



**Date:25/11/2020**

The Head- Listing Compliance  
**BSE Limited,**  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
FortMumbai- 400001

The Head- Listing Compliance  
**National Stock Exchange of  
India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Mumbai - 400 051

The Manager  
**The Calcutta Stock  
Exchange Ltd.**  
7, Lyons Range,  
Murgighata, BBD Bagh,  
Kolkata, West Bengal-  
700001

**Security Code: 511611**

**Stock Code: DCMFINSERV**

**Sub: Submission of Annual Report as per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Ma'am,

Please find attached herewith **Annual Report** for the **Financial Year 2019-2020** as per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Submitted for your information and records.

Yours Sincerely,

**For DCM Financial Services Limited**

A handwritten signature in blue ink, appearing to read 'Shantanu Deveshwar', with a stylized flourish at the end.

**(ShantanuDeveshwar)**  
**Whole Time Director**  
**DIN: 08268523**

**Place: New Delhi**

**DCM FINANCIAL SERVICES LIMITED**

CIN:L65921DL1991PLC043087

Regd. Office: D 7/3, Okhla Industrial Area-II, New Delhi-110020

Tel-011-26387750

email ID: [info@dfsionline.com](mailto:info@dfsionline.com)

Website: [www.dfsionline.com](http://www.dfsionline.com)



# **29<sup>th</sup> ANNUAL REPORT**

## **2019-2020**

**DCM FINANCIAL SERVICES LTD.**

**BOARD OF DIRECTORS**

Mr. Shantanu Deveshwar  
Ms. Daman PreetKaur  
Ms. Rajni Gupta  
Ms. RichaKalra  
Mr. Kaushal Kashyap

Whole-time Director  
Independent Director  
Independent Director  
Independent Director  
Additional Director  
(Category: Non-Executive)  
\*Appointed w.e.f. 01.09.2020  
Additional Director  
(Category: Independent)  
\*Appointed w.e.f. 01.09.2020

Mr. Sanjay Sahni

**KEY MANAGERIAL PERSONNEL**

Mr. Shantanu Deveshwar  
Ms. Priya Sharma  
(Resigned w.e.f. 10.06.2019)  
Ms. Somali Tiwari  
(Appointed w.e.f. 18.07.2019)

Whole-time Director  
Company Secretary &  
Chief Financial Officer  
Company Secretary &  
Chief Financial Officer

**SECRETARIAL AUDITOR**

**Jain P & Associates**

**Company Secretaries**

Add: C-273, 2nd Floor, Sector-63, Noida-201301

**STATUTORY AUDITOR**

**MukeshAggarwal& Co.,**

**Chartered Accountants**

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

**REGISTRAR & SHARE TRANSFER AGENT**

**MCS Share Transfer Agent Limited**

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

Tel.: 011-41406149

E-mail: helpdeskdelhi@mcsregistrars.com

**CIN**

L65921DL1991PLC043087

**CORPORATE OFFICE & REGISTERED OFFICE**

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

**SHARES LISTED AT**

**NATIONAL STOCK EXCHANGE OF INDIA LTD.**

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

**BSE LIMITED**

PhirozeJeejeebhoy Towers, Dalal Street,  
Mumbai- 400001

**CALCUTTA STOCK EXCHANGE LIMITED**

7, Lyons Range, Dalhousie, Kolkata-700001

**E-MAIL**

[info@dfsionline.com](mailto:info@dfsionline.com)

**WEBSITE**

[www.dfsionline.com](http://www.dfsionline.com)

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**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 29th Annual General Meeting of the members of **DCM Financial Services Limited ("DCM" or "the Company")** will be held on **Friday, 18th December, 2020 at 12:30 P.M.** through video conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business (es):-

**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, 2020 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.

In this regard, if thought fit, the members will pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142(1) of the Companies Act, 2013 and the rules made there under, 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 2019-20 at such remuneration as may be determined by the Board of Directors of the Company of the Company in consultation with the auditor."

**SPECIAL BUSINESS:**

3. **Appointment of Mr. Sanjay Sahni (DIN: 08364951) as a Non-Executive Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, **Mr. Sanjay Sahni (DIN: 08364951)** who was appointed as an Additional (Category: Independent) Director of the Company at the Board Meeting held on 01.09.2020, in terms of Section 149 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company who is eligible to be so appointed and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 for a term of five consecutive years commencing from December 18, 2020 up to December 17, 2025, not liable to retire by rotation."

4. **Appointment of Mr. Kaushal Kashyap (DIN: 07683753) as a Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr. Kaushal Kashyap (DIN: 07683753)** be and is hereby appointed as Director of the Company, who is eligible to be so appointed and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director."

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

**(Shantanu Deveshwar)  
Whole Time Director  
(DIN: 08268523)**

**Date: 11.11.2020  
Place: Delhi**

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is **being conducted through VC/OAVM** hereinafter called as 'AGM'.
2. The deemed venue for 29th AGM shall be the Registered Office of the Company situated at D-7/3, Okhla Industrial Area, Phase-2, New-Delhi-110020.
3. The Company has appointed **M/s Skyline Financial Services Pvt. Ltd.** as "Facilitator of VC/OAVM" to facilitate the conduct of AGM through VC/OAVM.
4. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorization, etc., authorising their representative to attend the AGM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the scrutinizer by email through its registered email address to [cstanayojha@gmail.com](mailto:cstanayojha@gmail.com) with a copy marked to Company info@[dfsionline.com](mailto:dfsionline.com) & [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. Statement pursuant to section 102 of the Act shall form a part of this Notice since special business shall be transacted at the 29th AGM.
6. Brief details of the director, who are eligible to be re-appointed in 29th AGM, are annexed hereto as per requirements of regulation 36(3) of the SEBI Listing Regulations and as per provisions of the Act.
7. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 12:15 P.M. to 12.45 P.M. and will be available for 1,000 members on a first come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
8. Institutional investors, who are members of the Company are encouraged to attend and vote at the 29th AGM of the Company.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
10. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular dated 12 May 2020, Notice of 29th AGM along with the Annual Report for FY 2020 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice and Annual Report for FY 2020 will also be available on the Company's website at <https://www.dfsionline.com>; website of the stock exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).
11. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their e-mail address & Mobile No. by writing to our RTA M/s MCS Share Transfer Agent Ltd., Add: F-65, 1st floor, Okhla Industrial Area, Phase-I, New Delhi-110020. Further, the Company had availed of services offered by CDSL to update email addresses of shareholders of the Company having their holding with a depository participant registered with CDSL and have not registered their email addresses. Members are requested to register their email id and support the green initiative efforts of the Company.

12. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for FY 2020 and Notice of AGM, may temporarily get themselves registered with our RTA M/s MCS Share Transfer Agents Pvt. Ltd. Members are requested to support our commitment to environment protection by choosing to receive the Company's communication through email going forward.
13. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
14. SEBI vide its notification (SEBI/LADNRO/GN/2018/24) dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialise their physical holdings.
15. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
16. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. The Company has been maintaining, inter alia, the following statutory registers at its registered office at **D-7/3, Okhla Industrial Area-II, New Delhi-110020**.
  - a) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
  - b) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.
18. In accordance with the MCA Circulars, the said registers will be made accessible for inspection through electronic/Physical mode and shall remain open and be accessible to any member during the continuance of the meeting.
19. The Register of Members and Share Transfer Books will remain closed from **Saturday, 12th December, 2020 to Friday, 18th December, 2020 (both days inclusive)**.
20. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the Company's website at [www.dfslonline.com](http://www.dfslonline.com)). In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
21. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
22. For more details on shareholders' matters, please refer to the section on 'General Shareholder Information', included in the Annual Report.
23. In case a person becomes a member of the Company after dispatch of AGM Notice, and is a member as on the cut-off date for e-voting, i.e., Friday 11th December, 2020, such person may obtain the user id and password from by email request on [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in).
24. Alternatively, member may send signed copy of the request letter providing the email address, mobile number and self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via email to [info@dfslonline.com](mailto:info@dfslonline.com) for obtaining the Annual Report and Notice of AGM.
25. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
26. Instructions for remote e-voting and joining the e-AGM are as follows:

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- i. The Board of Directors of the company has appointed M/s. Ojha & Associates, Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

- ii. The voting period begins on <Tuesday, December 15, 2020 from 09:00 A.M> and ends on <Thursday, December 17, 2020 from 05:00 P.M.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Friday 11th December, 2020> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iv. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- v. Click on "Shareholders" module.
- vi. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

**OR**

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdsliindia.com> from **Login – Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- vii. Next enter the Image Verification as displayed and Click on Login.
- viii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- ix. If you are a first time user follow the steps given below:

**For Shareholders holding shares in Demat Form and Physical Form**

**PAN** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat a/c or in the Company's records to log in

Dividend Bank Details • If both the details are not recorded with the depository or company please enter the member id / folio number in the  
OR Dividend Bank details field as mentioned in instruction (v).

Date of Birth (DOB)

- x. After entering these details appropriately, click on "SUBMIT" tab.
- xi. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Click on the EVSN for the relevant Company Name <**DCM FINANCIAL SERVICES LTD.**> on which you choose to vote.

- xiv. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the 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.
- xv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi. 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.
- xvii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xix. 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.
- xx. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@dfsionline.com](mailto:info@dfsionline.com) (**Company Email id**) or [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info@dfsionline.com](mailto:info@dfsionline.com) (**Company Email id**) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

- Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
- Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

**xxi. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- 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 format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@dfslonline.com](mailto:info@dfslonline.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

|                  |                                                              |
|------------------|--------------------------------------------------------------|
| Name of Official | Somali Tiwari                                                |
| Designation      | Company Secretary                                            |
| Address          | D-7/3 Okhla Industrial Area, Phase-2, New Delhi-110020       |
| Contact          | 011-26387750                                                 |
| E-mail           | <a href="mailto:info@dfslonline.com">info@dfslonline.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 MR. SANJAY SAHNI (DIN: 08364951) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Sanjay Sahni (DIN: 08364951) who was appointed as an Additional Director on the Board of the Company on September 01, 2020.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company.

The Company has received intimation in Form DIR-8 from Mr. Sanjay Sahni that, he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolution seeks the approval of members for the appointment of Mr. Sanjay Sahni as an Independent Director of the Company commencing from December 18, 2020 up to December 17, 2025 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Sanjay Sahni, the Board of Directors at its meeting held on August 30, 2020 approved the appointment of Mr. Sanjay Sahni as mentioned in the resolution.

For your information and record, Mr. Sanjay Sahni has vast experience in general management. Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

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

- (i) Directors: No other Director is interested
- (ii) Every other Key Managerial Personnel: NIL
- (iii) Relatives: NIL

**ITEM NO.4**

**APPOINTMENT OF MR. KAUSHAL KASHYAP (DIN: 07683753) AS A DIRECTOR**

Mr. Kaushal Kashyap (DIN: 07683753) was appointed as an Additional Director on the Board of the Company on September 01, 2020.

The Company has received intimation in Form DIR-8 from Mr. Kaushal Kashyap that, he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and his consent to continue as a Director.

The resolution seeks the approval of members for the appointment of Mr. Kaushal Kashyap as a Director of the Company in terms of Section 149 and other applicable provisions of the Act and Rules made there under.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Kaushal Kashyap, the Board of Directors at its meeting held on August 30, 2020 approved the appointment of Mr. Kaushal Kashyap as mentioned in the resolution.

For your information and record, Mr. Kaushal Kashyap has vast experience in general management. Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as a Director.

**DCM FINANCIAL SERVICES LTD.**

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

(i) Directors: No other Director is interested

(ii) Every other Key Managerial Personnel: NIL

(iii) Relatives: NIL

**PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ REAPPOINTED IS FURNISHED BELOW:**

| Name                                                                                     | Mr. Sanjay Sahni                                       | Mr. Kaushal Kashyap                         |
|------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|
| Director Identification Number (DIN)                                                     | 08364951                                               | 07683753                                    |
| Date of Birth                                                                            | 20/11/1969                                             | 23/12/1991                                  |
| Date of Appointment in the Board                                                         | 01/09/2020                                             | 01/09/2020                                  |
| Qualification                                                                            | Chartered Accountant                                   | Graduate                                    |
| Experience                                                                               | Experience in Area of Accounts, Finance and Management | Experience in Administration and Management |
| Shareholding in the Company                                                              | NIL                                                    | NIL                                         |
|                                                                                          | 1. Super IP Resolution Team Private Limited            | 1. Accuvant Advisory Services Limited       |
|                                                                                          | 2. Sueryaa Knitwear Limited                            | 2. Galore Prints Industries Limited         |
|                                                                                          |                                                        | 3. Candid E-Solutions Private Limited       |
| Names of Listed Entities in which the person holds membership of Committees of the Board | Sueryaa Knitwear Limited                               | Accuvant Advisory Services Limited          |
| Relationship between Directors Inter-se                                                  | None                                                   | None                                        |

## DIRECTOR'S REPORT

To

### The Shareholders of the Company,

Your Directors are pleased to present this 29th Annual Report together with the Audited Annual Financial Statements for the year ended March 31, 2020.

### COVID-19 PANDEMIC

The COVID-19 pandemic has caused a huge disruption creating an unprecedented impact on the financial well-being of nations, corporations and individuals. A detailed discussion on impact of COVID-19 on the business and operations of the Company is covered in the 'Management Discussion and Analysis Report.'

### CIRCULATION OF ANNUAL REPORTS IN ELECTRONIC FORM

In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for FY2020.

Accordingly, the Annual Report of the Company for FY2020 is being sent only by email to the members, and all other persons/entities entitled to receive the same.

