturity Interest	-	14.48
<b>Total</b>	<b>40.82</b>	<b>30.07</b>

**(d) Statement on Reconciliation of FDs Accepted:**

	Amount (In Rs.)
Balance as on 1st April 2016	563,136,275
Less: Redemption made during the year with the approval of High Court of Delhi	232,495
Balance as on 1st April 2017	562,903,780
Less: Redemption made during the year as per the scheme of one man committee	17,911,251
<b>Balance as on 31st March 2018</b>	<b>544,992,529</b>

However, since the Fresh Restructuring Scheme has been approved by One Man Committee, the maturity interest amount is decided to be 14.48 Crores payable in II Phase. Although the same is not recorded in Books of Accounts. Also the decision regarding payment of interest after maturity will be taken at a future date by Hon'ble Delhi Court.

**15.5 SBI HOME FINANCE LIMITED**

- (a) Status till 31-March-2017** - The company has already paid Rs. 29,000,000 under the Old Scheme and proposes to allot shares worth Rs. 2,500,000 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.

The Company has to allot fully paid up shares of Rs. 25 Lacs of the Company at Rs. 30/- per share (share value Rs. 10/- plus premium Rs. 20/- per shares) or as per SEBI guidelines to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines.

**(b) DECISION OF ONE MAN COMMITTEE**

As per Report of One Man Committee pursuant to order dated 3.9.2015 passed by Hon'ble Delhi Court as on 10th August, 2017, the debt settlement will be as follows:

## (i) Amount due to Fixed Depositors as at 31-Dec-2015

Particulars	Amount (In Cr)
I. Principal Outstanding	25.00
II. Maturity Interest	-
<b>Total</b>	<b>25.00</b>

## (ii) Payment Schedule by issuing in shares

(In Cr.)

Particulars	Phase-I
To be discharged by issuance of Equity shares of the Company of the face value of Rs. 10/- at a premium of Rs. 20/- per share or as per applicable SEBI guidelines	25.00
The Company proposes to: allot shares worth Rs. 25.00 Lacs to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines	
<b>Total</b>	<b>25.00</b>

Since, the number of shares to be allotted are not clear, presently the amount of Rs. 25 Lacs is shown in Other Current Financial Liabilities and not under other equity. The same shall be reclassified depending upon whether Company has to issue variable number of equity shares or fixed number of equity shares.

## 15.6 INTER CORPORATE DEPOSITS

- (a) **Status as at 31-March-2017** – The value of inter corporate deposits is Rs 27,16,607. 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 interest rate of 10% p.a. the total interest liability comes to be approximately Rs. 5,433,213 which includes approximately Rs. 5,161,553 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. The interest is not provided in the books of accounts.

(b) DECISION OF ONE MAN COMMITTEE

ICD Lenders will be paid principal due to them as on 30th June 2004. Interest dues are waived and cancelled. The payment of principal to the ICD lenders will be made as follows:

## (i) Amount due to ICD Lenders as at 31-Dec-2015

Particulars	Amount (In Cr)
I. Principal Outstanding	27.17
II. Maturity Interest	-
<b>Total</b>	<b>27.17</b>

## (ii) Payment Schedule

(Amount In Cr.)

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	19.02	-
II. Less than Rs 5,000	-	-
III. 30% of total amount	-	8.15
<b>Total</b>	<b>19.02</b>	<b>8.15</b>

However, after approval of Scheme of One Man Committee, the settlement has been decided at Rs 27.17 Lacs. Interest Dues are waived and cancelled.

**15.7 INDUSIND BANK**

- (a) **STATUS AS AT 31-MARCH-2017 - IndusInd Bank:** The amount payable to Indusind Bank after calculating interest up to March 31, 2000 had been quantified at Rs. 65,149,000 as on 30-June-2004 in accordance with the "**Fresh Restructuring Scheme Under Review**". Out of which Fixed Deposit of Rs 74, 49,324 has been adjusted by IndusInd Bank. The balance amount of Rs. 57,699,676 shall be payable as per Fresh Restructuring Scheme. Out Rs. 57,699,676, Rs. 2,83,82,676 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 2,93,17,000 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. 30,020,010, 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. 65,149,000 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.

(b) **DECISION OF ONE MAN COMMITTEE**

**Decision of One MAN COMMITTEE** - Now, as per the scheme, the total principal amount payable to Indusind Bank has been quantified at Rs 6.515 Lacs as on 30th June 2004. This figure has been arrived at after calculating interest upto 31st March 2000 @12% p.a. compounded quarterly on the principal amount of L/C devolvement, after allowing credits for actual amounts paid till date and credit for margin money amounting to Rs. 35.99 Lacs, and excludes penal interest/ additional interest/ overdue charges, if any, debited by the Bank. (Present outstanding after all adjustments is Rs 5.77Cr) The settlement made with the Bank in the earlier scheme has been considered as the base. The total amount payable under the scheme to Indusind Bank so quantified shall be repaid in line with the above settlement and RBI guidelines of OTS is as under:

(i) **Amount due to IndusInd Bank**

Particulars	Amount (In Cr)
I. Principal Outstanding	5.77
II. Maturity Interest	-
<b>Total</b>	<b>5.77</b>

(ii) **Payment Schedule**

(Amount In Cr.)

Particulars	Phase-I	Phase-II
I. 70% of total principal amount	4.04	-
II. 30% of total amount	-	1.73
III. Maturity Interest	-	-
<b>Total</b>	<b>4.04</b>	<b>1.73</b>

**Now, after approval of Fresh Restructuring Scheme as recommended by One Man Committee, the payment to Indusind Bank is restricted to the Principal Amount only. Hence, no payment of Interest is envisaged in the Scheme.**

- (c) The Loan of IndusInd Bank was acquired by DCM Anubhavi Marketing Private Limited. The company pursuant to scheme of One Man Committee, has paid 70% of the principal amount to DCM Anubhavi Marketing Private Limited in th FY 17-18, being assignee of said loan of IndusInd Bank under Phase-I. The balance 30% amount forms the part of closing balance of the current year. The aforesaid amounts are included in the Payment to Related Party which will be released in Phase-II.

**Statement on Reconciliation of Loan:**

	<b>Amount (In Rs.)</b>
Principal Outstanding as per the Scheme	57,699,675
Less: Redemption made during the year as per the scheme	40,389,773
<b>Balance as on 31st March 2018</b>	<b><u>17,309,903</u></b>

**15.8 PRESSMAN LEASING****(a) DECISION OF ONE MAN COMMITTEE**

The amount due to M/s, Pressman Leasing has been quantified at the lump sum of Rs 4.10 Cr and such amount would be paid 55% (Rs. 2.26 Crore) in cash and 45% (Rs. 1.84 Crore) in shares and details are under:-

<b>Payment Schedule</b>	<b>(Amount In Cr.)</b>	
<b>Particulars</b>	<b>Phase-I</b>	<b>Phase-II</b>
I. 70% of total principal amount	1.58	-
II. 30% of total amount	-	0.68
<b>Total</b>	<b><u>1.58</u></b>	<b><u>0.68</u></b>

- (b) The Company has to allot fully paid up shares of the Company as per SEBI guidelines to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme.

Since, the number of shares to be allotted are variable, the amount is shown in Liabilities and not equity.

- (c) The Interest dues are waived and cancelled.
- (d) The Loan of Pressman Leasing was acquired by DCM Services Limited. The company pursuant to scheme of One Man Committee, has paid 70% of the principal amount to DCM Services Limited under Phase-I during the year ended 31-March-2018, being assignee of said loan of Pressman Leasing. The balance 30% amount forms the part of closing balance of the current year. The aforesaid amounts are included in the Payment to Related Party which will be released in Phase-II as per Schedule.