This Annual Report, along with other documents, is also available on the Company's website at [https:// www.dfsonline.com](https://www.dfsonline.com)

### FINANCIAL HIGHLIGHTS- AT A GLANCE

- Overall Performance of your Company
  - The Financial Year 2019-20 had been a little volatile for the Company as your Company has shown an improved performance during the year under review. The net Loss of your Company had gone down from Rs. 93,59,392/- in the Financial Year 2018-19 to Rs. 3,208,547/- in the Financial Year 2019-20.
- The financial summary, performance highlights operations/state of affair of your Company for the year are summarized below:

(Amount in Rupees)

| PARTICULARS                                    | Standalone         |                    | Consolidated       |                    |
|------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                | 2019-20            | 2018-19            | 2019-20            | 2018-19            |
| Income from Business Operations                | -                  | -                  | -                  | -                  |
| Other Income                                   | 25,418,452         | 29,936,824         | 25,508,700         | 29,962,982         |
| <b>Total Income</b>                            | <b>25,418,452</b>  | <b>29,936,824</b>  | <b>25,508,700</b>  | <b>29,962,982</b>  |
| Less: Expenditure except Depreciation          | 30,340,497         | 31,468,059         | 30,226,029         | 31,448,484         |
| <b>Profit/Loss before Depreciation and Tax</b> | <b>(4,922,045)</b> | <b>(1,531,235)</b> | <b>(4,717,329)</b> | <b>(1,485,502)</b> |
| Less: Depreciation                             | 2,862,475          | 3,131,728          | 2,941,782          | 3,199,362          |
| <b>Profit/Loss before Tax</b>                  | <b>(7,784,520)</b> | <b>(4,662,963)</b> | <b>(7,659,111)</b> | <b>(4,684,864)</b> |
| Less: Tax Expense                              | -                  | -                  | -                  | -                  |
| Add: Deferred Tax Asset                        | 7,402,780          | (4,340,950)        | (7,365,128)        | 4,382,745          |
| Add: MAT Credit Entitlement                    | 2,851,906          | -                  | 2,851,906          | -                  |
| Less: Prior Period Taxes                       | -                  | 18,574             | -                  | 76,694             |
| <b>Net Profit/Loss after tax</b>               | <b>(3,233,645)</b> | <b>(9,022,486)</b> | <b>(3,145,889)</b> | <b>(9,144,302)</b> |
| Add: Other Comprehensive Income                | 25,098             | 336,905            | 25,098             | 336,905            |
| <b>Net Profit/Loss for the period</b>          | <b>(3,208,547)</b> | <b>(9,359,391)</b> | <b>(3,120,791)</b> | <b>(9,481,207)</b> |
| <b>Earnings per share:</b>                     |                    |                    |                    |                    |
| Basic                                          | <b>(0.15)</b>      | <b>(0.42)</b>      | <b>(0.14)</b>      | <b>(0.43)</b>      |
| Diluted                                        | <b>(0.15)</b>      | <b>(0.42)</b>      | <b>(0.14)</b>      | <b>(0.43)</b>      |

**DIVIDEND**

No Dividend was declared for the current financial year due to losses in the Company.

**RESERVES**

The Board proposes no amount to transfer to the reserves and no amount is proposed to be retained in surplus.

**SHARE CAPITAL**

There was no change under the Share Capital during the year under review as the Company has not issued any shares including Equity Shares, Shares with Differential Voting Rights, Stock Options, Sweat Equity, etc. The Company has not bought back any equity shares during the year 2019-2020.

As on 31st March, 2020, paid-up share capital of the Company stood at Rs. 221,250,540/- consisting of 22,125,054 Equity Share of Rs. 10/- each.

**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 in terms of section 73 of the Companies Act, 2013. However, as on 31.03.2020, there are 47750 fixed deposits aggregating to Rs.4,90,766,196/- are payable and the Court has appointed the committee of Justice Anil Kumar, former Judge of Delhi High Court and who has invited claims from Depositors for the verification and payment as per report/scheme. Once this exercise is complete and report is submitted to the Court, the numbers and the value of un-claimed deposits will be known.

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

The Company has One Subsidiary Company named as '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 marked as "Annexure-A" with this report.

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

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

| S. No. | Name            | Designation          | Appointment                              | Cessation |
|--------|-----------------|----------------------|------------------------------------------|-----------|
|        | Ms. Richa Kalra | Independent Director | 30/09/2019<br>(AGM) w.e.f.<br>06/10/2019 | -         |

*Note: Mr. Sanjay Sahni and Mr. Kaushal Kashyap were appointed as an Additional Non- executive Directors in Independent and Non-Independent Category respectively w.e.f. 01st September, 2020.*

**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.

**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 can be accessed on the website of the company at [http://www.dfsionline.com/AGM/mgt9\\_2020.pdf](http://www.dfsionline.com/AGM/mgt9_2020.pdf)

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

During the year under review Board Meetings, Audit Committee Meetings, Nomination & Remuneration Committee Meetings, Stakeholders' Relationship Committee Meetings and other Meetings were convened, the details of which are given in Corporate Governance Report. The maximum interval between any two meetings didn't exceed 120 days, as prescribed in the Companies Act, 2013.

**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.

**STATUTORY AUDITOR& 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. But, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, New Delhi. Thus, M/s. Mukesh Aggarwal & Co., Chartered Accountants shall continue to act as Statutory Auditor.

**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 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 of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2020 would have been higher by Rs 1,340 Lacs. The same has been explained in Note 17.1 and Note 17.4*

**Director's Comment:**

- 1 In the year 2017, 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.
- 2 *For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in Note 17.1.*

**Director's Comment:**

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

- 3 *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 17.1, 17.2 and 17.3.*

**Director's Comment:**

Depletion in the value of Assets charged to Banks/Institution and Debentures Notes 17.1, 17.2 & 17.3, 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.

- 4 *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, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank 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-38*

**Director's 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 38, it's not possible to obtain the balance confirmations.

5. *The subsidiary company namely, Global IT Options Limited has from 1st June 2014 to 31st March, 2018 incurred expenditure of Rs 22.84 Lacs for & on behalf of its Holding Company (i.e. DCM Financial Services Limited) and the same balance was outstanding as on 31st March 2019. It comes under the category of short term funding which is in-fact Inter-Corporate Deposit. In case of Inter-Corporate Deposit, Section 186 of Companies Act, 2013 stipulates to charge interest at a rate not less than the bank declared by Reserve Bank of India. No Interest has been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options Limited with effect from 1-June-2014. It is a non-compliance of Section 186 of the Companies Act, 2013, which could attract penalties. We have discounted this liability considering the borrowing with interest @10% p.a. in FY 2015-16 considering that the same will be paid in FY 2019-20. However, the company has paid back the amount of Rs. 22.84 Lacs to its subsidiary in the FY 2019-20. Hence, the balance outstanding as on 31st March 2020 is NIL.*

**Director's 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 which has been repaid during the year. 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.

**6. Contingent liabilities and Other Commitments**

- (i) *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, 2020*

**Director's Comment:**

There are certain disputes with the tenant and the claim of tenant is contested.

- (ii) *There is a demand of Rs. 34,58,900 for the Assessment Year 2006-07 and Rs. 357,542 for the Assessment Year 2012-13 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities as on 31st March 2020.*

**Director's Comment:**

The Company has filed necessary application for the rectification for the deletion of said demand, however the same is pending.

- (iii) *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.*

**Director's 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.

- (iv) *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> |

**Director's Comment:**

The Sole arbitrator has in its award dated 17th Aug,2020 awarded an amount of Rs 78 lacs in favour of the Company against Rs 41 lacs awarded to NBCC in the said award.

**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 Mittal, Company Secretary**, and the report thereon is annexed herewith as "**Annexure- C**"

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

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

**Annual Secretarial Compliance Report**

The provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure) Regulations, 2015 are applicable on the Company. Therefore, the Company has obtained a certificate from a Practicing Company Secretary and has been attached with this Annual Report. **Annexure D**

**INTERNAL AUDITOR**

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.

**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**

In the financial year 2019-20, company did not enter into any contracts or arrangements 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 attached as "**Annexure B**".

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company to which this financial statement relate and on the date of this report.

**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, there has been no material order passed by any regulator or Court or Tribunal impacting the Going Concern status of the Company's operations.

An Arbitration Award passed by Mr. S.K. Kaul, Ex-Senior Executive Director (ENGG), NBCC (I) Ltd. in the matter between M/s. NBCC Ltd. & M/s. DCM Financial Services Ltd. ("the Company" on 17/08/2020.

**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 Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given below:

|    | <b>Conservation of energy</b>                                            |     |
|----|--------------------------------------------------------------------------|-----|
| 1. | the steps taken or impact on conservation of energy                      | Nil |
| 2. | the steps taken by the company for utilizing alternate sources of energy | Nil |
| 3. | the capital investment on energy conservation equipment                  | Nil |

|    | <b>Technology absorption</b>                                                                                            |      |
|----|-------------------------------------------------------------------------------------------------------------------------|------|
| 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  |
|    | <b>Foreign exchange earnings and Outgo</b>                                                                              |      |
| 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  |

Further, there were no foreign exchange earnings and outgo during the year under review.

**RISK MANAGEMENT**

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

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As per Regulation 22 of the SEBI Regulations, 2015, in order to ensure that the activities of the Company & its employees are conducted in a fair & transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the company has adopted a vigil mechanism policy.

**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 there under, 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 Practicing Company Secretary confirming compliance forms an integral part of this Report.

### 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, 2020 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.

### 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.

### 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 Form 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 E"
- b) Employed for part of the year "Annexure E"

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

### 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.

**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 2020-21 has been paid by the Company.

**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.

**DISCLOSURE OF STATEMENT OF DEVIATION(S) OR VARIATION(S) UNDER REGULATION 32 OF SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015**

With reference to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Statement of Deviation(s) or Variation(s) as per the said regulation is not applicable to the Company.

**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.

**For and on behalf of the Board  
For DCM Financial Services Limited**

**Shantanu Deveshwar**  
**Whole Time Director**  
**DIN:08268523**

**Richa Kalra**  
**Director**  
**DIN:07632571**

**Date: 11.11.2020**  
**Place: Delhi**

**Somali Tiwari**  
**Company Secretary &CFO**

## 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.

### THE COVID-19 PANDEMIC AND LOCKDOWN

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world — leading to well above 4.7 million confirmed infections, over 315,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities. Even India, apparently relatively fortunate up to now, has had 101,139 confirmed cases and 3,163 deaths as per COVID-19 Situation Report-120 of World Health Organisation (WHO) dated 19 May 2020. With lockdowns spreading across countries accounting for over 50% of the world's gross domestic product (GDP), COVID-19 has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood. With the impact of this pandemic still to play out, the scenario of eerily empty high streets, shut factories and stores, and literally millions being rendered unemployed together point to a single outcome — extreme stress for the global economy of the kind not seen since the Great Depression.

In response, Governments across the world have unleashed massive fiscal measures to protect economic activity and dramatically strengthen health services and testing. Central banks, too, have initiated multiple monetary and regulatory measures.

India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 lakh crore — or approximately 10% of nominal GDP — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate Rs. 3 lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

### INDUSTRY STRUCTURE AND DEVELOPMENT

India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 lakh crore — or approximately 10% of nominal GDP — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate Rs. 3 lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

GDP growth for FY2020 was 4.2% — worst in the last 11 years.

#### 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 customize 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 realize their full potential and thereby perform their duties with greater efficiency.

The NBFC sector continued to grow its share in the financial services industry. Credit growth of scheduled commercial banks (SCBs) continued to moderate throughout FY2020. On 31 March 2019, growth in advances of SCBs was 13.2%. By 30 September 2019, this had reduced to 8.7%

and on 27 March 2020, it was further down to 6.1%. SCBs also continued to face asset quality challenges in FY2020. Data published by the RBI in its Financial Stability Report dated 27 December 2019 show that NBFCs have outperformed SCBs on asset quality.

To strengthen the asset-liability profile of the sector, RBI introduced a liquidity coverage ratio (LCR) requirement for all NBFCs with AUM of ₹ 5,000 crore and above. The LCR regulation mandates NBFCs to maintain a minimum level of high-quality liquid assets to cover expected net cash outflows in a stressed scenario. The regulation also stipulates that NBFCs should attain LCR of 100% in a phased manner over a period of four years starting December 2020. It is a welcome regulatory change and will significantly strengthen the ALM profile of the NBFC sector. The RBI's moratorium measures for customers are likely to put additional stress on many NBFCs. There is an asymmetry. On one hand, NBFCs have to offer such moratoriums to their customers; while on the other, their market borrowings must be repaid on due dates.

## **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:

- The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 lakh crore — or approximately 10% of nominal (vi) subordinated debt and equity support to MSMEs.
- 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

- Global recession due to COVID-19 pandemic.
- Working Capital and Liquidity Stress in the market.
- Low demand in the market.
- 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;
- 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***

Although slowdown in all business sector including NBFC and trade tensions between the US and China were among the many factors that softened the economic outlook for 2019, the year did begin on a firm footing. The projected global economic growth, albeit downgraded, was 2.9%. Despite the economic and financial headwinds, growth in developing Asia was projected to remain a robust 5.5% during 2019 (Asian Development Outlook, Update, September 2019). However, in 2019-20, the Indian economy grew by 4.2% against 6.1% expansion in 2018-19. Due to the COVID-19 pandemic, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

**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: 11.11.2020  
Place: New Delhi**

**Shantanu Deveshwar  
Whole-time Director  
DIN: 08268523**

## 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                                                                                                      | <b>Global IT Options Limited</b> |
| 2      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | NA                               |
| 3      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA                               |
| 4      | Share capital                                                                                                               | 1,00,00,200                      |
| 5      | Reserves & surplus                                                                                                          | (7,715,160)                      |
| 6      | Total assets                                                                                                                | 2,561,505                        |
| 7      | Total Liabilities                                                                                                           | 2,561,505                        |
| 8      | Investments                                                                                                                 | 20,857                           |
| 9      | Turnover                                                                                                                    | NIL                              |
| 10     | Profit before taxation                                                                                                      | 1,25,409                         |
| 11     | Provision for taxation                                                                                                      | 37,654                           |
| 12     | Profit after taxation                                                                                                       | 87,755                           |
| 13     | Proposed Dividend                                                                                                           | NIL                              |
| 14     | % of shareholding                                                                                                           | 90% approx.                      |

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

**Part "B": Associates and Joint Ventures**

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

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

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

For and on behalf of the Board  
For DCM Financial Services Limited

**Shantanu Deveshwar**  
Whole Time Director  
DIN:08268523

**Richa Kalra**  
Director  
DIN:07632571

**Date: 11.11.2020**  
**Place: Delhi**

**Somali Tiwari**  
Company Secretary &CFO

## Form AOC-2

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

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

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

For and on behalf of the Board  
For DCM Financial Services Limited

Shantanu Deveshwar  
Whole Time Director  
DIN:08268523

Richa Kalra  
Director  
DIN:07632571

Date: 11.11.2020  
Place: Delhi

Somali Tiwari  
Company Secretary &CFO

**List of Related Parties:**

| Sr. No. | Description of Relationship | Name of Party                                                                                                                                                              |
|---------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Subsidiary Company          | Global IT Option Ltd.                                                                                                                                                      |
| 2.      | Significant Influence       | 1. DCM Services Ltd<br>2. DCM International Ltd<br>3. DCM Anubhavi Marketing Pvt Ltd                                                                                       |
| 3.      | Key Management Personnel    | 1. Shantanu Deveshwar<br>(Whole-time Director)<br>2. Ms. Somali Tiwari<br>(CS & CFO)(appointed w.e.f.18.7.19)<br>3. Ms. Priya Sharma(CS & CFO)<br>(resigned w.e.f 10.6.19) |

**Transactions with related parties during the year (Rs.)**

| Sr. | Particulars                           | For the year ending<br>31.03.2020 | For the year ending<br>31.03.2019 |
|-----|---------------------------------------|-----------------------------------|-----------------------------------|
| 1   | <b>Remuneration</b>                   | 4,81,131                          | 2,79,230                          |
| 2   | <b>Repayment of Loan</b>              |                                   |                                   |
|     | i. DCM Services Ltd                   | 66,99,000                         | -                                 |
|     | ii. DCM Anubhavi Marketing Pvt. Ltd.  | 1,73,09,902                       | -                                 |
|     | iii. Global IT Option Ltd.            | 22,84,425                         | -                                 |
| 3   | <b>Interest Expenses</b>              |                                   |                                   |
|     | i. DCM Services Ltd                   | 67,37,930                         | 67,16,845                         |
|     | ii. DCM International Ltd             | 25,66,399                         | 23,26,407                         |
|     | iii. DCM Anubhavi Marketing Pvt. Ltd. | 2,90,242                          | 18,36,728                         |
|     | iv. Global IT Option Ltd.             | 2,08,217                          | 1,88,746                          |
| 4   | <b>Interest Income</b>                |                                   |                                   |
|     | i. DCM Services Ltd                   | 49,15,886                         | 52,79,977                         |
|     | ii. DCM International Ltd             | 21,40,068                         | 21,34,221                         |
|     | iii. Global IT Option Ltd.            | 1,73,708                          | 1,72,615                          |

**Balance Outstanding (Rs.)**

|    |                                  |             |             |
|----|----------------------------------|-------------|-------------|
| 1. | DCM Services Ltd.                | 7,39,24,220 | 7,38,85,290 |
| 2. | DCM International Ltd.           | 2,81,56,876 | 2,55,90,476 |
| 3. | DCM Anubhavi Marketing Pvt. Ltd. | 31,84,349   | 2,02,04,010 |
| 4. | Global IT Option Ltd.            | Nil         | 20,76,208   |
| 5. | Remuneration                     | 28,829      | Nil         |

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] To

To,

The Members,

**DCM FINANCIAL SERVICES LIMITED**

ADD: D-7/3, Okhla Industrial Area,

Phase-2, New Delhi-110020

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 provides 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, 2020** 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 the Company for the financial year ended on **31st March, 2020** 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-
- (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, 2018;
  - (e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014
  - (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, 2018-  
**Not applicable during the period under review.**
  - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

- (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) pursuant to section 118(10) of the Act, issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Ltd., National Stock Exchange of India Ltd., and Calcutta Stock Exchange Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

As informed, the Company has been imposed a penalty by BSE Limited & National Stock Exchange of India Limited of Rs. 88,500/- and Rs. 41,300/- respectively on the occurrence of default in compliance of Regulation 33 of SEBI (LODR) Regulation, 2015 read with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

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

**Place: Noida  
Date: 05.06.2020**

**Preeti Mittal  
ACS No.: 41759  
C P No.:17079  
UDIN: A041759B000354170**

This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

**[Annexure to the Secretarial Audit Report for the Financial Year ended 31st March, 2020]**

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.

**Secretarial Compliance Report of DCM Financial Services Limited for the year ended March 31, 2020**

We, **Jain P & Associates**, have examined:

- (a) all the documents and records made available to us and explanation provided by **DCM Financial Services Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 ("**Review Period**") in respect of compliance with the provisions of :
  - i. the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued thereunder; and
  - ii. the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("**SEBI**");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the said review period**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the said review period**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the said review period**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the said review period**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:
  - i. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| S. No | Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) | Deviations                                                                                                                          | Observations/ Remarks of the Practicing Company Secretary                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.    | <b>Regulation 33</b>                                                                  | The company has not submitted the financial results for the quarter ended 30th June, 2019 as required under <b>SEBI Regulations</b> | <b>The company has submitted the Standalone financial results for the quarter ended 30th June, 2019 within the due date. However, as the Company is also having a subsidiary and as per SEBI (LODR) (Amendment) Regulations, 2018, the Company has to submit consolidated results for June Quarter as well in addition to the last quarter of the Financial Year. Thereafter, the Company filed its Quarterly Consolidated Financial Result again after the due date.</b> |

- ii. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- iii. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under

| S. No. | Action taken by | Details of violation                            | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|--------|-----------------|-------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------|
| 1      | BSE Limited     | Regulation 33 – Submission of Financial Results | Imposing the penalty of Rs. 88,500/-                                | The Company has duly paid the said penalty                         |
| 2      | NSE             | Regulation 33 – Submission of Financial Results | Imposing the penalty of Rs. 41,300/-                                | The Company has duly paid the said penalty                         |

- iv. The listed entity has taken the following actions to comply with the observations made in previous reports:

| S. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended March 31, 2020 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|--------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------|
| NA     |                                                                          |                                                                                          |                                            |                                                                                        |

For Jain P & Associates,  
Company Secretaries

Preeti Mittal

ACS No.: 41759

C.O.P No.:17079

UDIN: A041759B000319465

Place: Noida

Date: 18.06.2020

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

| S. No. | Name of Employees   | Designation of the employee | Remuneration received<br>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      | Shantanu Deveshwar* | Whole Time Director         | 4.83*                               | Contractual                                            | B.A                                           | 1.12.2018                          | 51                       | Trio Mobiles                                                         | Nil                                                                                                                          | Mr Surender Kumar                                                                                                             |
| 2      | Vikram Dogra        | Vice President- Operations  | 18.75                               | Regular                                                | B.Com                                         | 23.6.1998                          | 63                       | Usha International Ltd.                                              | 100                                                                                                                          | No                                                                                                                            |
| 3      | Ajit Kumar          | Accountant                  | 6.70                                | Regular                                                | B.Com                                         | 25-08-2006                         | 40                       | First Employment                                                     | Nil                                                                                                                          | No                                                                                                                            |
| 4      | Devi Prasad Semwal  | Assistant                   | 0.33                                | Regular                                                | 12th                                          | 11-03-97                           | 55                       | Pertech Computers Ltd                                                | 100                                                                                                                          | No                                                                                                                            |
| 5      | Rajender Prasad     | Assistant                   | 4.31                                | Regular                                                | B.A                                           | 05-01-98                           | 48                       | Cure Fast Remedies Ltd                                               | 100                                                                                                                          | No                                                                                                                            |
| 6      | Hari Bahadur        | Peon                        | 3.05                                | Regular                                                | 4th                                           | 07-01-95                           | 51                       | First Employment                                                     | Nil                                                                                                                          | No                                                                                                                            |

Employees who have worked for a full year have been shown in this statement

\* Rs 1.37 lacs paid during the year for previous year

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

**DCM Financial Services Limited**

Add: D-7/3 Okhla Industrial Area,

Phase-2 New Delhi -110020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DCM Financial Services Limited (CIN:L65921DL1991PLC043087)** and having registered office at D-7/3 Okhla Industrial Area, Phase-2 New Delhi -110020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name                   | DIN      | Date of Appointment |
|--------|------------------------|----------|---------------------|
| 1.     | Ms. Rajni Gupta        | 07242992 | 12/02/2018          |
| 2.     | Ms. Daman Preetkaur    | 07475919 | 11/08/2017          |
| 3.     | Ms. Richa Kalra        | 07632571 | 06/10/2016          |
| 4.     | Mr. Shantanu Deveshwar | 08268523 | 22/10/2018          |
| 5.     | Mr. Kaushal Kashyap*   | 07683753 | 01/09/2020          |
| 6.     | Mr. Sanjay Sahni*      | 08364951 | 01/09/2020          |

**Note:** \*Mr. Kaushal Kashyap & Mr. Sanjay Sahni have been appointed after the closure of Financial Year 2019-20 but before the AGM as an Additional Directors of the Company.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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  
Company Secretary**

**Memb. No.: 41759**

**C P No.: 17079**

**UDIN : A041759B001141473**

**Date: 02.11.2020**

**Place: Noida**

**DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT**

I, Shantanu Deveshwar, being Whole Time Director of the Company do hereby declare 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, 2020.

**Date: 11.11.2020**  
**Place: New Delhi**

**Shantanu Deveshwar**  
**Whole Time Director**  
**DIN:08268523**

**CEO/CFO CERTIFICATION**

I, Somali Tiwari, being Chief Financial Officer, 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 violate 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.

**For DCM Financial Services Limited**

**Date: 11.11.2020**  
**Place: Delhi**

**Somali Tiwari**  
**Chief Financial Officer**

**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, 2020** 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 Jain P & Associates**  
**Company Secretaries**

**Preeti Mittal**  
**Partner**  
**C. P. No. 17079**  
**M. No. 41759**  
**UDIN: A041759B001137361**  
**Date: 02.11.2020**  
**Place: New Delhi**

## CORPORATE GOVERNANCE REPORT

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of DCM Financial Services Limited (the 'Company' or 'DCM') for FY2020.

This Report states compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations, as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

### 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

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

#### A. Composition & Category of the Board of Directors and attendance of each director at the meeting of the board of directors and the last annual general meeting

As on 31st March 2020, there were Four Directors comprising One Whole Time Director and Three Non-Executive Independent Directors.

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, 2020, 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 2019-20 and the last Annual General Meeting is given below:

| Name                     | Category             | Number of Board Meetings held during the year 2019-20 |          | Whether attended last AGM for FY 2018-19 | No. of Membership/ Chairpersonship in mandatory Committees |            |
|--------------------------|----------------------|-------------------------------------------------------|----------|------------------------------------------|------------------------------------------------------------|------------|
|                          |                      | Held                                                  | Attended |                                          | Chairpersonship                                            | Membership |
| 1. Ms. Daman PreetKaur   | Independent Director | 7                                                     | 7        | Yes                                      | 0                                                          | 2          |
| 2. Ms. RichaKalra        | Independent Director | 7                                                     | 7        | Yes                                      | 3                                                          | 0          |
| 3. Ms. Rajni Gupta       | Independent Director | 7                                                     | 7        | Yes                                      | 2                                                          | 2          |
| 4. Mr. ShantanuDeveshwar | Whole-time Director  | 7                                                     | 7        | Yes                                      | 0                                                          | 2          |

**Note:** Mr. Sanjay Sahni, Non-Executive Independent Director and Mr. Kaushal Kashyap, Non-Executive Director has been appointed on 01.09.2020 in the Board.

**Number of other Board of Directors or Committees in which a Director is a Member or Chairperson as on 31.03.2020 (including the Company)**

| Sr. No. | Name of Directors      | Directorships              |                                      |                              | Committee positions in listed and unlisted public limited companies |                |
|---------|------------------------|----------------------------|--------------------------------------|------------------------------|---------------------------------------------------------------------|----------------|
|         |                        | In equity listed companies | In unlisted public limited companies | In private limited companies | As member (including as chairperson)                                | As chairperson |
| 1       | Ms. Daman Preet Kaur   | 1                          | 1                                    | Nil                          | 2                                                                   | Nil            |
| 2.      | Ms. Richa Kalra        | 1                          | Nil                                  | Nil                          | 3                                                                   | 3              |
| 3.      | Ms. Rajni Gupta        | 2                          | 1                                    | 1                            | 5                                                                   | 1              |
| 4.      | Mr. Shantanu Deveshwar | 1                          | Nil                                  | Nil                          | 2                                                                   | Nil            |

- I) None of the director holds office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.
- II) As per declarations received, none of the directors serve as an independent director in more than seven equity listed companies or in more than three equity listed companies in case he/she is a whole-time director in any listed company.
- III) None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

**Directorship in equity listed companies and Name of equity listed entities where directors of the Company held directorships as on 31st March 2020 (including the Company)**

| Sr. No. | Name of Director       | Listed Entity                                          | Category                                     |
|---------|------------------------|--------------------------------------------------------|----------------------------------------------|
| 1.      | Ms. Daman Preet Kaur   | DCM Financial Services Limited                         | Independent Director                         |
| 2.      | Ms. Richa Kalra        | DCM Financial Services Limited                         | Independent Director                         |
| 3.      | Ms. Rajni Gupta        | DCM Financial Services Limited<br>Raymed Labs Limited# | Independent Director<br>Independent Director |
| 4.      | Mr. Shantanu Deveshwar | DCM Financial Services Limited                         | Whole time Director                          |

**Note:** Mr. Sanjay Sahni, Non-Executive Independent Director and Mr. Kaushal Kashyap, Non-Executive Director has been appointed on 01.09.2020 on the Board of Directors.