**15.9 OTHERS**

The Related Party includes the following:

- DCM International Limited
- DCM Services Limited
- DCM Anubhavi Market Private Limited
- Global IT Options Limited

**16 Other Non Current Liabilities (Non-Financial)**

Other Non Current Liabilities consist of the following:- (Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Deferred Interest	15,878,429	24,458,877	36,322,393
Employee Advances	-	138,600	138,600
<b>Total</b>	<b><u>15,878,429</u></b>	<b><u>24,597,477</u></b>	<b><u>36,460,993</u></b>

**17 Provisions (Non-Current)**

Provisions consist of the following : (Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
(a) Provision for employee benefits			
Leave Encashment	104,963	70,392	31,212
Gratuity	421,782	341,222	198,957
<b>Total</b>	<b><u>526,745</u></b>	<b><u>411,614</u></b>	<b><u>230,169</u></b>

**18 Other Current Financial Liabilities**

Other Financial Liabilities consist of the following at amortised cost:- (Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>a. Secured</b>			
Debentures (Refer Note 18.1)	237,404,065	-	-
Term Loan from Institution - SIDBI (Refer Note 18.2)	1,088,982	-	-
Due to Banks (Refer Note 18.3)	24,102,141	-	-
	<u>262,595,188</u>	<u>-</u>	<u>-</u>
<b>b. Unsecured</b>			
Fixed Deposit from Public (Refer Note 18.4)	544,992,529	-	-
Inter - Corporate Deposits (Refer Note 18.5)	2,716,607	-	-
	<u>547,709,136</u>	<u>-</u>	<u>-</u>
(c) Rent Payable	-	671,969	671,969
(d) Security Deposits	625,000	625,000	625,000
(e) Payable to Punjab & Haryana High Court (Refer Note 18.6)	10,000,000	-	-
(f) Expenses Payable	6,608,434	14,892,417	12,668,499
(g) Other Payable	4,838,567	6,962,170	7,121,043
<b>Total</b>	<u><b>832,376,324</b></u>	<u><b>23,151,556</b></u>	<u><b>21,086,510</b></u>

**18.1 DEBENTURES**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already commenced in the FY 17-18 and payments to debentureholders amounting of Rs.1,76,16,779 has already been made. Remaining debt includes balance 30% and unclaimed original principal amount invested of Rs 5000 or less. Since KYC norms are still under process and payments are to be made in coming periods, the entire debt balance of Rs 23,74,04,065 is shown as Other Current Financial Liability. For further details Refer Note 15.1

**18.2 SIDBI**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already commenced in the FY 17-18 and payments to SIDBI amounting of Rs. 25,40,919 has been already paid in the FY 17-18 as per the First Phase which is equivalent to 70% of the total principal amount. Hence, the balance 30% i.e. Rs. 10,88,982 which is payable in Second Phase is classified as Other Current Financial Liability. For further details Refer Note 15.2

**18.3 PUNJAB AND SIND BANK**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already commenced in the FY 17-18 and payments to Punjab & Sind Bank amounting of Rs. 5,62,38,324 has been already paid in the FY 17-18 as per the First Phase which is equivalent to 70% of the total principal amount. Hence, the balance 30% i.e. Rs. 2,41,02,139 which is payable in Second Phase is classified as Other Current Financial Liability. For further details Refer Note 15.3

**18.4 FIXED DEPOSITORS**

Total Debt was scheduled to be paid in Two phases. First phase of debt settlement as per Report of One Committee pursuant to order dated 3.9.2015 has already begun in the FY 17-18 and payments to depositors of Rs.1,79,11,251 has already made. Remaining debt includes balance 30% and unclaimed original principal amount invested of Rs 5000 or less. Since KYC norms are still under process and payments are to be made in coming periods, the entire debt balance of Rs 54,49,92,529 is shown as Other Current Financial Liability. For further details Refer Note 15.4.



**18.5 INTER CORPORATE DEPOSITS**

No payment has been made till date to ICD Lenders. However, scheme has been approved in the current year, so the amount is to be paid in coming periods as per Phase-1 and Phase-2. Hence, the amount of ICD is classified as Other Current Financial Liability. For further details Refer Note 15.6

- 18.6** During the year 1999, the company had received Rs. 10,000,000 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.

**19 Other Current Liabilities (Non-Financial)**

Other current liabilities consist of the following:-

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Liabilities	223,332	4,498,491	4,589,902
Payable to Employees/Employee Advances	3,096,826	966,430	761,263
<b>Total</b>	<b>3,320,158</b>	<b>5,464,921</b>	<b>5,351,165</b>

**20 Provision (Current)**

Provisions consist of the following :

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Provision for employee benefits</b>			
- Leave Encashment	226,378	121,093	62,080
- Gratuity	922,131	623,621	419,120
<b>Total</b>	<b>1,148,509</b>	<b>744,714</b>	<b>481,200</b>

**21 Other Income (Net)**

Consist of the following :

(Amount in Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest on Fixed Deposits	29,009,969	36,717,418	39,299,841
Deferred Income	8,580,448	11,863,516	68,905,198
Dividend Income	19,472	20,131	30,726
Balances Written Back	9,047,236	-	-
Provision for NPA Written Back	23,459,216	200,117	-
Miscellaneous Income	25,000	35,064	32,233
Gain on sale of Fixed Assets	7,600	-	-
Profit on sale of Investment	-	-	238,561
Provision for Diminution of Investments written back	-	414	-
Unrealised gain on account of fair valuation of Investments	2,392,428	763,265	3,466,809
<b>Total</b>	<b>72,541,369</b>	<b>49,599,925</b>	<b>112,055,028</b>

**22 Employee Benefit Expense**

Employee benefits expenses consist of the following: (Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
(a) Salaries, Wages & Bonus	3,028,447	3,506,612	2,100,476
(b) Contributions to Provident Fund and other funds	1,470,180	325,695	236,829
(c) Staff Welfare expenses	-	-	15,857
<b>Total</b>	<b>4,498,627</b>	<b>3,832,307</b>	<b>2,353,162</b>

**23 Finance Cost**

Finance costs consist of the following: (Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest paid on FD	-	-	36,314
Amortisation on Unsecured Borrowings of Related Parties	9,890,891	14,084,516	60,777,633
<b>Total</b>	<b>9,890,891</b>	<b>14,084,516</b>	<b>60,813,947</b>

**24 Other Expenses**

Other expenses consist of the following (Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Travelling & Conveyance	179,548	168,176	132,901
Repairs			
- Building	8,400	-	27,790
- Others	31,139	21,681	16,798
Electricity & Water	85,362	83,409	78,337
Legal & Consultancy Charges	4,499,700	4,236,990	3,745,994
Auditors Remuneration:			
- Statutory/Tax Audit	412,250	402,502	400,750
- Other	6,325	9,550	10,620
Rent	481,194	471,618	467,418
Telephone Expenses	74,440	86,912	101,465
Advertisement & Publicity	637,711	75,930	113,265
Bad Debts Written off	29,142,775	-	-
Provision for Impairment	945,374	-	-
Provision for Doubtful advances	-	-	703,425
Share Transfer Expenses	99,738	230,139	133,981
AGM Expenses	987,589	880,806	821,474
Internal Audit Fees	20,000	23,000	22,900
Listing Fees	687,151	639,118	510,038
Rates and Taxes	45,600	258,219	313,900
Prior Period Expenses	-	6,852	198,171
Penalty on late deposit of EPF challan	20	66,461	-
Fixed Assets write off	-	203,742	-
Other Expenses	416,798	143,949	103,386
<b>TOTAL</b>	<b>38,761,114</b>	<b>8,009,054</b>	<b>8,090,522</b>

**25 Income tax expenses**

(Amount In Rs.)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Current tax</b>		
Income tax for the year		
Current tax	3,900,462	4,400,000
Adjustments/(credits) related to previous years - Net	83,170	-
Total current tax	3,983,632	4,400,000
<b>Deferred tax</b>		
<b>Deferred tax for the year</b>	11,152,166	72,508
Adjustments/(credits) related to previous years - Net	-	-
Total deferred tax	11,152,166	72,508
<b>TOTAL</b>	<b>15,135,798</b>	<b>4,472,508</b>

**Notes:****26) Significant Accounting Policies****I. BASIS OF CONSOLIDATION**

The Consolidated financial statements (CFS) relate to DCM Financial Services Limited (the holding company) and its subsidiary company.