# Ms. Rajni Gupta has resigned from Raymed Labs Limited from 05.08.2020.

**Disclosure of relationships between Directors inter-se**

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

**Number of meetings of the Board of Directors held and dates on which held**

During the period, the Board of Directors of your Company met 7 times. The dates on which the meetings were held are 28/05/2019, 10/06/2019, 18/07/2019, 12/08/2019, 20/08/2019, 13/11/2019, 13/02/2020 and the gap requirement of 120 days between two meetings have been complied with. The necessary quorum was present for all the meetings.

**Orderly succession to Board and Senior Management**

The framework of succession planning for appointment of Board/Management is passed by the Board. In addition, changes in the Senior Management and their responsibilities are updated to the Board from time to time.

**Letters of appointment of Independent Directors & policy to familiarize**

The company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013.

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

**B. 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 2019-20.

**C. Familiarization Program for Directors**

The Company has Familiarization Program Module ("the Program") for Independent Directors ("ID") of the Company. As per the requirement regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company is required to familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through this programme.

**D. Skill/Expertise/Competence of the Board of Directors**

The Board of Directors along with Nomination & Remuneration Committee (NRC), identifies the right candidate with right qualities, skills and practical expertise/ competencies required for the effective functioning of individual member to possess and also the Board as a whole. The Committee focuses on the qualification and expertise of the person, the positive attributes, standard of integrity, ethical behavior, independent judgement of the person in selecting a new Board member. In addition to the above, in case of independent directors, the Committee shall satisfy itself with regard to the independence of the directors to enable the Board to discharge its functions and duties effectively. The same are in line with the relevant provisions of the Listing Regulations. The NRC has identified the following core skills, expertise and competencies for the effective functioning of the Company which is currently available with the Board:

- Expertise in Legal, Finance & Accountancy
- Human Resource.
- Risk Management
- Knowledge of the Industry
- Leadership
- Board Services & Corporate Governance
- Diversity
- Personal Values
- Functional & Managerial Experience

Given below is a list of core skills, expertise and competencies of the individual Directors:

| Name of Director       | Skills/Expertise/Competencies             |                |                 |                           |            |                                       |           |                 |                                    |
|------------------------|-------------------------------------------|----------------|-----------------|---------------------------|------------|---------------------------------------|-----------|-----------------|------------------------------------|
|                        | Expertise in Legal, finance & Accountancy | Human Resource | Risk Management | Knowledge of the Industry | Leadership | Board Services & Corporate Governance | Diversity | Personal Values | Functional & Managerial Experience |
| Mr. Shantanu deveshwar | ✓                                         | ✓              | -               | ✓                         | ✓          | ✓                                     | ✓         | ✓               | ✓                                  |
| Ms. Richa Kalra        | ✓                                         | -              | ✓               | ✓                         | ✓          | ✓                                     | ✓         | ✓               | -                                  |
| Ms. Rajni Gupta        | -                                         | ✓              | ✓               | ✓                         | ✓          | ✓                                     | ✓         | ✓               | ✓                                  |
| Ms. Damanpreet Kaur    | ✓                                         | -              | ✓               | ✓                         | ✓          | ✓                                     | ✓         | ✓               | ✓                                  |

- E. The company is engaged to carry on the business, as per its memorandum of Association of the company of non banking and financial company.
- F. In the opinion of the Board the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), 2015 and are independent of the management.
- G. During the year, none of the Independent Director has resigned from the post of directorship pursuant to Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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 September, 2019 and was attended by Ms. Richa Kalra, 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.     | Ms. Richa Kalra        | Chairperson | 4                              | 4                                  |
| 2.     | Ms. Rajni Gupta        | Member      | 4                              | 4                                  |
| 3.     | Mr. Shantanu Deveshwar | Member      | 4                              | 4                                  |

- vi. Four Audit Committee meetings were held during the year 2019-20 on 28/05/2019, 12/08/2019, 13/11/2019 & 13/02/2020
- 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 Independent 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.     | Ms. Richa Kalra        | Chairperson | 4                              | 4                                  |
| 2.     | Ms. Daman Preet Kaur   | Member      | 4                              | 4                                  |
| 3.     | Mr. Shantanu Deveshwar | Member      | 4                              | 4                                  |

- xi. Four Stakeholders' Relationship Committee meetings were held during the year 2019-20 on 28/05/2019, 12/08/2019, 13/11/2019 & 13/02/2020. The necessary quorum was present for all the meetings.

**iii. Functions and Terms of Reference:**

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

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

- a) To consider and resolve the grievance of security holders of the Company.
- b) To review important circulars issued by SEBI /Stock Exchanges
- c) To take note of compliance of Corporate Governance during the quarter/year.
- d) To approve request for share transfer and transmissions.
- e) To approve request pertaining to demat of shares/sub-division/consolidation/issue of renewed/duplicate share certificate etc.

iv. **Name, designation and address of Compliance Officer:**

|             |                                                                |
|-------------|----------------------------------------------------------------|
| Name        | Somali Tiwari                                                  |
| Designation | Company secretary & Compliance officer                         |
| Address     | D 7/3, Okhla Industrial Estate Area, Phase-2, New Delhi-110020 |

v. **Details of investor complaints received and redressed during the year 2019-20 are as follows:**

| No. of Complaints pending as on 01.04.2019 | No. of Complaints received during the year 2019-20 | 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 31.03.2020 |
|--------------------------------------------|----------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|
| NIL                                        | 6                                                  | 6                                          | NIL                                                                                | NIL                                        |

**C. Nomination & Remuneration Committee**

- i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has 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                 | Category    | No. of Committee Meetings held | No. of Committee Meetings Attended |
|--------|----------------------|-------------|--------------------------------|------------------------------------|
| 1.     | Ms. Richa Kalra      | Chairperson | 2                              | 2                                  |
| 2.     | Ms. Daman Preet Kaur | Member      | 2                              | 2                                  |
| 3.     | Ms. Rajni Gupta      | Member      | 2                              | 2                                  |

The committee meetings were held on 28/05/2019 and 18/07/2019.

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

- 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;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- The remuneration policy as adopted by the company envisages the payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

iii. **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.

#### D. Independent Directors' Meeting

The Ministry of Corporate Affairs vide General circular no. 11 dated 24 March 2020, granted relaxation in compliance with holding separate meeting of independent director without attendance of non-independent directors and members of the management for FY2019-20. The said meeting was, however, held on 19th May, 2020 (earlier scheduled on 16th March, 2020 and was postponed due to COVID-19).

The independent directors present elected Ms. Richa Kalra as Chairperson for the meeting. All independent directors were present at the meeting.

#### 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 2019-20.

#### Remuneration of Executive Directors for the financial year 2019-20

(Amount in ₹Rs)

| S. No. | Name of Director   | Designation         | Salary   | Benefits | Performance Related Pay (PRP) for the year 2018-19 | Total Paid for 2019-20 |
|--------|--------------------|---------------------|----------|----------|----------------------------------------------------|------------------------|
| 1.     | Shantanu Deveshwar | Whole-time Director | 3,45,912 | —        | ---                                                | 3,45,912               |

Rs 1,37,092/- was paid to Mr Shantanu Deveshwar for the previous year during the year.

The Company had not given any stock options during the year 2019-20.

Except as mentioned above, there was no pecuniary relationship or transaction with Non-Executive Directors vis-a-vis the Company during the financial year 2019-20.

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

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

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

| Financial Year | Date                 | Venue                                                                       | Time       | Whether any Special Resolution passed |
|----------------|----------------------|-----------------------------------------------------------------------------|------------|---------------------------------------|
| 2016-17        | 30th November, 2017  | Executive Club, 439, Village Shahoorpur, P.O. FatehpurBer, New Delhi 110030 | 10:30 A.M. | 00                                    |
| 2017-18        | 30th November, 2018  | Executive Club, 439, Village Shahoorpur, P.O. FatehpurBer, New Delhi 110030 | 11:00 AM   | 01                                    |
| 2018-19        | 30th September, 2019 | Executive Club, 439, Village Shahoorpur, P.O. FatehpurBer, New Delhi 110030 | 11:00 AM   | 01                                    |

b) No Extraordinary General Meeting of Members was held during the year under review.

c) No Postal Ballot was conducted during the year under review.

**VI. MEANS OF COMMUNICATION**

Quarterly/ Half Yearly/ Annual Financial Results notice, advertisement and other official news are published both in vernacular language newspapers and English National newspapers regularly. The said results are also displayed/uploaded on the Company's website i.e. [www.dfsonline.com](http://www.dfsonline.com)

**VII. GENERAL SHAREHOLDER INFORMATION**

| S. No. | Particulars                                                                                                                                                                                | Information                                                                                                                                                |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Annual General Meeting:                                                                                                                                                                    | <b>29th</b>                                                                                                                                                |
|        | Day                                                                                                                                                                                        | <b>18th December, 2020</b>                                                                                                                                 |
|        | Date & Time                                                                                                                                                                                | <b>Friday, 12:30 P.M.</b>                                                                                                                                  |
|        | Deemed Venue                                                                                                                                                                               | D-7/3, Okhla Industrial Area, Phase-2, New-Delhi-110020 through C                                                                                          |
| 2.     | Financial year                                                                                                                                                                             | April 1, 2019 to March 31, 2020                                                                                                                            |
| 3.     | Financial Calendar 2020-21<br>Results for quarter/year ending :<br>(a) 30th June, 2020 (Tentative Schedule)<br>(b) 30th September, 2020<br>(c) 31st December, 2020<br>(d) 31st March, 2021 | On 11th day of September, 2020<br>On or before 14th day of November, 2020<br>On or before 14th day of February, 2021<br>On or Before 30th day of May, 2021 |
| 4.     | Book Closure                                                                                                                                                                               | December 12, 2020 to December 18, 2020                                                                                                                     |
| 5.     | Listed on                                                                                                                                                                                  | NSE, BSE & CSE                                                                                                                                             |
| 6.     | Dividend payment date                                                                                                                                                                      | The Company has not recommended or paid any dividend during the financial year under review.                                                               |
| 7.     | Stock Exchange Code                                                                                                                                                                        | BSE Security Code: 511611<br>NSE Stock Code: DCMFINSERV<br>CSE: 014032                                                                                     |

**VIII. NOMINATION**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferred in the case of death of the registered shareholder(s). The prescribed nomination form (SH-13) will be sent by the Company upon such request and is also available on the Company's website at [www.dfsonline.com](http://www.dfsonline.com)

Nomination facility for shares held in electronic form is also available with depository participants.

**IX. AGM THROUGH VC**

Pursuant to MCA Circulars, the Company will provide video conferencing facility to the members for participating in the 29th AGM. Please refer the Notice of the 29th AGM for more details, which is hosted on the website of CDSL at <https://www.evotingindia.com/noticeResults.jsp> and on website of the company at <https://www.dfsonline.com>.

**X. VOTING THROUGH ELECTRONIC MEANS**

Pursuant to section 108 of Act and the Rules made thereunder and provisions under SEBI Listing Regulations, every listed company is required to provide its members the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with CDSL, the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM through such e-voting method. The Company will also provide facility to members attending the AGM through VC or OAVM to vote at the meeting in accordance with the Companies (Management and Administration) Rules, 2014 and MCA circulars for conducting AGM through VC or OAVM.

Shareholders who are attending the meeting through VC or OAVM and who have not already cast their votes by remote e-voting shall be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, is 11th December, 2020 and the remote e-voting shall be open for a period of 3 (three) days, from 15th December, 2020 (9.00 a.m.) till 17th December, 2020 (5.00 p.m.).

The Board has appointed M/s. Ojha & Associates, practicing company secretary, as Scrutinizer for the e-voting process.

Detailed procedure is given in the Notice of the 29th AGM and is also placed on the Company's website at [www.dfsonline.com](http://www.dfsonline.com)

Shareholders may get in touch with the Company Secretary at [info@dfsonline.com](mailto:info@dfsonline.com) for further assistance.

**XI. DISCLOSURE**

- a) There have been no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

Accordingly, the disclosure of Related Party Transactions as required under section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is attached with the Directors' Report.