**(a) Basis of Accounting:**

- The Consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as the holding company i.e. year ended March, 2018.
- The Consolidated financial statements of the holding company and its subsidiary companies have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

**(b) Principles of consolidation:**

The consolidated financial statements have been prepared on the following basis:

- The Consolidated financial statements of the holding company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated financial statements".
- The excess/deficit of the cost to the holding company of its investment in its subsidiaries over its share of net worth of the subsidiaries at the date of investment in the subsidiaries are treated as goodwill/capital reserve in the CFS. Goodwill is disclosed as asset and capital reserve as a reserve in Consolidated Balance Sheet.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the holding company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

**(c) Information on Subsidiary Companies**

The following subsidiary companies are considered in the consolidated financial statements:

Particulars	% voting power held		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Subsidiary Companies:-</b>			
Global IT Options Limited	90%	90%	90%

**II Basis of preparation of Consolidated financial statements****A. Statement of Compliance with Ind AS**

The Consolidated financial statements have been prepared in compliance with all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Consolidated financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP or IGAAP"). The Consolidated financial statements for the financial year 2017-2018 are the first financial statement of the Company under Ind AS. In accordance of Ind AS 101, First time Adoption of Indian Accounting Standard the Company has given an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

**B. Basis of Preparation**

The consolidated financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3** -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IndAS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

All the amounts included in the consolidated financial statements are reported in Indian Rupees ('Rupees' or 'Rs.'), except per share data and unless stated otherwise and rounded off to nearest Rupees.

**C. Basis of classification of Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

#### **D. Operating Cycle**

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 and Ind AS 1 – Presentation of Consolidated financial statements.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **E. Use of Estimates**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

#### **F. Property, Plant and Equipment – Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up-gradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

<b>Asset</b>	<b>Life of Asset</b>
Buildings	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Plant & Machinery	15 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

#### G. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is \*higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

#### H. Financial Assets

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- a) **Amortized cost**, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- b) **Fair value through other comprehensive income (FVTOCI)**, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- c) **Fair value through profit or loss (FVTPL)**, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognized in the Statement of Profit and Loss in the period in which they arise. Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortized cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortized cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognized gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are de-recognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- a) Amortized cost, the gain or loss is recognized in the Statement of Profit and Loss;
- b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Income Recognition:** Interest income is recognized in the Statement of Profit and Loss using the effective interest method. Dividend income is recognized in the Statement of Profit and Loss when the right to receive dividend is established.

#### I. Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

#### J. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### K. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### L. Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

#### M. Revenue

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
  - Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - The amount of revenue can be measured reliably;
  - It is probable that the economic benefits associated with the transaction will flow to the Group; and
- a) **Interest income:** Income from a financial asset is recognised when it is probable that the economic benefits will flow to Group and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.
  - b) **Dividend income:** dividend is recognised when the right to receive the payment is established (generally on shareholder's approval by the reporting date).
  - c) **Other revenues:** are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

#### N. Employee Benefits

##### a) Retirement benefit costs and termination benefits :

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund is paid as per the statutory provisions. These benefits are charged to the Statement of profit and loss of the year when they become due.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

**b) Short-term and other long-term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment/encashment benefit is provided as per Company Scheme. Employee's are entitled to accumulate leaves subject to certain limit as per Company scheme. Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of reporting period. Re-measurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The liability is determined through actuarial valuation using projected unit credit method.

**O. Leases**

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**a) As a Lessee**

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**b) As a Lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.



**P. Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred taxation.

**a) Current Tax**

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**c) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Q. Claims**

Claims against the Group not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**R. Provisions**

Provisions are recognised when, as a result of a past event, the Group has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

**S. Operating Segment**

The Group is engaged in a single segment i.e. Financing Operations viz., inter corporate deposits and investments. Presently Group is not carrying on any operation except realizing all debts or maintaining existing assets. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the group's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

**T. Earnings per share**

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the group by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue. For the purpose of calculating diluted earnings per share, profit or loss attributable to the owners of the Group and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**U. Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

**V. Financial and Management Information Systems**

The Group's Accounting System is designed to unify the Financial Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**27. First-time adoption of Ind-AS**

These Separate consolidated financial statements have been prepared voluntarily by the group for the year ended March 31, 2018 in accordance with Ind AS. For the purposes of transition to Ind AS, the group has followed the guidance prescribed in Ind AS101-First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP. The group has prepared the opening balance sheet as per Ind AS as April 01, 2016 (the transition date by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out have been applied in preparing the consolidated financial statements for the year ended March 31, 2018 and the comparative information.

**A. Notes to the Reconciliations****a) Re-measurements of post-employment benefit obligations**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of the Statement of Profit and Loss. Under the IGAAP, these re-measurements were forming part of the Statement of Profit and Loss for the year.

**b) Property, Plant and Equipment – Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP

**c) Deferred Tax**

Under Ind AS deferred tax has been recognised on the adjustments made on transition to Ind AS. Leasehold land is a non-depreciable asset, Management is expecting that its carrying value will be recovered through sale and the indexation benefit at the time of disposal will be available, accordingly deferred tax asset on the difference between carrying value and indexed value has been created.

**d) Retained Earnings**

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

**e) Other comprehensive income**

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. 'Items of income and expense that are not recognized in the Statement of Profit and Loss but are shown in the Statement of Profit and Loss as 'Other comprehensive income' includes re-measurements of defined benefit plan. The concept of other comprehensive income did not exist under IGAAP.

**f) Investments**

Under Previous GAAP, investments were classified into current and long term investments. Current investments were carried at the lower of cost or market value, while long term investments were carried at cost less any impairment that was other than temporary.

Under Ind AS, equity investments have been classified as Fair Value through Profit and Loss (FVTPL). The Group has made an irrevocable election of present it in Profit and Loss statement (FVTPL). Fair value movements are recognized directly in Profit and Loss statement on such investments.

**g) Provision for expected credit losses**

Financial guarantees issued by the Group are accounted in Ind AS initially at fair value and subsequently measured at the higher of the loss allowance based on Ind AS 109; and the amount initially recognized, reduced by the amount of income recorded as per Ind AS 18. On the transition date, such contracts are measured based on the expected credit losses.

Under Previous GAAP, such estimates were determined based on experience of historic losses on such contracts.

Impairment for trade receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

**B. Reconciliations between IGAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

The presentation requirements under IGAAP differ from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited consolidated financial statements of the Group for the year ended March 31, 2016 and March 31, 2017.

**ADDITIONAL NOTES TO ACCOUNTS****28) RESTRUCTURING SCHEME****Preamble**

The management for a structured debt repayment had prepared two schemes of arrangement for reorganization of share capital of the holding 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 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 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 erstwhile 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 not 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 filed a fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, hereinafter referred to as the **"Fresh Restructuring Scheme"** before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

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

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

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.

Over the years and till 31st March, 2017, 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.

#### **Developments during the financial year ended 31st March, 2018**

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes. The Hon'ble High Court of Delhi entrusted the following functions to said One Man Committee :-

- (i) To scrutinize and finalize the list of depositors/ claimants so as to assess the genuineness of the depositors and their claim and to weed out any duplicate) benami, fictitious and doubtful claims.
- (ii) To categorize the claimants/ depositors into groups, on the basis of various parameters. For instance, depositors could be segregated into (a) individuals (b) corporate (c) institutions (Banks and Finance Companies), etc. Similarly, very small depositors wherein, the amount due is only upto Rs. 5,000 could be segregated as a separate category.

- (iii) At the same time it would also be open to the Central Bank of India which was constituted a debenture trustee by the company, to put up any claims that they may have before the said committee.
- (iv) To take stock of the entire assets of the company, whether in the form of fixed assets or bank accounts and fixed deposits, etc.
- (v) To assess the value of the fixed assets of the company and for the purpose, If need be, take the help of a professional valuer. Also, to get from the company its brief statement of accounts which shall include all income and expenditures, so as to enable a proper review of the assets and liabilities of the company.
- (vi) To suggest modalities for the disposal of 'fixed assets, so that the money realized could be used for disbursement of principal amounts as well as interest (over the delayed period), if possible, amongst the depositors.
- (vii) To make suggestions on the modalities of payment, which would obviously depend upon the amounts finally realized after disposing off/ liquefying all assets of the company.