- b) During last three year under review, the company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015, except the following:

| S. No. | Relevant Regulation | Particulars of Non-compliance                                                                                                                                                                                                                                                               | Amount involved | Remarks                                                      |
|--------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------|
| 1.     | Regulation 24       | In case of Subsidiary Companies, at least one of the Independent Directors on Board of the Holding Company shall act as the Director on the Board of Directors of its "Material Unlisted Subsidiary". The Company has not complied with the said requirement for the Financial Year 2016-17 | -               | The Said non-compliance is complied with at the later stage. |

- c) The Company has in place vigil mechanism and whistle blower policy under which employees can report any violation of applicable laws and regulations and the Code of Conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory requirements of Listing Regulations.
- e) Global IT Options Limited is the subsidiary of our Company. The Company has in place policy for determining 'material' subsidiaries and the same is also placed on Company's website i.e. [www.dfsionline.com](http://dfsionline.com) and web-link of the same is <http://dfsionline.com/policy/8.pdf>
- f) The Company has in place Policy for Related Party Transaction and the same is also placed on Company's website i.e. [www.dfsionline.com](http://dfsionline.com) and web-link of the same is <http://dfsionline.com/policy/7.pdf>
- g) Information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- h) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- i) A certificate from M/s.Jain P & Associates, Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board, Ministry of Corporate Affairs or any such statutory authority, forms part of this report.
- j) There were no instances where the Board has not accepted any recommendation of any committee of the board which was mandatorily required during the financial year in concern.
- k) Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network of the statutory auditor is Rs. 3,83,500/-.
- l) A Practicing Company Secretary has carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**XII.** The Company has duly complied with all the Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**XIII. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10)**

It is to confirm that the Company has not incurred any non-compliance of any information contained in this Corporate Governance Report except the following:

*The Company received the Notice and had been levied the penalty for delay in filing the consolidated quarterly result for the quarter ended on June, 2019 by BSE & NSE.*

**XIV. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information. The below table provides details of complaints received/disposed during the financial year 2019-20:

| No. of Complaints Filed | No. of Complaints Disposed off | No. of Complaints Pending |
|-------------------------|--------------------------------|---------------------------|
| NIL                     |                                |                           |

**XV. DISCLOSURE REGARDING SHARES IN SUSPENSE ACCOUNT**

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL
- (b) Number of shareholders who approached issuer for transfer of shares from suspense account during the year: NIL

- (c) Number of shareholders to whom shares were transferred from suspense account during the year: NIL
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

#### **XVI. RISK MANAGEMENT**

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

#### **XVII. INDEPENDENT DIRECTORS**

The Board of the Company has been duly constituted with an optimum combination of Executive Directors, Non-Executive and Independent Directors. All the members are financially literate and possess sound knowledge of accounts, audit, finance, law, etc.

Presently, the Board of the Company comprises of following 4 (Four) Independent Directors:

- i) Ms. Richa Kalra
- ii) Ms. Rajni Gupta
- iii) Ms. Daman Preet Kaur
- iv) Mr. Sanjay Sahni

##### **Meeting of Independent Directors**

As required by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a meeting of the Independent Directors of the Company was convened during the year to oversee and review the performance of Non-Independent Directors and of the Board as a whole.

#### **XVIII. MANAGEMENT DISCUSSION AND ANALYSIS**

A separate chapter on Management Discussion and Analysis is given in this Annual Report.

#### **XIX. CEO/CFO CERTIFICATION**

The Chief Financial Officer of the Company has furnished a certificate relating to financial statements and internal control systems as per the format prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took the same on record.

#### **XX. COMPLIANCE CERTIFICATION**

Compliance Certificate for Corporate Governance obtained from M/s. Jain P & Associates, Company Secretaries is annexed herewith.

#### **XXI. CODE OF CONDUCTS**

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given under the head "Investors" on the website of the company i.e. [www.dfsonline.com](http://www.dfsonline.com)

#### **XXII. Market price data- high, low during each month of the financial year 2019-20:**

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

BSE Limited:

| Month      | High(Rs.) | Low(Rs.) | Closing(Rs.) |
|------------|-----------|----------|--------------|
| April '19  | 0.93      | 0.83     | 0.83         |
| May '19    | 0.86      | 0.80     | 0.86         |
| June '19   | 0.95      | 0.82     | 0.92         |
| July '19   | 0.90      | 0.87     | 0.90         |
| August '19 | 0.86      | 0.72     | 0.73         |
| Sep '19    | 0.86      | 0.73     | 0.79         |
| Oct '19    | 0.76      | 0.67     | 0.67         |
| Nov '19    | 0.67      | 0.63     | 0.67         |
| Dec '19    | 0.76      | 0.64     | 0.70         |
| Jan '20    | 0.76      | 0.63     | 0.63         |
| Feb '20    | 0.63      | 0.56     | 0.58         |
| March '20  | 0.60      | 0.60     | 0.60         |

**NSE Limited:**

| Month      | High(Rs.) | Low(Rs.) | Closing(Rs.) |
|------------|-----------|----------|--------------|
| April '19  | 1.20      | 1.10     | 1.10         |
| May '19    | 1.10      | 1.05     | 1.05         |
| June '19   | 1.00      | 1.00     | 1.00         |
| July '19   | 1.00      | 1.00     | 1.10         |
| August '19 | -         | -        | -            |
| Sep '19    | 1.15      | 0.90     | 0.90         |
| Oct '19    | 0.90      | 0.90     | 0.90         |
| Nov '19    | 0.90      | 0.80     | 0.90         |
| Dec '19    | 0.95      | 0.80     | 0.80         |
| Jan '20    | 0.95      | 0.70     | 0.85         |
| Feb '20    | 0.85      | 0.75     | 0.75         |
| March '20  | 0.70      | 0.40     | 0.40         |

**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 2019-20.

**XXIII. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020:**

| Shareholding of Nominal value of Rs. 10/- | No. of Shareholders | % of Shares | No. of Shares held | % of Share Holders |
|-------------------------------------------|---------------------|-------------|--------------------|--------------------|
| 1-500                                     | 19074               | 12.7877     | 2829278            | 86.2960            |
| 501-1000                                  | 1541                | 6.0328      | 1334764            | 6.9719             |
| 1001-2000                                 | 730                 | 5.3108      | 1175016            | 3.3027             |
| 2001-3000                                 | 255                 | 3.0229      | 668816             | 1.1537             |
| 3001-4000                                 | 124                 | 2.0574      | 455209             | 0.5610             |
| 4001-5000                                 | 117                 | 2.5615      | 566724             | 0.5293             |
| 5001-10000                                | 145                 | 4.8101      | 1064246            | 0.6560             |
| 10001-50000                               | 101                 | 9.6145      | 2127218            | 0.4570             |
| 50001-100000                              | 5                   | 1.3136      | 290631             | 0.0226             |
| And Above                                 | 11                  | 52.4887     | 11613152           | 0.0498             |
| <b>Total</b>                              | <b>22103</b>        | <b>100</b>  | <b>22125054</b>    | <b>100</b>         |

**Categories of Equity Shareholders as on March 31, 2020**

|    | Category                  | No. of Shares    | % of Holding  |
|----|---------------------------|------------------|---------------|
| 1. | <b>Promoters Holding</b>  |                  |               |
|    | Promoters                 |                  |               |
|    | Indian Promoters          | 8,739,952        | 39.50%        |
|    | Foreign Promoters         | -                | -             |
|    | Persons acting in concert | -                | -             |
|    | <b>Sub Total</b>          | <b>8,739,952</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) | 1,352,700          | 6.11%         |
|           | FII's                                                                                                          | -                  | -             |
|           | <b>Sub Total</b>                                                                                               | <b>1,386,400</b>   | <b>6.27%</b>  |
| <b>3.</b> | <b>Others</b>                                                                                                  |                    |               |
|           | Corporate Bodies                                                                                               | 1,043,268          | 4.72%         |
|           | Indian Public                                                                                                  | 10,411,774         | 47.05%        |
|           | NRI's/OCB's                                                                                                    | 5,43,660           | 2.46%         |
|           | Any Other (HUF/Firm/Foreign Companies) Clearing Member                                                         | -                  | -             |
|           | <b>Sub Total</b>                                                                                               | <b>11,998,702</b>  | <b>54.23%</b> |
|           | <b>Grand Total</b>                                                                                             | <b>2,21,25,054</b> | <b>100%</b>   |

#### XXIV. 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 2020**.

| Particulars                                    | Total Shares | % to Equity |
|------------------------------------------------|--------------|-------------|
| <b>Shares in dematerialized form with NSDL</b> | 15,841,286   | 71.60       |
| <b>Shares in dematerialized form with CDSL</b> | 2,549,984    | 11.53       |
| <b>Physical</b>                                | 3,733,784    | 16.87       |
| <b>Total</b>                                   | 22,125,054   | 100         |

**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 Futurex, A-Wing, 25th floor,  
NM Joshi Marg, Lower Parel, Mumbai 400013

**XXV. Company Details:**

|                                 |                                                                |
|---------------------------------|----------------------------------------------------------------|
| <b>Registered Office</b>        | <b>D-7/3, Okhla Industrial Area, Phase-2, New Delhi-110020</b> |
| <b>PlantLocation</b>            | <b>Same as Above</b>                                           |
| <b>Addressfor communication</b> | <b>Same as Above</b>                                           |

The phone numbers and e-mail addresses for communication are given below:

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

**Date:11.11.2020  
Place: New Delhi**

**Shantanu Deveshwar  
Whole-Time Director  
DIN: 08268523**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### THE COVID-19 PANDEMIC AND LOCKDOWN

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world — leading to well above 4.7 million confirmed infections, over 315,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities. Even India, apparently relatively fortunate up to now, has had 101,139 confirmed cases and 3,163 deaths as per COVID-19 Situation Report–120 of World Health Organisation (WHO) dated 19 May 2020. With lockdowns spreading across countries accounting for over 50% of the world’s gross domestic product (GDP), COVID-19 has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood. With the impact of this pandemic still to play out, the scenario of eerily empty high streets, shut factories and stores, and literally millions being rendered unemployed together point to a single outcome — extreme stress for the global economy of the kind not seen since the Great Depression.

In response, Governments across the world have unleashed massive fiscal measures to protect economic activity and dramatically strengthen health services and testing. Central banks, too, have initiated multiple monetary and regulatory measures.

India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 lakh crore — or approximately 10% of nominal GDP — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate Rs. 3 lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

### INDUSTRY STRUCTURE AND DEVELOPMENT

India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 lakh crore — or approximately 10% of nominal GDP — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate Rs. 3 lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

GDP growth for FY2020 was 4.2% — worst in the last 11 years.

#### *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 customize 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 realize their full potential and thereby perform their duties with greater efficiency.

The NBFC sector continued to grow its share in the financial services industry. Credit growth of scheduled commercial banks (SCBs) continued to moderate throughout FY2020. On 31 March 2019, growth in advances of SCBs was 13.2%. By 30 September 2019, this had reduced to 8.7% and on 27 March 2020, it was further down to 6.1%. SCBs also continued to face asset quality challenges in FY2020. Data published by the RBI in its Financial Stability Report dated 27 December 2019 show that NBFCs have outperformed SCBs on asset quality.

To strengthen the asset-liability profile of the sector, RBI introduced a liquidity coverage ratio (LCR) requirement for all NBFCs with AUM of ₹ 5,000 crore and above. The LCR regulation mandates NBFCs to maintain a minimum level of high-quality liquid assets to cover expected net cash outflows in a stressed scenario. The regulation also stipulates that NBFCs should attain LCR of 100% in a phased manner over a period of four years starting December 2020. It is a welcome regulatory change and will significantly strengthen the ALM profile of the NBFC sector. The RBI's moratorium measures for customers are likely to put additional stress on many NBFCs. There is an asymmetry. On one hand, NBFCs have to offer such moratoriums to their customers; while on the other, their market borrowings must be repaid on due dates.

## **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:

- The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating ₹ 20 lakh crore — or approximately 10% of nominal (vi) subordinated debt and equity support to MSMEs.
- 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

- Global recession due to COVID-19 pandemic.
- Working Capital and Liquidity Stress in the market.
- Low demand in the market.
- 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;
- 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***

Although slowdown in all business sector including NBFC and trade tensions between the US and China were among the many factors that softened the economic outlook for 2019, the year did begin on a firm footing. The projected global economic growth, albeit downgraded, was 2.9%. Despite the economic and financial headwinds, growth in developing Asia was projected to remain robust 5.5% during 2019 (Asian Development Outlook, Update, September 2019). However, in 2019-20, the Indian economy grew by 4.2% against 6.1% expansion in 2018-19. Due to the COVID-19 pandemic, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

**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: 11.11.2020  
Place: New Delhi**

**Shantanu Deveshwar  
Whole-Time Director  
DIN: 08268523**

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF DCM FINANCIAL SERVICES LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion

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, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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,

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2020; and
- (b) In the case of Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2020.
- (c) In the case of Cash Flow Statement for the year ended on date March 31, 2020.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2020.

## 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 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 of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2020 would have been higher by Rs 1,340 Lacs. The same has been explained in **Note 17.1 and Note 17.4**

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in **Note 17.1**.
- (iii) The value of assets charged as security in 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 17.1, 17.2 and 17.3**.
- (iv) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank 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-38**

- (v) The subsidiary company namely, Global IT Options Limited has from 1st June 2014 to 31st March, 2018 incurred expenditure of Rs 22.84 Lacs for & on behalf of its Holding Company (i.e. DCM Financial Services Limited) and the same balance was outstanding as on 31st March 2019. It comes under the category of short term funding which is in-fact Inter-Corporate Deposit. In case of Inter-Corporate Deposit, Section 186 of Companies Act, 2013 stipulates to charge interest at a rate not less than the bank declared by Reserve Bank of India. No Interest has been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options Limited with effect from 1-June-2014. It is a non-compliance of Section 186 of the Companies Act, 2013, which could attract penalties. We have discounted this liability considering the borrowing with interest @10% p.a. in FY 2015-16 considering that the same will be paid in FY 2019-20. However, the company has paid back the amount of Rs. 22.84 Lacs to its subsidiary in the FY 2019-20. Hence, the balance outstanding as on 31st March 2020 is NIL.
- (vi) **Contingent liabilities and Other Commitments**
- vi (a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2020.
- vi (b) There is a demand of Rs. 34,58,900 for the Assessment Year 2006-07 and Rs. 357,542 for the Assessment Year 2012-13 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities as on 31st March 2020.
- vi (c) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.
- vi (d) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

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

#### 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. 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 36** in the financial statements, which indicates that the Company incurred a net loss of Rs. 32,08,547 during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 413,831,396. The accumulated loss as on 31st March, 2020 stands to Rs. 85,73,95,457/- (Previous year Rs. 85,48,86,910/-). As on 31st March, 2020, the Company's total liabilities exceeded to its total assets by Rs. 43,51,73,731/- (Previous year Rs. 43,19,65,185/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 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. It indicates 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.