The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. Hon'ble High Court of Delhi also noted that none of the parties had any objection on the implementation of the report. The task of implementing the report was also assigned to Justice Anil Kumar. Hon'ble High Court of Delhi held that the issue of revival of the company will be decided once all payments are made in the manner as suggested in the report. The report of one committee has laid the schedule of payments to parties covered under the scheme as under :-

- (i) Before starting repayment of amount, the genuineness of the all the depositors and their claims shall be assessed to weed out any benami, fictitious and doubtful claims. Notices to all the depositors/ claimants shall be sent and consideration of their pleas and contentions will be necessary. From the data it has also been observed that some of the individuals and companies have invested sums by depositing multiple small amounts. Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. It is recommended in the circumstances that 70% a part of the amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. 5,000 or less than Rs.5,000 in the first instance.
- (ii) In order to realise the maximum value of the immovable asset of the Company, the premises/property in the building of NBCC, it is the recommendation of the committee that the same be sold by the auction by the Hon'ble Company Court. The company has estimated its value around Rs.41 Cr., whereas the creditors are of the view that its value will not be less than Rs 80 crores. It has been noticed that the disputes are pending between NBCC and the Petitioner Company with regard to the said property which is pending adjudication before Shri S.K. Kaul, Sole Arbitrator appointed by NBCC in terms of Agreement dated 9th Dec, 1995 and is now fixed for final arguments. The claim of NBCC is for an amount of Rs.2.88 Cr. It is also noticed that such other and several disputes are pending with regard to this NBCC property, which make it unfeasible for anyone to sell it easily or to get a realistic value of the property on the basis of valuation report and then to decide on such valuation as to how much total amount is to be paid to the creditors. Valuation of such a property will also be more of distress sale value and will not be realistic. In the circumstances an efficacious way will be to pay a part of the amount from the liquid assets available with the company and in the meantime also to sell the fixed assets of the Company by auction by the Hon'ble Company Court. This will result in a part payment to all the genuine creditors and to realize the actual value of the immovable assets of the Company. This will also facilitate the Hon'ble Company Court to determine whether some interest should be paid to the creditors considering all the other factors including that the endeavour is not to wind up the Company but to revive the Company if sufficient surplus is available with the Company after selling all its immovable assets. Therefore, it is recommended" that the" immovable and fixed assets of the company be sold by auction by Hon'ble Company Court in the manner adopting the modalities which are followed while selling the fixed assets and the immovable properties of the companies which are under liquidation with the help from Official Liquidator or a Consultant, though the sale of the properties is not for the purpose of winding up the Petitioner Company.

(iii) Tentative realizable value of the following assets of the Company will be :-

**1. Value of Assets/Sources of Funds**

**As on 31.12.15**

S.N.	Source	Amount Rs in Cr.
1	Sale of Immoveable assets	42.00
	Receivables	8.50
	Investments in shares	1.00
	Fixed Deposits with Banks	47.50
	Promoter Contribution-Deposits with High Court	29.50
	Total	128.50
Less	Scheme Repayment Cost	1.00
	Statutory Dues & Taxation	1.43
	Legal Cost	0.50
	To be deposited with P& H High Court	1.00
	Due to Employees	0.50
	Claim of MS Shoes arbitration award	5.13
	Claim of NBCC-pending arbitration	2.88
	Income Tax on Interest for Deposit with Delhi High Court	3.00
	Total	15.44
	<b>Net Available</b>	<b>113.06</b>

As on 31.12.2015, the details of creditors for repayment are as follows however after weeding out the claims of fictitious, doubtful claims and benami, the amount payable to creditors may decrease and my not increase.

**Details of Creditors for repayment under Scheme:**

**(As on 31.12.15)**

**Rs in Cr**

S.N.	Source	Amount Rs in Cr.
I	Fixed Deposit holders	56.31
II	Debentures	25.53
III	ICD & BRD lenders	0.27
IV	Punjab & Sind Bank	8.03
V	Indusind Bank	5.77
VI	Pressman Limited	4.10
VII	SBI Homes Finance Ltd (To be paid in shares)	0.25
VIII	SIDBI	0.36
IX	Maturity Interest on Fixed Deposits	14.48
X	Maturity interest on Debentures	2.35
	<b>Total</b>	<b>117.45</b>

**Taking these figures and facts and circumstances it is recommended that repayment be made in two phases, as detailed below:**

**Phase 1:**

S.N.	Particulars	Source of Utilization
I	Repayment to the extent of 70% of the principal amount of Fixed Deposits, Debentures and Banks having deposits of more than Rs.5,000/	Available Cash in Bank, Fixed Deposits and Promoter's Deposits with Court
II	Full amount be paid to Fixed Deposits, Debentures and Banks having deposit of Rs. 5,000 / - and less	Available Cash in Bank, Fixed Deposits and Promoter's Deposits with Court

**Phase 2:**

In the second phase, which should also commence. with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal and the maturity value on the fixed deposits, debentures and banks. If the amount is still available to the Company, the Hon'ble Company Court may decide whether some amount - be paid as interest as has also been recommended by the Reserve Bank of India. Certain steps of the Phase 2 which can commence with phase 1 i.e. sale of the properties of the Company by the Hon'ble Company Court and/ or such steps which will be required to sell the assets of the Company in order to realize the value of the assets to meet the liabilities of the fixed deposits and debentures creditors. **In the circumstances, the Debt Settlement is under:-**

**DEBENTURES****(A) Amount due to Debenture-holders as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount
I	Principal Outstanding	Rs 25.53 Cr
II	Maturity Interest	Rs 2.35 Cr
	<b>TOTAL</b>	<b>Rs 27.88Cr</b>

**(A) Payment Schedule (Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	17.87	-
II	Less than Rs 5,000	1.69	-
III	30% of total amount	-	5.97
IV	Maturity Interest	-	2.35
	<b>TOTAL</b>	<b>19.56</b>	<b>8.32</b>

Some of the debentures holders have already been paid by the Central Bank of India. The amount which has been already been paid to the Debenture Holders by the Central Bank of India be paid to the Bank. The Central Bank of India has also claimed some amount in a suit filed before the Hon'ble Bombay High Court. No claim has however, been filed by the Central Bank of India before the Committee despite opportunity granted to the Bank. While computing the amount payable in phases to other creditors, this amount claimed by the Bank will be not disbursed till the bank is able to establish its claim in the appropriate proceedings before the Court.

**FIXED DEPOSITS****(B) Amount due to Fixed Depositors as decided one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	56.31
II	Maturity Interest	14.48
	<b>TOTAL</b>	<b>70.79</b>

**(A) Payment Schedule (Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	36.15	-
II	Less than Rs 5,000	4.67	-
III	30% of total amount	-	15.49
IV	Maturity Interest	-	14.48
	<b>Total</b>	<b>40.82</b>	<b>29.97</b>

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)****(C) Amount due to SIDBI as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs . in Lacs
I	Principal Outstanding	36.30
II	Maturity Interest	--
	<b>TOTAL</b>	<b>36.30</b>

**(B) Payment Schedule****(Rs. in lacs)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	25.41	-
II	Less than Rs 5,000	-	-
III	30% of total amount	-	10.89
	<b>Total</b>	<b>25.41</b>	<b>10.89</b>