- (ii) We draw attention to **Note 26** 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.
- (iii) We draw attention to **Note 32** 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, 2020 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.

#### Other Matter

We draw attention to **Note 40** to the financial statements, regarding management's assessment of Covid-19 impact on the future performance of the company. Our report is not modified in respect of the matter.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Report on Corporate Governance and General Shareholders Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears

to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including

the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
  - a. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed 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 and Key Audit Matters paragraph above, in our opinion, may have a qualified effect on the functioning of the Company.
  - f. On the basis of the representations received from the directors as on 31st March 2020 taken on the record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B' ; and
  - h. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
- ii. The Company has made necessary provision in its financial statements under the applicable law or Indian accounting standards, wherever required;
- 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 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 and the company is still in continuation of making payments as per Phase I for the year ended 31st March 2020. Also the company has started making payments as per Phase II simultaneously during the current financial year.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount.

The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors in full who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them. Also company has also started paying balance 30% to creditors to whom 70% has already been paid previously. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

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 4907.66 Lacs Unpaid Matured Debentures of Rs. 1848.68 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 17.1 and 17.4.**

**For Mukesh Aggarwal & Co**  
Chartered Accountants  
Firm Registration No. 011393N

**Rishi Mittal**  
*Partner*

Place : Delhi

Dated : 3<sup>rd</sup> July, 2020

M.No. 521860

UDIN No 20521860AAAAAW6608

**Annexure 'A' To Independent Auditors' Report**

**Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date**

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with such program, the management has physically verified its fixed assets during the year and no material discrepancies were noticed by them.
- (c) The title deeds of immovable properties are held in the name of the company.
2. The company does not hold any inventory as on 31st March 2020
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Consequently sub-clauses 3 (a), (b) & (c) of this clause are not applicable.
4. The Company has not made any transaction in respect of loans covered under section 185 of the Companies Act 2013. In respect of loans, investments, guarantees and security covered under section 186 of the Companies Act, 2013, the provisions of the said section 186 have been duly complied except a case mentioned in our Basis of Opinion Para(v).
5. The Company has not accepted any 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 4907.66 Lacs. Unpaid Matured Debentures of Rs. 1848.68 Lacs standing as at 31st March, 2020 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, 2020, Company is in continuation of paying the amount as per Phase-I and company has started making payments as per Phase II simultaneously during the current financial year.

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. In accordance with the information given by the management the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, duty of customs, cess and any other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, there was no undisputed amounts payable in respect of the above dues which were outstanding as at 31st March, 2020 for a period of more than six months from the date of their becoming payable.
- (c) According to the information and explanations given to us, the amounts payable in respect of income tax which have not been deposited on account of any disputes, are as under

| Name of the Statute  | Assessment years | Tax Demand in (Rs.) | Forum where dispute is pending |
|----------------------|------------------|---------------------|--------------------------------|
| Income Tax Act, 1961 | 2006-2007        | Rs. 34.59 Lacs      | ITAT                           |
| Income Tax Act, 1961 | 2012-2013        | Rs. 3.58 Lacs       | ITAT                           |

8. The company had defaulted in the repayment of dues to financial institutions, banks and debenture holders. Refer note 17.1 to 17.3

However, the dues of Punjab and Sind Bank and SIDBI were paid in full during the current financial year i.e. 19-20 and payable as on 31st March 2020 is NIL.

Although the company is continuing its default in the repayment of dues to debenture holders as explained in Note No-17.1 of Notes to Accounts.

The matter is sub-judice with Hon'ble Delhi High Court as the company had filed a Fresh Scheme of Arrangement for the reorganization of the share capital of the company and for compromise with the secured and unsecured creditors of the company, 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 -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. 5000 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, 2020, Company is paying the amount as per Phase-I and has simultaneously started making payments under Phase-II during the current financial year.

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. According to the information and explanations given to us, during the year the Company has not raised money by way of initial public offer and term loans.
10. According to the information and explanations given to us, no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. The company has paid managerial remuneration as per provisions of section 197 read with Schedule V to the Companies Act, 2013 and on the basis of approval received from Central Government on 1st May, 2017 which contains payment of managerial remuneration of not more than Rs 3.99 Lac per annum. No further order has been passed. However, the company has made payment of Rs. 4,52,602 during the current financial year which includes payment of Rs. 1,15,304 pertaining to previous year 18-19.
12. The company is not a Nidhi Company and hence clause 3 (xii) is not applicable.
13. The transactions with the related parties made by the Company are in compliance with sections 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Indian Accounting Standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause 3 (xiv) is not applicable.
15. During the year, the company has not entered into any non- cash transactions with directors or persons connected with him and hence provision of section 192 of Companies Act 2013 is 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 & Co.**  
Chartered Accountants  
Firm Registration No. 011393N

**Rishi Mittal**  
*Partner*

Place : Delhi

Dated : 3<sup>rd</sup> July, 2020

M.No. 521860

UDIN No 20521860AAAAAW6608

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

**Referred to in Paragraph 2 (f) under the heading of “report on other legal and regulatory requirements” 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”)**

We have audited the internal financial controls over financial reporting of DCM FINANCIAL SERVICES LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on internal policies & procedures, accounting records and essential components on the internal control over financial reporting criteria established by the Company as per Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.

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 & Co**  
Chartered Accountants  
Firm Registration No. 011393N

**Rishi Mittal**  
*Partner*

Place : Delhi

Dated : 3<sup>rd</sup> July, 2020

M.No. 521860

UDIN No 20521860AAAAW6608

**BALANCE SHEET AS AT 31ST MARCH 2020**

| (Amount in Rupees)                          |          |                    |                    |
|---------------------------------------------|----------|--------------------|--------------------|
| Particulars                                 | Note No. | As at 31.03.2020   | As at 31.03.2019   |
| <b>I. ASSETS</b>                            |          |                    |                    |
| <b>Non-current assets</b>                   |          |                    |                    |
| (a) Property, Plant and Equipment           | 1        | 119,371,719        | 122,234,195        |
| (b) Financial Assets                        |          |                    |                    |
| (i) Investments                             | 2        | -                  | -                  |
| (ii) Other Financial Assets                 | 3        | 171,275,950        | 220,000,000        |
| (c) Deferred Tax Assets (Net) Including MAT | 4        | 37,331,897         | 32,789,840         |
| (d) Other Non-Current Assets                | 5        | 22,079,934         | 20,274,786         |
| <b>2 Current assets</b>                     |          |                    |                    |
| (a) Financial Assets                        |          |                    |                    |
| (i) Investments                             | 6        | 6,406,027          | 12,089,583         |
| (ii) Trade Receivable                       | 7        | -                  | -                  |
| (iii) Cash and cash equivalents             | 8        | 1,130,865          | 2,242,135          |
| (iv) Other Bank Balance                     | 9        | 27,881,916         | 88,449,831         |
| (v) Other Financial Assets                  | 10       | 11,260,735         | 1,748,530          |
| (b) Other Current Assets                    | 11       | -                  | -                  |
| <b>TOTAL ASSETS</b>                         |          | <b>396,739,042</b> | <b>499,828,899</b> |
| <b>II EQUITY AND LIABILITIES</b>            |          |                    |                    |
| <b>Equity</b>                               |          |                    |                    |
| (a) Equity Share Capital                    | 12       | 221,250,540        | 221,250,540        |
| (b) Other Equity                            | 13       | (656,424,271)      | (653,215,725)      |
| <b>2 Liabilities</b>                        |          |                    |                    |
| <b>Non-current liabilities</b>              |          |                    |                    |
| (a) Financial Liabilities                   |          |                    |                    |
| (i) Borrowings                              | 14       | 20,770,000         | 142,525,984        |
| (ii) Other Financial Liabilities            |          | -                  | -                  |
| (b) Other Non Current Liabilities           | 15       | -                  | 7,297,982          |
| (c) Provisions                              | 16       | 572,336            | 827,617            |
| <b>Current liabilities</b>                  |          |                    |                    |
| (a) Financial Liabilities                   |          |                    |                    |
| (i) Other Financial Liabilities             | 17       | 808,065,524        | 776,356,112        |
| (b) Other current liabilities               | 18       | 2,453,518          | 3,063,454          |
| (c) Provisions                              | 19       | 51,396             | 1,722,936          |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |          | <b>396,739,042</b> | <b>499,828,899</b> |

**For Mukesh Aggarwal & Co**  
Chartered Accountants  
Firm Registration No. 011393N

**Rishi Mittal**  
Partner  
M.No. 521860

**Shantanu Deveshwar**  
Director  
DIN: 08268523

**Richa Kalra**  
Director  
DIN: 07632571

**Somali Tiwari**  
Company Secretary  
M.No. A-47631

**Place : Delhi**  
**Dated : 3rd July 2020**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020**

|                                                                                                                                      |          | (Amount in Rupees)            |                               |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------|-------------------------------|
| Particular                                                                                                                           | Note No. | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
| I. Revenue From Operations                                                                                                           |          | -                             | -                             |
| II. Other income                                                                                                                     | 20       | 25,418,452                    | 29,936,824                    |
| <b>III. Total Revenue (I + II)</b>                                                                                                   |          | <b>25,418,452</b>             | <b>29,936,824</b>             |
| IV. Expenses:                                                                                                                        |          |                               |                               |
| Changes in inventories of Stock in Trade                                                                                             |          | -                             | -                             |
| Employee benefits expense                                                                                                            | 21       | 3,910,419                     | 5,509,848                     |
| Finance costs                                                                                                                        | 22       | 9,803,256                     | 11,072,704                    |
| Depreciation and amortization expense                                                                                                | 1        | 2,862,475                     | 3,131,728                     |
| Other expenses                                                                                                                       | 23       | 16,626,822                    | 14,885,506                    |
| Total expenses                                                                                                                       |          | <b>33,202,972</b>             | <b>34,599,787</b>             |
| <b>V. Profit before exceptional items and tax (III-IV)</b>                                                                           |          | <b>(7,784,520)</b>            | <b>(4,662,963)</b>            |
| VI. Exceptional Item                                                                                                                 |          |                               |                               |
| <b>VII. Profit before tax (V - VI)</b>                                                                                               |          |                               |                               |
| VIII. Tax expense:                                                                                                                   | 24       | <b>(7,784,520)</b>            | <b>(4,662,963)</b>            |
| (1) Current tax                                                                                                                      |          | -                             | -                             |
| (2) Deferred tax                                                                                                                     |          | (7,402,780)                   | 4,340,950                     |
| (3) MAT Credit Entitlement                                                                                                           |          | 2,851,906                     | -                             |
| (4) Prior Period Taxes                                                                                                               |          | -                             | 18,574                        |
| <b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>                                                         |          | <b>(3,233,645)</b>            | <b>(9,022,486)</b>            |
| <b>X Profit (Loss) for the period</b>                                                                                                |          | <b>(3,233,645)</b>            | <b>(9,022,486)</b>            |
| <b>XI Other Comprehensive income</b>                                                                                                 |          |                               |                               |
| A (i) Items that will not be reclassified to profit or loss                                                                          |          | 33,916                        | (424,732)                     |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                                                    |          | (8,818)                       | 87,827                        |
| 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>(3,208,547)</b>            | <b>(9,359,391)</b>            |
| <b>XIII Earnings per equity share (for continuing operation):</b>                                                                    |          |                               |                               |
| - Basic                                                                                                                              |          | (0.15)                        | (0.42)                        |
| - Diluted                                                                                                                            |          | (0.15)                        | (0.42)                        |

**For Mukesh Aggarwal & Co**

Chartered Accountants

Firm Registration No. 011393N

**Rishi Mittal**

Partner

M.No. 521860

**Shantanu Deveshwar**

Director

DIN: 08268523

**Richa Kalra**

Director

DIN: 07632571

**Somali Tiwari**

Company Secretary

M.No. A-47631

**Place : Delhi****Dated : 3rd July 2020**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

|                                                             |                      | (Amount in Rupees)  |  |
|-------------------------------------------------------------|----------------------|---------------------|--|
| Particulars                                                 | 31.03.2020           | 31.03.2019          |  |
| (A) <b>Cash flow from Operating Activities</b>              |                      |                     |  |
| Profit Before Tax                                           | (7,784,520)          | (4,662,963)         |  |
| <b>Add:</b>                                                 |                      |                     |  |
| Depreciation                                                | 2,862,475            | 3,131,728           |  |
| Interest Paid                                               | 9,802,788            | 11,068,726          |  |
| Provision for Impairment of Investment                      | 4,680                | 1,710,167           |  |
| <b>Less:</b>                                                |                      |                     |  |
| Remeasurement of post employment defined benefit plans      | 33,916               | (424,732)           |  |
| Interest on Fixed Deposits                                  | (18,072,623)         | (20,886,221)        |  |
| Deferred Income                                             | (7,297,981)          | (8,580,448)         |  |
| Dividend Income                                             | (45,024)             | (25,730)            |  |
| Gain on sale of Fixed Assets                                | -                    | -                   |  |
| Unrealised gain on account of fair valuation of Investments | 5,205,700            | 1,433,371           |  |
| <b>Operating Profits before working Capital changes</b>     | <b>(15,290,588)</b>  | <b>(17,236,102)</b> |  |
| Adjustment for:                                             |                      |                     |  |
| Change in Other Non Current Assets                          | -                    | 349,400             |  |
| Change in Other Financial Current Assets                    | (9,512,205)          | 17,101,934          |  |
| Change in Current Liabilities                               | (609,936)            | (256,704)           |  |
| Change in Other Current Financial Liabilities               | 1,956,581            | 563,860             |  |
| Change in Other Non Current Financial Liabilities           | -                    | -                   |  |
| Change in Provisions                                        | (1,926,821)          | 875,299             |  |
| Cash generation from Operating Activities                   | (25,382,969)         | 1,397,686           |  |
| <b>Less:</b>                                                |                      |                     |  |
| Income Tax paid                                             | 1,805,148            | 2,459,084           |  |
|                                                             | <b>(27,188,117)</b>  | <b>(1,061,398)</b>  |  |
| (B) <b>Cash Flow from Investing Activities</b>              |                      |                     |  |
| Interest Income                                             | 18,072,623           | 20,886,221          |  |
| Dividend Income                                             | 45,024               | 25,730              |  |
| Redemption/(Purchase) of FD                                 | 109,291,965          | 27,604,765          |  |
| Sale of Investments                                         | 473,177              | -                   |  |
| Sale of Fixed Assets                                        | -                    | -                   |  |
|                                                             | <b>127,882,789</b>   | <b>48,516,716</b>   |  |
| (C) <b>Cash Flow from Financing Activities</b>              |                      |                     |  |
| Repayment to Debenture Holders                              | (17,340,829)         | (35,195,313)        |  |
| Repayment to SIDBI                                          | (1,088,982)          | -                   |  |
| Repayment of Bank Loan - PSB                                | (24,102,141)         | -                   |  |
| Repayment of Loan to Fixed Depositors                       | (32,980,662)         | (21,245,671)        |  |
| Repayment of Loan to Related Parties                        | (26,293,328)         | -                   |  |
|                                                             | <b>(101,805,941)</b> | <b>(56,440,984)</b> |  |
| Net increase decrease in cash & cash equivalents            | (1,111,270)          | (8,985,666)         |  |
| Cash and Cash equivalents (Opening Balance)                 | 2,242,135            | 11,227,801          |  |
| <b>Cash and Cash equivalents (Closing Balance)</b>          | <b>1,130,865</b>     | <b>2,242,135</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 & Co**

Chartered Accountants

Firm Registration No. 011393N

**Rishi Mittal**

Partner

M.No. 521860

**Shantanu Deveshwar**

Director

DIN: 08268523

**Richa Kalra**

Director

DIN: 07632571

**Somali Tiwari**

Company Secretary

M.No. A-47631

**Place : Delhi****Dated : 3rd July 2020**

**A. Equity Share Capital**

| Particulars                                       | As at<br>31st March 2020 | As at<br>31st March 2019 |
|---------------------------------------------------|--------------------------|--------------------------|
| Balance at the beginning of the reporting period; | 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. 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, 2019</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> |
| Profit/(loss) for the year                     | -                    | -                  | -                            | -                 | (9,022,486)          | (9,022,486)          |
| Other comprehensive income/(loss) for the year | -                    | -                  | -                            | -                 | (336,905)            | (336,905)            |
| 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 31.03.2019</b>    | <b>19,386,846</b>    | <b>165,086,340</b> | <b>875,000</b>               | <b>15,623,000</b> | <b>(854,186,910)</b> | <b>(653,215,724)</b> |
| Profit/(loss) for the year                     | -                    | -                  | -                            | -                 | (3,233,645)          | (3,233,645)          |
| Other comprehensive income/(loss) for the year | -                    | -                  | -                            | -                 | 25,098               | 25,098               |
| 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 31.03.2020</b>    | <b>19,386,846</b>    | <b>165,086,340</b> | <b>875,000</b>               | <b>15,623,000</b> | <b>(857,395,457)</b> | <b>(656,424,271)</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 2019</b>                              |                |                   |                    |          |                      |                               |                    |
| <b>Opening Gross Carrying Amount</b>                         | <b>306,000</b> | <b>2,769</b>      | <b>130,434,470</b> | -        | <b>780,910</b>       | <b>31,730</b>                 | <b>131,555,879</b> |
| Additions                                                    | -              | -                 | -                  | -        | -                    | -                             | -                  |
| Disposals                                                    | -              | -                 | -                  | -        | -                    | -                             | -                  |
| <b>Closing Gross Carrying Amount as at March 31, 2019</b>    | <b>306,000</b> | <b>2,769</b>      | <b>130,434,470</b> | -        | <b>780,910</b>       | <b>31,730</b>                 | <b>131,555,879</b> |
| Opening Accumulated Depreciation                             | -              | -                 | 5,724,951          | -        | 440,292              | 24,712                        | 6,189,955          |
| Depreciation charged during the year 2018-2019               | -              | -                 | 2,862,475          | -        | 269,253              | -                             | 3,131,728          |
| Depreciation on Disposals                                    | -              | -                 | -                  | -        | -                    | -                             | -                  |
| <b>Closing Accumulated Depreciation as at March 31, 2019</b> | <b>-</b>       | <b>-</b>          | <b>8,587,427</b>   | <b>-</b> | <b>709,545</b>       | <b>24,712</b>                 | <b>9,321,684</b>   |
| <b>Net Carrying Amount as at March 31, 2019</b>              | <b>306,000</b> | <b>2,769</b>      | <b>121,847,044</b> | <b>-</b> | <b>71,365</b>        | <b>7,018</b>                  | <b>122,234,195</b> |

## Year ended 31 March 2020

|                                                              |                |              |                    |          |                |               |                    |
|--------------------------------------------------------------|----------------|--------------|--------------------|----------|----------------|---------------|--------------------|
| <b>Opening Gross Carrying Amount</b>                         | <b>306,000</b> | <b>2,769</b> | <b>130,434,470</b> | -        | <b>780,910</b> | <b>31,730</b> | <b>131,555,879</b> |
| Additions                                                    | -              | -            | -                  | -        | -              | -             | -                  |
| Disposals                                                    | -              | -            | -                  | -        | -              | -             | -                  |
| <b>Closing Gross Carrying Amount as at March 31, 2020</b>    | <b>306,000</b> | <b>2,769</b> | <b>130,434,470</b> | -        | <b>780,910</b> | <b>31,730</b> | <b>131,555,879</b> |
| Opening Accumulated Depreciation                             | -              | -            | 8,587,427          | -        | 709,545        | 24,712        | 9,321,684          |
| Depreciation charged during the year 2019-2020               | -              | -            | 2,862,475          | -        | -              | -             | 2,862,475          |
| Depreciation on Disposals                                    | -              | -            | -                  | -        | -              | -             | -                  |
| <b>Closing Accumulated Depreciation as at March 31, 2020</b> | <b>-</b>       | <b>-</b>     | <b>11,449,902</b>  | <b>-</b> | <b>709,545</b> | <b>24,712</b> | <b>12,184,159</b>  |
| <b>Net Carrying Amount as at March 31, 2020</b>              | <b>306,000</b> | <b>2,769</b> | <b>118,984,568</b> | <b>-</b> | <b>71,365</b>  | <b>7,018</b>  | <b>119,371,719</b> |

## 2 NON CURRENT INVESTMENTS

| Particulars                              | As at<br>31st March, 2020<br>Amount in Rs. | As at<br>31st March, 2019<br>Amount in Rs. |
|------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Details of non current investment</b> |                                            |                                            |
| -Investments in Equity Shares            | -                                          | -                                          |
| <b>Total</b>                             | -                                          | -                                          |

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

(Amount in Rs.)

| Sr.<br>No. | Particulars                    | Subsidiary /<br>Associate / JV/<br>Others | No. of Shares / Units      |                            | Quoted /<br>Unquoted | Partly Paid /<br>Fully paid | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------|--------------------------------|-------------------------------------------|----------------------------|----------------------------|----------------------|-----------------------------|---------------------------|---------------------------|
|            |                                |                                           | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |                      |                             |                           |                           |
| (a)        | Investments in Equity Shares   |                                           |                            |                            |                      |                             |                           |                           |
|            | Non -Trade Investments         |                                           |                            |                            |                      |                             |                           |                           |
| 1          | Global IT Options Ltd          | Subsidiary                                | 900,000                    | 900,000                    | UnQuoted             | Fully Paid                  | 9,000,000                 | 9,000,000                 |
|            | Less: Provision for Impairment | Subsidiary                                |                            |                            | UnQuoted             | Fully Paid                  | (9,000,000)               | (9,000,000)               |
|            | <b>TOTAL (a)</b>               |                                           | <b>900,000</b>             | <b>900,000</b>             |                      |                             | -                         | -                         |

**Note 3: Other Financial Assets (Non-current)**

Other Financial Assets consist of the following :

| Particulars                                                                     | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|---------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Bank Deposits</b><br>(Deposits having original maturity more than 12 months) | 171,275,950                                | 220,000,000                                |
| <b>Total</b>                                                                    | <b>171,275,950</b>                         | <b>220,000,000</b>                         |

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

**Note 4: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances

| Deferred Tax Liabilities                                                                 | As at 31 st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------|
| Depreciation and amortisation                                                            | 30,116,352                                  | 30,745,828                                 |
| Related Parties                                                                          | -                                           | 651,250                                    |
| <b>Total (a)</b>                                                                         | <b>30,116,352</b>                           | <b>31,397,078</b>                          |
| <b>Deferred Tax Assets</b>                                                               | <b>As at 31st<br/>March, 2020</b>           | <b>As at 31st<br/>March, 2019</b>          |
| Post Employment Defined Benefit Plans                                                    | 162,170                                     | 663,144                                    |
| Provision for Doubtful Debts                                                             | 62,941,813                                  | 62,926,290                                 |
| Unrealised gain on securities carried at fair value through statement of profit and loss | 4,344,266                                   | (2,254,423)                                |
| <b>Total (b)</b>                                                                         | <b>67,448,249</b>                           | <b>61,335,011</b>                          |
| <b>Net Deferred Tax (Liabilities)/ Assets (b-a)</b>                                      | <b>37,331,897</b>                           | <b>29,937,934</b>                          |
| <b>Add: Minimum Alternative Tax (MAT) credit entitlement</b>                             | <b>-</b>                                    | <b>2,851,906</b>                           |
| <b>Net Deferred Tax Asset</b>                                                            | <b>37,331,897</b>                           | <b>32,789,840</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 31st March, 2018</b>        | <b>(31,126,586)</b>           | <b>431,378</b>                        | <b>67,869,815</b>            | <b>(1,697,831)</b>                                  | <b>(1,285,719)</b> | <b>34,191,056</b> |
| (Charged) / credited              |                               |                                       |                              |                                                     |                    |                   |
| - to Statement of Profit and Loss | 380,758                       | 319,593                               | (4,943,524)                  | (556,592)                                           | 634,470            | (4,165,295)       |
| - to Other Comprehensive Income   | -                             | (87,827)                              | -                            | -                                                   | -                  | (87,827)          |
| <b>At 31st March, 2019</b>        | <b>(30,745,828)</b>           | <b>663,144</b>                        | <b>62,926,291</b>            | <b>(2,254,423)</b>                                  | <b>(651,249)</b>   | <b>29,937,934</b> |
| (Charged) / credited              |                               |                                       |                              |                                                     |                    |                   |
| - to Statement of Profit and Loss | 629,476                       | (492,155)                             | 15,522                       | 6,598,689                                           | 651,249            | 7,402,780         |
| - to Other Comprehensive Income   |                               | (8,818)                               |                              |                                                     |                    | (8,818)           |
| <b>At 31st March, 2020</b>        | <b>(30,116,352)</b>           | <b>162,170</b>                        | <b>62,941,813</b>            | <b>4,344,266</b>                                    | <b>(0)</b>         | <b>37,331,897</b> |

**5 OTHER NON CURRENT ASSETS**

Other non current assets consist of the following :

| Particulars                                                | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------------------|---------------------------|---------------------------|
|                                                            | Amount in Rs.             | Amount in Rs.             |
| <b>Advances other than capital advances:</b>               |                           |                           |
| Security Deposits                                          | 655,944                   | 655,944                   |
|                                                            | 655,944                   | 655,944                   |
| <br>Tax Recoverable (Net of Provisions)<br>(Refer Note 5A) | <br>21,423,990            | <br>19,618,842            |
|                                                            | 21,423,990                | 19,618,842                |
| <br>Unsecured , Doubtful                                   |                           |                           |
| - Employee Advances                                        |                           |                           |
| - Others                                                   | 1,022,936                 | 1,022,936                 |
| Less: Provision towards doubtful advances/ECL              | (1,022,936)               | (1,022,936)               |
|                                                            | -                         | -                         |
| <b>Total</b>                                               | <b>22,079,934</b>         | <b>20,274,786</b>         |

**5A Details of Tax Recoverable**

(Amount in Rs.)

| Particulars         | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |
|---------------------|----------------------------|----------------------------|
|                     |                            |                            |
| Advance Tax and TDS | 28,176,358                 | 26,285,570                 |
| Provision for Tax   | 6,752,368                  | 6,666,728                  |
| <b>Net</b>          | <b>21,423,990</b>          | <b>19,618,842</b>          |