**PUNJAB & SIND BANK (PSB)****Background**

The Punjab and Sind Bank had filed recovery proceedings in the year 2000 before the Debt Recovery Tribunal for Rs.12.17 Cr. comprising of Rs.8.50 Cr. as ledger balance and Rs.3.76 Cr. as Memo Interest. In the year 2000. Company in order to redress the repayment issues, propounded a scheme and in the scheme of rearrangement with its creditors proposed to pay Rs 9.51Cr to the Bank and the Bank voted in favour of scheme and the suit in DRT has been stayed by the High Court and the Bank agreed to receive Rs. 9.51 crores. This amount was agreed after protracted discussions/ negotiations with PSB, and it has been agreed that amount payable as on Sept,1997 will be taken as principal and interest from Sept 1997 to March, 2000 will be added @ 10% quarterly compounded. Thus the amount payable became Rs 9.51 Cr. It was admitted and justified by the said bank that this settlement was as per RBI guidelines. Reliance for this can be placed on an internal note dated 12th Sept, 2000 of the bank and a letter dated 20th Oct,2000 from the counsel of PSB. As per terms of settlement Rs 50.00 Lacs were paid to PSB in the year 2000. Though the part payment has been made to the Bank pursuant to settlement and scheme, however, due to modifications made in scheme for, PSB by Company in the creditors meeting. The scheme was, will be paid in 6 equal yearly installments of one year after the approval of the said scheme or 1st April, 2006 which ever will be earlier and balance 40% by equity shares at any time within three years of the effective date or 1.4.2006. The shares were to be allotted on preferential allotment basis as per the rate approved by SEBI under its guidelines. The sale price of the share was protected to the extent of Rs.375 lacs by issuing fresh additional equity, if required. The bank was paid Rs. 90 lacs in the year 2005-06, but further amount could not be paid on account of order dated 6th March, 2006 "of the Hon'ble Court. The Bank received the amounts partly under the settlement and could not withdraw from the scheme without refunding the amounts received by it, yet in 2012 it filed an application for intervention/ objection to the scheme which has not been allowed. In the circumstances the amount payable to the bank has been taken as settled with the Bank and 70% of the. said amount be paid forthwith in the first phase and balance in the second phase which is substantially better as earlier only Rs.60 lakhs was payable in six years and equity shares were to be issued for the balance amount. Under the previous proposal which has been accepted by the Bank, the amount was payable in installments and part of the amount by converting the amount in' equity shares **whereas under present recommendation 70% of the amount is payable forthwith and balance' amount in second phase after liquefying all the assets of the Company which will be probably within two years.**

In the scheme, the amount payable to Punjab & Sind Bank has been quantified at Rs. 9.0180 Cr as on 30th June 2004. This figure has been arrived at after compounding the interest payable on the principal amount due as on 30th September 1997, at the rate of 10% compounded quarterly till 31st March 2000, after allowing credit for actual amount paid till date. (Present Value of amount payable after all adjustments the payable amount is Rs 8.034 Cr) The settlement made with the Bank in the scheme earlier has been considered as the base. Accordingly, keeping in line with the above settlement and OTS guidelines of RBI, the following payments is recommended to be made to PSB:



**(D) Amount due to PSB as decided one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	8.03
II	Interest	--
	<b>TOTAL</b>	<b>8.03</b>

**(A) Payment Schedule****(Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	5.62	-
II	Less than Rs 5,000	-	-
III	30% of total amount	-	2.39
	<b>Total</b>	<b>5.62</b>	<b>2.39</b>

**INDUSIND BANK**

In the scheme, the total principal amount payable to IndusInd Bank has been quantified at Rs 6.515 Lacs as on 30th June 2004. This figure has been arrived at after calculating interest upto 31st March 2000 @12% p.a. compounded quarterly on the principal amount of L/C devolvement, after allowing credits for actual amounts paid till date and credit for margin money amounting to Rs. 35.99 Lacs, and excludes penal interest/ additional interest/ overdue charges, if any, debited by the Bank. (Present outstanding after all adjustments is Rs 5.77Cr) The settlement made with the Bank in the earlier scheme has been considered as the base. The total amount payable under the scheme to IndusInd Bank so quantified shall be repaid in line with the above settlement and RBI guidelines of OTS is as under:

**(E) Amount due to INDUSIND Bank as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	5.77
II	Interest	--
	<b>TOTAL</b>	<b>5.77</b>

**(A) Payment Schedule****(Rs. in Cr.)**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	4.04	-
II	Less than Rs 5,000	-	-
III	30% of total amount	-	1.73
	<b>Total</b>	<b>4.04</b>	<b>1.73</b>

**SBI HOME FINANCE LTD**

A consent decree was passed by the Hon'ble High Court of Delhi at New Delhi on 12th December 2000 for an amount of Rs.315,00,000/- The terms of the Consent Decree were as under:-

- Rs 2.90 Crores were to be paid on or before 31st March 2001 under a monthly payment schedule commencing from December 2000, and on payment of Rs. 2.90 Crores, the title of the property was to be released;
- the sum of Rs. 25.00 Lacs was to be discharged by issuance of Equity shares of the Company of the face value of Rs. 10/- at a premium of Rs. 20/- per share or as per applicable SEBI guidelines. In terms of the Decree, a sum of Rs. 2.90 Crores has been paid by the Company to SBI Home Finance and the title deeds of the NBCC property have been released by SBI Home Finance Ltd. However, balance amount of Rs. 25.00 Lacs which was to be converted into fully

paid up shares of the Company at Rs. 30/- per share (share value Rs. 10/- plus premium Rs. 20/- per shares) have not been issued by the Company.

The Company proposes to allot shares worth Rs. 25.00 Lacs to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines. Under this scheme, payment shall be discharged in the following manner:-

**(F) Amount due to SBI Home Finance Ltd as decided by one man committee as at 31st December, 2015**

S.N.	Particulars	Amount Rs in Cr.
I	Principal Outstanding	25 Lacs
II	Interest	--
	<b>TOTAL</b>	<b>Rs 25 Lacs</b>

**(G) Payment Schedule by issuing in Shares**

S.N.	Particulars	Rupees in Lac
I	To be discharged by issuance of Equity shares of the Company of the face value of Rs. 10/- at a premium of Rs. 20/- per share or as per applicable SEBI guidelines	25.00
II	The Company proposes to: allot shares worth Rs. 25.00 Lacs to SBI Home Finance Ltd. as per the Decree awarded by the Hon'ble High Court of Delhi at New Delhi, within two years from the effective date of the scheme as per applicable SEBI guidelines	-
	<b>Total</b>	<b>25.00</b>

**ICD LENDERS**

ICD Lenders will be paid principal due to them as on 30th June 2004. Interest dues are waived and cancelled. The payment of principal to the ICD lenders will be made as follows:

**(A) Amount due to ICD Lenders as decided by one man committee**

S.N.	Particulars	Amount Rs in Lac
I	Principal Outstanding	27.17
II	Interest	--
	<b>TOTAL</b>	<b>27.17</b>

**(B) Payment Schedule**

(Rs. in Cr.)

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	19.02	-
II	30% of total amount	-	8.15
	<b>Total</b>	<b>19.02</b>	<b>8.15</b>

**PRESSMAN LEASING**

The amount due to M/s, Pressman Leasing has been quantified at the lump sum of Rs 4.10 Cr and such amount would be paid 55% in cash and 45% in shares and details are under :-

**(A) Amount due to PRESSMAN LEASING as decided by one man committee**

S.N.	Particulars	Amount Rs in Cr
I	Principal Outstanding	4.10
II	Interest	--
	<b>TOTAL</b>	<b>4.10</b>

**(B) Payment Schedule**

S.N.	Particulars	Phase-I	Phase-II
I	70% of total principal amount	1.58	-
II	30% of total amount	-	00.68
	<b>Total</b>	<b>1.58</b>	<b>00.68</b>

**(H) Balance Payment by Issuing of Equity Shares**

S.N.	Particulars	Amount Rs in Cr
I	To be discharged by issuance of Equity shares of the Company of the face value of Rs. 10 as per applicable SEBI guidelines	1.84
	<b>TOTAL</b>	<b>1.84</b>

**29) Earnings Per Share (EPS):**

		Year ended 31st March, 2018	Year ended 31st March, 2018
a)	<b>Calculation of Weighted Average Number of Equity Shares of 100 each</b>		
	Number of Shares at the beginning of the period**	22,125,054	22,125,054
	Number of Shares at the close of the period**	22,125,054	22,125,054
	Weighted Average number of Equity Shares**		
	During the period	22,125,054	22,125,054
b)	Net Profit/(Loss) for the period attributable to Equity Shares (in Rs.)	9,29,611	1,56,11,781
c)	Earning per share – Basic**	0.04	0.71
d)	Earning per share – Diluted**	0.04	0.71

**30) Contingent Liabilities and Commitments****A) Contingent Liabilities**

- (a) Mr. Dhruv Prakash had lodged a claim of recovery of Rs 913,362. against which a decree of Rs 6,96,887 was passed by Additional District Judge, Tis Hazari Court, New Delhi on 2nd August, 2005 along-with 6% simple interest from the date lodging of suit till actual realization. The contingent liability arising out of this suit amounts to Rs 6,96,887 along-with 6% simple interest from the date lodging of suit till actual realization. The same is being contested by Company in Delhi High Court. There are also other cases filed in consumer, civil & criminal courts and other courts against the company for which the holding company is contingently liable but for which the amount is not quantifiable.
- (b) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the holding company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2018.
- (c) There is a demand of Rs. 3,458,902 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 as on 31st March 2018.
- (d) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which

includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Holding Company before Hon'ble Delhi High Court.

- (e) 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. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

S.No.	Description	Amount
1.	Difference in super area Vs. provisional area	22,928,254/-
2.	Claim of property tax	319,100/-
3.	Claim of ground rent	2,167,190/-
4.	Allied charges	782,210/-
5.	Augmentation of Electric sub station	132,880/-
6.	Loss of profit	2,000,000/-
7.	Arbitration cost	500,000/-
<b>TOTAL</b>		<b>28,829,634/-</b>

#### B) Commitments

There are no non-cancellable capital commitments.

#### 31) Defined Benefit Plans/Long Term Compensated Absences :-

##### Description of Plans

The Company makes contributions to Defined Benefit and Defined Contribution Plans for qualifying employees. Gratuity Benefits and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Plans are based on employees' length of service.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to these Employee Benefit Plans. The net Defined benefit cost is recognized by the companies in Consolidated financial statements.

**Discount Rate:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

The estimated term of the benefit obligations works out to 9.18 years. For the current valuation a discount rate of 7.74% p.a. compound has been used.

**Salary Escalation Rate:** The Salary Escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again, a long term view as to the trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

**Withdrawals Rate:** Past experience indicates the current level of attrition. The assumption may incorporate the Company's policy towards retention of employees, historical data and industry outlook.

**Mortality Rate:** We have used Indian Assured Lives Mortality Table (IALM) 2006-08, as issued by Institute of Actuaries of India, for the valuation.

The following table summarize the components of net benefit expenses recognized in the

statement of Profit & loss and the funded status and the amount recognized in Balance Sheet during 2017-18.

PARTICULARS	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Unfunded	Unfunded	Unfunded	Unfunded
	31.03.2018		31.03.2017	
<b>Statement of profit &amp; loss</b>				
<b>Net employee benefit expense recognized in employee cost</b>				
Current Service Cost	70,303	18,047	53,585	11,291
Interest Cost on Defined Benefit Obligation	74,679	14,821	47,777	7,211
<b>Total Expense recognized in the Statement of Profit and Loss</b>	144,982	32,868	101,362	18,502
<b>Remeasurements recognised in Other Comprehensive Income</b>				
Net Actuarial (Gain)/Loss	234,088	106,988	245,404	79,691
<b>Total defined benefit cost recognized in Profit &amp; Loss and Other Comprehensive Income</b>	379,070	139,856	346,766	98,193
<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
Opening Defined Benefit Obligation	964,843	191,485	618,077	93,292
Interest Cost	74,679	14,821	47,777	7,211
Current Service Cost	70,303	18,047	53,585	11,291
Benefits Paid	-	-	-	-
Actual Losses / (Gain) on Obligation	234,088	106,988	245,404	79,691
Closing Defined Benefit Obligation	1,343,913	331,341	964,843	191,485
<b>Classification in Balance Sheets</b>				
Net Assets/ (Liability)	Gratuity		Leave Encashment	
	Current	Non-Current	Current	Non-Current
As at 31st March 2018	922,131	421,782	226,378	104,963
As at 31st March 2017	623,621	341,222	121,093	70,392
As at 31st March 2016	419,120	198,957	62,080	31,212
<b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>				
Discount Rate	7.74	7.74	7.31	7.31
Increase in Compensation Cost	6.00	6.00	6.00	6.00

**SENSITIVITY ANALYSIS**

A quantitative sensitivity analysis for significant assumptions as at March 31, 2018 is as follows:

PARTICULARS	INCREASE EFFECT	DECREASE EFFECT
<i>Effect of increase / decrease in discount rate by 1% on defined benefit obligations</i>	(590697)	621985
Effect of increase / decrease in salary escalation by 1% on defined benefit obligations	628524	(602105)
Effect of increase / decrease in withdrawal rate by 1% on defined benefit obligations	-	-

32) For year ended 31st March, 2018, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

33) As the Holding Company has carry forward unabsorbed depreciation amounting to Rs. 281,512,454 under the Income Tax Act, 1961 and is unlikely to have taxable income in the foreseeable future. Deferred tax assets in situation where carry forward unabsorbed depreciation/business loss exists, are recognized to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered, accordingly Deferred Tax Assets on Unabsorbed Depreciation Losses are not recognized in accordance with Ind AS 12 "Income Taxes".

The components of Deferred Tax balances as on 31st March 2018 are as follow:-

Particulars	31st Mar.'18	31st Mar.'17
Deferred Tax Liability-	NIL	NIL
Total (A)	NIL	NIL
Deferred Tax Assets-		-
Brought forward unabsorbed depreciation (in Rs.)	28,15,12,454	30,64,70,464
Total (B) (in Rs.)	28,15,12,454	30,64,70,464
Net Deferred Tax Assets (B-A) (in Rs.)	28,15,12,454	30,64,70,464

**34) Deposit of Rs 195,000,000 by DCM Services Limited**

DCM Services Ltd, as a promoter had committed to bring in Rs 195,000,000 as a promoter contribution upon sanction of their restructuring scheme under erstwhile Section 391 of the Indian Companies Act, 1956 which is under implementation by One Man Committee appointed with the direction of Hon'ble Delhi High Court.

The Court vide order dated 06.05.2008 has asked DCM Services Limited to deposit Rs. 195,000,000 with the Court and pursuant to the court order. DCM Services Limited deposited Rs 50,000,000 on 16.07.2010, Rs 67,000,000 on 18.11.2010, Rs. 39,000,000 on 21.04.2011 & Rs. 39,000,000 on 27.04.2012 aggregating to Rs. 195,000,000 on behalf of the promoters with the Registrar, Hon'ble Delhi High Court. All the funds are with Delhi High Court along-with accrued interest thereon. No financial impact of this has been recorded in the financials of the company for the period ended 31st March, 2018 as there is no clarity provided by Hon'ble High Court of Delhi on whether Company would have to issue any shares against such contribution as per SEBI guidelines or such amount would be refundable to DCM Services Limited or there would be no liability on the Company to pay or issue any shares. Till Company gets any clarity on this matter, no financial entry has been recorded in the books of accounts.

**35) Related Parties Transactions:****A. List of Related parties**

SN	Description of Relationship	Name of Party	
(a)	Control Exist - Subsidiary Company	(i)	Global IT Option Limited
(b)	Significant Influence Exist	(i) (ii) (iii)	DCM Services limited DCM International Limited DCM Anubhavi Marketing Private Limited
(c)	Key Management Personnel	(i) (ii) (iii)	Mr. Om Prakash Gupta –Director Mr. Surender Kumar Sharma – Executive Director Mr. Sehdev Shori- Additional Director

**B. Transactions with related parties during the year (Amount in Rs.)**

	Particulars	For the year ending 31st March 2018	For the year ending 31st March 2017
<b>Key Management Personnel</b>			
1.	<b>Remuneration</b>	384,982	514,164
2.	<b>Repayment of loan</b>		
	- DCM Services Limited	1,56,31,000	-
	- DCM Anubhavi Marketing Private Limited	4,03,89,773	-
3.	<b>Interest Expense (Deferred)</b>		
	- DCM Services Limited	61,06,222	69,72,111
	- DCM International Limited	21,14,915	19,22,650
	- DCM Anubhavi Marketing Private Limited	16,69,753	51,89,755

**C. Balance Outstanding (Amount in Rs.)**

1.	DCM Services Ltd.	2,32,64,070	7,66,93,223
2.	DCM International Limited	6,71,68,445	2,11,49,154
3.	DCM Anubhavi Marketing Limited	1,92,42,457	5,79,62,477

**36) Fair value measurement****i) Financial Instruments by category**

	As at 31st March 2018			As at 31st March 2017			As at 31st March 2016		
	FVPL	FV OCI	Amortised cost	FVPL	FV OCI	Amortised cost	FVPL	FV OCI	Amortised cost
<b>Financial Assets</b>									
<b>Investments</b>	11268140	-	4010348	8875712	-	4010348	8112033	-	4010348
<b>Cash and cash equivalents</b>	-	-	113587060	-	-	4441801	-	-	1738269
<b>Other bank balance</b>	-	-	33,60,54,596	-	-	46,87,70,507	-	-	44,45,12,551
<b>Others</b>	-	-	18937464	-	-	30712795	-	-	34088238
<b>Financial Liabilities</b>									
<b>Borrowing</b>	-	-	129569796	-	-	1081186489	-	-	1068124297
<b>Others</b>	-	-	22072001	-	-	23151556	-	-	21086510

- ii) The carrying value and fair value of financial instruments by categories as of March 31, 2018 are as under:

Particulars	Financial assets/ (Financial liabilities) at fair value through profit or loss (FVTPL)	Total Carrying value	Total fair value
<b>Investment in Equity Shares</b>			
As on 31st March 2018	2392428	12886060	15278488
As on 31st March 2017	763265	12122382	12886060
As on 31st March 2016	3466809	8639763	12122382

- iii) Fair value hierarchy

**Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.**

**Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).**

**Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).**

Particulars	Amount	Fair value measurement at end of the reporting period/year using		
Financial Assets		Level 1	Level 2	Level 3
<b>Investment in Equity shares</b>				
As at 31st March, 2018	15278488	11268140	-	4010348
As at 31st March, 2017	12,886,060	8875712	-	4010348
As at 31st March, 2016	12122381	8112033	-	4010348

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

- iv) Fair value of financial assets and liabilities measured at amortised cost:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Investments	4010348	4010348	4010348	4010348	4010348	4010348
Cash and cash equivalents	113587060	113587060	4441801	4441801	1738269	1738269
Bank deposits	33,60,54,596	33,60,54,596	46,87,70,507	46,87,70,507	44,45,12,551	44,45,12,551
Others	18937464	18937464	30712795	30712795	34088238	34088238
<b>Financial Liabilities</b>						
Borrowings	129569796	129569796	1080311314	1080311314	1067260296	1067260296
Other financial liabilities	832376324	832376324	23151556	23151556	21086510	21086510

### 37) Capital Management

The Company's objective for managing capital is to ensure as under:

- To ensure the company's ability to continue as a going concern.
- Maintaining a strong credit rating and healthy debt equity ratio in order to support business and maximize the shareholders' value.



- c) Maintain an optimal capital structure.
- d) Compliance financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

- a) Compliance of financial covenants of borrowing facilities.
- b) Changes in economic conditions.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants as decided by One Man Committee and Delhi High Court. **One Man Committee has given few recommendations for payments to its creditors which has been accepted** by Hon'ble Delhi High Court.

There has been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year.

### 38) Going Concern Basis

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 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, contributed Rs. 195,000,000 of which Rs. 156,000,000 were deposited with the Registrar of the Hon'ble Delhi High Court Registrar, as per court order by the promoter group, and the balance amount of Rs 39,000,000 had been deposited on 27th April, 2012. The Fresh Restructuring Scheme kept pending for approval of Hon'ble High Court of Delhi. Over the years and till 31st March, 2017, 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.

Justice Anil Kumar as one man committee was appointed vide order dated:- 3rd September, 2015 by the Hon'ble High Court of Delhi to scrutinize the list of depositors and other claimants and to take steps enumerated hereinafter with the view to resolve at-least some of the disputes.

The one man committee submitted its report on to Hon'ble High Court of Delhi on 22nd April, 2016. Taking cognizance of the report, Hon'ble High Court of Delhi on 10th August, 2017 accepted the recommendation of one man committee enumerated in the report. One Man Committee observed that that it already has sufficient funds, ready cash, to repay about 70% of the deposits to all the depositors having deposits of more than Rs 5,000 including secured creditors in the first stage. Under Phase -1, 70% a part of the amount be paid to the creditors having deposits of more than 5,000 and full amount be paid to those who have deposits of Rs. or less than Rs.5,000 in the first instance. In the second phase, which should also commence. with phase 1 simultaneously, properties and shares and all the assets be liquidated by selling and the realized amount is recommended to be utilized for the repayment of balance 30% of principal and the maturity value on the fixed deposits, debentures and banks. If the amount is still available to the Company, the Hon'ble Company Court may decide whether some amount - be paid as interest as has also been recommended by the Reserve Bank of India. During the year ended 31st March, 2018, Company started paying the amount as per Phase-I. Hon'ble High Court of Delhi held that the issue of revival of the company will be decided once all payments are made in the manner as suggested in the report. The accounts of the company have been prepared on a "going concern" basis on an assumption & premises made by the management that :-

- (a) Company incurred a net loss of Rs. 751,721 during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs 27,47,43,361. The accumulated loss as on 31st March, 2018 stands to Rs. 84,48,27,519 /-(Previous year Rs. 84,40,75,798/-). As on 31st March, 2018, the Company's total liabilities exceeded its total assets by Rs. 42,26,05,793/- (Previous year Rs. 42,18,54,070/-).
- (b) The Company is not carrying on any business as to comply with the directives of the Reserve Bank of India the company ceased to accept deposits from September 1997 and 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 contends that the Scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme such issuance of equity to SBI HOME FINANCE LTD and Pressman Leasing would be approved/decided upon by the Hon'ble Delhi High Court and accordingly the decision on revival of Company would be taken by Hon'ble Delhi High Court and
- (c) Adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis,
- 39)** The Company's application to RBI for Certificate of Registration (CoR) as a NBFC had been rejected by the RBI in year 2004. The company had made an appeal to the Appellate Authority, Ministry of Finance which directed the RBI to keep its order of rejection of CoR in abeyance for a period of six months and directed the company to file Fresh Restructuring Scheme before Hon'ble Delhi High Court. RBI has preferred an appeal before the Hon'ble Delhi High Court against the order of the appellate authority, which is still pending. This may be decided upon once scheme of One Man Committee shall be implemented in full and other aspect of fresh restructuring scheme would be approved/decided upon by the Hon'ble Delhi High Court.
- 40)** 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.
- 41) Segment information for the year ended 31st March 2018**
- The Company is engaged in a single segment i.e. Financing Operations viz., inter corporate deposits and investments. Presently Company is not carrying on any operation except realizing all debts or maintaining existing assets. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.
- 42)** Figures for the previous year are in brackets and have been re-grouped/re-classified wherever necessary to make them comparable with the figures of the current year.

**For Mukesh Aggarwal**  
Chartered Accountants  
Firm Registration No. 011393N

**Rishi Mittal**  
Partner  
M.No. 521860

**Richa Kalra**  
Director  
DIN: 07632571

**Surender Kumar**  
Executive Director  
DIN: 02188166

Place : New Delhi  
Dated : 30th May, 2018

**Poonam Kumari**  
Company Secretary  
M. No. A-37057



## PROXY FORM (MGT-11)

CIN : L65921DL1991PLC043087

Name of the Company : DCM Financial Services Limited

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

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

[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 Financial 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 **Friday, November 30, 2018 at 11:00 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.	Brief of Resolutions	In favor of Resolutions	Against the Resolutions
1.	To receive, consider and adopt Standalone & Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2018 along with reports of the Board of Directors and Auditors' thereon.		
2.	To ratify the appointment of M/s Mukesh Aggarwal & Co., Chartered Accountant, (Firm Registration No. 011393N), as the Statutory Auditor of the Company		
3.	Appointment of Ms. Rajni Gupta as an Independent Director of Company		
4.	Appointment of Mr. Shantanu Deveshwar as Director of Company		
5.	Appointment of Mr. Shantanu Deveshwar (DIN: 08268523) as Whole time Director, Designated as Executive Director of the Company		

Signed this.....day of.....2018

Signature of Shareholder

Signature of Proxy Holder(s)

Affix  
Revenue  
Stamp  
Re.1/-

## 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.

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@dfsionline.com, **Website :** www.dfsionline.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.**




**Form No. MGT- 12**  
**BALLOT PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

**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  
**Website :** www.dfsnline.com **email ID :** info@dfsline.com  
**CIN :** L65921DL1991PLC043087

**BALLOT PAPER/POLLING PAPER**

Particulars	Details
Name of the First Named Shareholder (In block letter)	
Registered Address	
Registered folio No. / *Client ID or Registered Folio No.	
No. of Equity Shares held	

**\*Applicable in case of Share held in electronic form**

I/We hereby exercise my/our vote in respect of the following resolution(s) as set out in the Notice of 27th Annual General Meeting of the members of DCM Financial Services Limited to be held on Friday, November 30, 2018 at 11:00 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030 which is proposed to be placed for consideration of members at the aforesaid Annual General Meeting of the Company, by conveying my/our assent and/or dissent to the said Resolution(s) in the relevant box as stated hereinbelow:

S. No.	Resolution	No. of shares held	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
1.	To receive, consider and adopt Standalone & Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2018 along with reports of the Board of Directors and Auditors' thereon			
2.	To ratify the appointment of M/s Mukesh Aggarwal & Co., Chartered Accountant, (Firm Registration No. 011393N), as the Statutory Auditor of the Company			
<b>Special Businesses:</b>				
3.	Appointment of Ms. Rajni Gupta as Director and an Independent Director of the Company			
4.	Appointment of Mr. Shantanu Deveshwar as Director of the company			
5.	Appointment of Mr. Shantanu Deveshwar (DIN: 08268523) as Whole time Director, Designated as Executive Director of the Company			

\*Please put a tick mark (✓) in appropriate column against the resolution(s) indicated above. In case of member/proxy wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'For' and/or 'Against'.

**Date :**
**Place :**
**(Signature of Member)**

\* Please tick in the appropriate column

## INSTRUCTIONS

1. This Ballot Paper is provided, pursuant to Regulation 4(2) (a) (iii) read with rule 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 to enable the shareholder(s) or their proxy(ies) for voting by way of Ballot Paper(s), who does not have access to e-voting facility and /or who have not voted through e-voting, so that they can also participate in voting through this physical Ballot Paper.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot paper if a Member casts votes by both modes, then voting done through remote e-voting shall prevail and voting by Ballot paper shall be treated as invalid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical ballot paper from member(s) at the venue of AGM for declaring the final result for each of the resolutions forming part of 27th AGM notice of company.

### **Process and manner for Members opting to vote by using the Ballot Paper:**

1. Please complete and sign this Ballot Paper and drop in the locked ballot box placed in the meeting hall for voting purpose with respect to 27th AGM of the company as scheduled on 30th November, 2018.
2. This ballot Paper should be signed by the Member (s) as per the specimen signature (s) registered with Registrar and Share Transfer Agent of the Company or by their proxy(ies) duly authorized by the member. In case of joint holding, the ballot Paper should be completed and signed by the first name Member and in his/her absence, by the next name joint holder or by their proxy(ies) duly authorized by any one of the joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing and duly attested copy of the POA registered with the company or enclosing therewith duly attested/notarized copy of the POA.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Paper should be accompanied by a certified true copy of the relevant Board Resolution/Authorization document(s) consisting therein the attested signature(s) of authorized person(s).
4. Votes should be cast in case of each resolution either in favour or against by putting the tick (✓) mark in the respective column(s) provided in the Ballot Paper.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the Paid-up Equity Share Capital of the Company as on Saturday, 24th November, 2018 and each fully paid up equity shares carries one voting right.
6. A Member may request Ballot Paper from the Company or they can download the Paper from the website of the Company viz [www.dfsonline.com](http://www.dfsonline.com), if so required.
7. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. The Ballot Papers will also be rejected if it is received torned, defaced or mutilated to the extent which makes it difficult for the Scrutinizer to identify either the Member or when it is not ascertainable that vote(s) have been cast by member (s) in favour or against the resolution or when the signature(s) of member(s) cannot be verified with the available records of registrar & share transfer agent of company M/S MCS Share Transfer Agent Ltd
8. The decision of the Scrutinizer on the validity of the Ballot Paper(s) and any other allied matter(s) thereto shall be final and binding on member(s) of company.
9. The consolidated result for votings done by the members of company through e-votings & ballot votings for all the resolution(s) placed in the 27th AGM of company and as declared by Chairman/duly authorized person alongwith respective scrutinizer's report shall be uploaded on the company's website i.e [www.dfsonline.com](http://www.dfsonline.com) within 48 hours of conclusion of AGM and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) whenever they upload, and will simultaneously be also forwarded to the stock exchange(s) (viz. BSE & NSE) where the company's equity shares are listed, as per respective rules/regulations applicable thereto.





**CIN : L65921DL1991PLC043087**

**Name of the Company :** DCM Financial Services Limited

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

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

### **ATTENDANCE SLIP**

**(To be handed over at the entrance of the meeting hall)**

**27th Annual General Meeting, on Friday, November 30, 2018 at 11:00 A.M.**

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)	

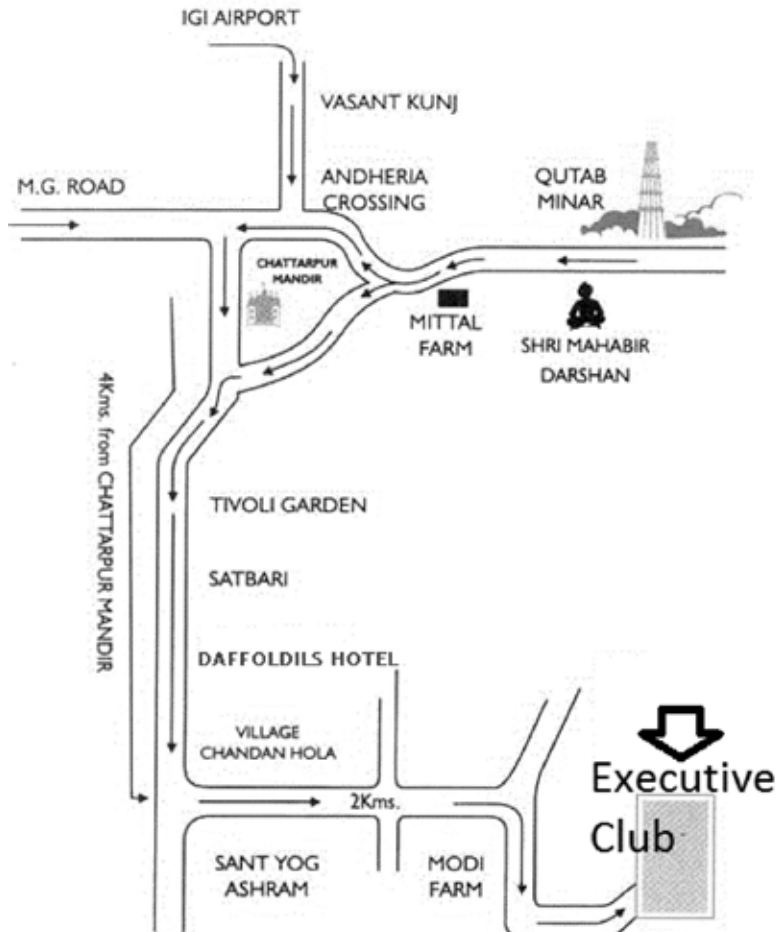
I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 27th Annual General Meeting of the Company on **Friday, November 30, 2018 at 11:00 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030.**

\_\_\_\_\_  
Member's/Proxy's Signature

**Note:**

- 1) *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





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If undelivered, please return to:



D7/3, Okhla Industrial Area-II  
Mezzanine Floor, New Delhi-110020