## 6 CURRENT INVESTMENTS

| Particulars                          | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------------|---------------------------|---------------------------|
|                                      | Amount in Rs.             | Amount in Rs.             |
| <b>Details of current investment</b> |                           |                           |
| --Investments in Equity Shares       | 6,406,027                 | 12,089,583                |
| <b>Total</b>                         | <b>6,406,027</b>          | <b>12,089,583</b>         |

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

| Sr.<br>No. | Particulars                                                                              | Subsidiary /<br>Associate / JV/<br>Others | No. of Shares / Units      |                            | Quoted /<br>Unquoted | Partly Paid /<br>Fully paid | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |
|------------|------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------|----------------------------|----------------------|-----------------------------|----------------------------|----------------------------|
|            |                                                                                          |                                           | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |                      |                             |                            |                            |
| (a)        | Investments in Equity Shares                                                             |                                           |                            |                            |                      |                             |                            |                            |
|            | At Fair Value Through Profit & Loss                                                      |                                           |                            |                            |                      |                             |                            |                            |
| 1          | Clutch Auto Limited                                                                      | Others                                    | 98,050                     | 98,050                     | Quoted               | Fully Paid                  | 619,676<br>(619,675)       | 619,676<br>(619,675)       |
| 2          | Less: Provision for impairment<br>Health fore Technologies(Religare<br>Technologies Ltd) | Others                                    | 10                         | 10                         | Quoted               | Fully Paid                  | 66                         | 77                         |
|            | Less: Provision for impairment                                                           |                                           |                            |                            |                      |                             | (65)                       | (76)                       |
| 3          | Indo Biotech Foods Ltd                                                                   | Others                                    | 300                        | 300                        | Quoted               | Fully Paid                  | 1,200<br>(1,199)           | 1,200<br>(1,199)           |
|            | Less: Provision for impairment                                                           |                                           |                            |                            |                      |                             |                            |                            |
| 4          | Sujana Steel Ltd                                                                         | Others                                    | 1,300                      | 1,300                      | Quoted               | Fully Paid                  | 2,600<br>(2,599)           | 2,600<br>(2,599)           |
|            | Less: Provision for impairment                                                           |                                           |                            |                            |                      |                             |                            |                            |
| 5          | Padmini Technology Ltd                                                                   | Others                                    | 500                        | 500                        | Quoted               | Fully Paid                  | 5,000<br>(4,999)           | 5,000<br>(4,999)           |
|            | Less: Provision for impairment                                                           |                                           |                            |                            |                      |                             |                            |                            |
| 6          | Radhika Spinning Mills Ltd                                                               | Others                                    | 300                        | 300                        | Quoted               | Fully Paid                  | 723<br>(722)               | 723<br>(722)               |
|            | Less: Provision for impairment                                                           |                                           |                            |                            |                      |                             |                            |                            |
| 7          | Uniworth Textiles Ltd.                                                                   | Others                                    | 100                        | 100                        | Quoted               | Fully Paid                  | 300<br>(299)               | 300<br>(299)               |
|            | Less: Provision for impairment                                                           |                                           |                            |                            |                      |                             |                            |                            |

|    |                                                       |        |         |         |          |            |              |              |
|----|-------------------------------------------------------|--------|---------|---------|----------|------------|--------------|--------------|
| 8  | Virtualsoft System Limited (Suri Capital Leasing Ltd) | Others | 13,400  | 13,400  | Quoted   | Fully Paid | 26,398       | 21,708       |
|    | Less: Provision for impairment                        |        |         |         |          |            |              |              |
| 9  | Daewoo Motors India Ltd                               | Others | 8,250   | 8,250   | Unquoted | Fully Paid | (26,397)     | (21,707)     |
|    | Less: Provision for impairment                        |        |         |         |          |            | 55,358       | 55,358       |
| 10 | ESSAR Ports Ltd.                                      | Others | 3       | 3       | Unquoted | Fully Paid | (55,357)     | (55,357)     |
|    | Less: Provision for impairment                        |        |         |         |          |            | 30           | 30           |
| 11 | Galaxy Indo Fab Ltd (Shri Laksmi Cotsyn Ltd)          | Others | 200     | 200     | Unquoted | Fully Paid | (29)         | (29)         |
|    | Less: Provision for impairment                        |        |         |         |          |            | 400          | 400          |
| 12 | Hazira Cargo Terminals Ltd                            | Others | 9       | 9       | Unquoted | Fully Paid | (399)        | (399)        |
|    | Less: Provision for impairment                        |        |         |         |          |            | 90           | 90           |
| 13 | Haryana Sheet Glass Ltd                               | Others | 200     | 200     | Unquoted | Fully Paid | (89)         | (89)         |
|    | Less: Provision for impairment                        |        |         |         |          |            | 2,060        | 2,060        |
| 14 | Vadinar Oil Terminal Ltd                              | Others | 49      | 49      | Unquoted | Fully Paid | (2,059)      | (2,059)      |
|    | Less: Provision for impairment                        |        |         |         |          |            | 490          | 490          |
| 15 | Profin Money Market Ltd                               | Others | 25,000  | 25,000  | Unquoted | Fully Paid | (489)        | (489)        |
|    | Less: Provision for impairment                        |        |         |         |          |            | 250,000      | 250,000      |
| 16 | Tulip Finance Ltd                                     | Others | 1,000   | 1,000   | Unquoted | Fully Paid | (249,999)    | (249,999)    |
|    | Less: Provision for impairment                        |        |         |         |          |            | 1,000,000    | 1,000,000    |
| 17 | World Tex Ltd                                         | Others | 437,500 | 437,500 | Unquoted | Fully Paid | (999,999)    | (999,999)    |
|    | Less: Provision for impairment                        |        |         |         |          |            | 11,953,000   | 11,953,000   |
| 18 | Salaya Bulk Terminals Ltd                             | Others | 3       | 3       | Unquoted | Fully Paid | (11,952,999) | (11,952,999) |
|    | Less: Provision for impairment                        |        |         |         |          |            | 30           | 30           |
| 19 | Skypack Courier Ltd                                   | Others | 100     | 100     | Unquoted | Fully Paid | (29)         | (29)         |
|    | Less: Provision for impairment                        |        |         |         |          |            | 443          | 443          |
| 20 | Banaras Beads Ltd                                     | Others | 110     | 110     | Quoted   | Fully Paid | (442)        | (442)        |
| 21 | Calcom Vision Ltd                                     | Others | -       | 5,600   | Quoted   | Fully Paid | 3,240        | 5,308        |
| 22 | Doin Global Solutions Ltd (Religare Technova)         | Others | 40      | 40      | Quoted   | Fully Paid | -            | 170,240      |
| 23 | ESSAR Shipping Ltd.                                   | Others | -       | 33      | Quoted   | Fully Paid | 40           | 165          |
| 24 | Flex Foods Ltd                                        | Others | -       | 100     | Quoted   | Fully Paid | -            | 345          |
|    |                                                       |        |         |         |          |            | -            | 5,855        |

|    |                                                            |        |         |         |        |            |         |           |
|----|------------------------------------------------------------|--------|---------|---------|--------|------------|---------|-----------|
| 25 | Gagan Polycot Ltd                                          | Others | 700     | 800     | Quoted | Fully Paid | 1,792   | 1,376     |
| 26 | GE Shipping Ltd                                            | Others | 65      | 65      | Quoted | Fully Paid | 13,341  | 18,392    |
| 27 | Gujarat Meditech Ltd                                       | Others | 200     | 200     | Quoted | Fully Paid | 840     | 800       |
| 28 | Innovative Tech Pack Ltd                                   | Others | -       | 100     | Quoted | Fully Paid | -       | 2,840     |
| 29 | Jamna Auto Ind. Ltd. (Jaiparabolic Springs Ltd)            | Others | -       | 200     | Quoted | Fully Paid | -       | 62,750    |
| 30 | Kesar Terminal Infrastructure Ltd. (Kesar Enterprises Ltd) | Others | -       | 145     | Quoted | Fully Paid | -       | 9,135     |
| 31 | Kinetic Trust Ltd.                                         | Others | 100     | 100     | Quoted | Fully Paid | 1       | 855       |
| 32 | Mid India Industries Ltd                                   | Others | 100     | 100     | Quoted | Fully Paid | 97      | 32        |
| 33 | Nagarjuna Oil Refinery Ltd                                 | Others | -       | 100     | Quoted | Fully Paid | -       | 33        |
| 34 | Nagarjuna Fertilizers & Chemicals Ltd                      | Others | -       | 110     | Quoted | Fully Paid | -       | 755       |
| 35 | Pioneer Investcorp Ltd                                     | Others | -       | 100     | Quoted | Fully Paid | -       | 3,020     |
| 36 | Profin Capital Services Ltd                                | Others | 19,300  | 19,300  | Quoted | Fully Paid | 412,055 | 2,078,610 |
| 37 | Rain Industries Ltd                                        | Others | -       | 500     | Quoted | Fully Paid | -       | 51,250    |
| 38 | Shree Rajasthan Syntex Ltd                                 | Others | 500     | 500     | Quoted | Fully Paid | 4,325   | 5,000     |
| 39 | Shree Rayalseema Hi Strength Hypo Ltd                      | Others | 8,255   | 8,255   | Quoted | Fully Paid | 604,679 | 1,400,874 |
| 40 | Cephram Milk Specialities Ltd.                             | Others | 30,000  | 30,000  | Quoted | Fully Paid | 1       | 3,861     |
| 41 | Punj Liyod Ltd                                             | Others | 200,000 | 200,000 | Quoted | Fully Paid | 170,000 | 422,000   |
| 42 | Sujana Universal Industries Ltd                            | Others | 1,100   | 1,100   | Quoted | Fully Paid | 165     | 308       |
| 43 | Svam Software Ltd                                          | Others | 200     | 200     | Quoted | Fully Paid | 74      | 94        |
| 44 | Thomas Cook Ltd.                                           | Others | -       | 660     | Quoted | Fully Paid | -       | 166,782   |
| 45 | United Breweries Limited                                   | Others | 8       | 8       | Quoted | Fully Paid | 7,351   | 11,161    |
| 46 | Sunstar Lubricants Ltd                                     | Others | 3,100   | 3,100   | Quoted | Fully Paid | 1       | 3,777     |
| 47 | Jaimata Rolled Glass Ltd                                   | Others | 100     | 100     | Quoted | Fully Paid | 1       | 35        |
| 48 | Jsw Ispat Steel Ltd                                        | Others | 80      | 80      | Quoted | Fully Paid | 1       | 1         |
| 49 | Modern Threads Ltd                                         | Others | 100     | 100     | Quoted | Fully Paid | 1       | 1         |
| 50 | Tribology India Ltd                                        | Others | 400     | 400     | Quoted | Fully Paid | 1       | 1         |
| 51 | HPM Industries Ltd                                         | Others | 5,000   | 5,000   | Quoted | Fully Paid | 1       | 1         |
| 52 | Mardia Samyoung Capillary Tube                             | Others | 1       | 1       | Quoted | Fully Paid | 1       | 1         |
| 53 | Grand Foundry Ltd                                          | Others | 600     | 600     | Quoted | Fully Paid | 1       | 1         |

|    |                                        |        |         |         |         |          |            |           |           |
|----|----------------------------------------|--------|---------|---------|---------|----------|------------|-----------|-----------|
| 54 | Goldwon Textiles Ltd                   | Others | 100     | 100     | 100     | Quoted   | Fully Paid | 1         | 1         |
| 55 | Good Value Marketing Ltd               | Others | 200     | 200     | 200     | Quoted   | Fully Paid | 1         | 1         |
| 56 | Krishna Engineering Works Ltd          | Others | 300     | 300     | 300     | Quoted   | Fully Paid | 1         | 1         |
| 57 | Superforging & Steels Ltd              | Others | 9,600   | 9,600   | 9,600   | Quoted   | Fully Paid | 1         | 1         |
| 58 | Bharati Telecom Ltd                    | Others | 100     | 100     | 100     | Unquoted | Fully Paid | 1         | 1,000     |
| 59 | RFB Latex Ltd                          | Others | 220,000 | 220,000 | 220,000 | Unquoted | Fully Paid | 404,126   | 3,380,852 |
| 60 | Rajasthan Antibiotics Ltd.             | Others | 30,000  | 30,000  | 30,000  | Unquoted | Fully Paid | 4,690,150 | 4,182,479 |
| 61 | Cebon India Ltd.                       | Others | 30,000  | 30,000  | 30,000  | Unquoted | Fully Paid | 57,278    | 57,278    |
| 62 | Krishna Colled Rolled Ltd(Rs.2.50 pd)  | Others | 25,000  | 25,000  | 25,000  | Unquoted | Fully Paid | 23,044    | 27,219    |
| 63 | Valpus Biotech Ltd                     | Others | 700     | 700     | 700     | Unquoted | Fully Paid | 13,354    | 15,032    |
| 64 | Adhunik Synthetics Ltd                 | Others | 100     | 100     | 100     | Unquoted | Fully Paid | 1         | 1         |
| 65 | Bhiwani Synthetics Ltd                 | Others | 400     | 400     | 400     | Unquoted | Fully Paid | 1         | 1         |
| 66 | BLB Mutual Services Ltd                | Others | 300     | 300     | 300     | Unquoted | Fully Paid | 1         | 1         |
| 67 | BLB Share & Financial Services Ltd     | Others | 50      | 50      | 50      | Unquoted | Fully Paid | 1         | 1         |
| 68 | Cepharm Organics Ltd                   | Others | 250     | 250     | 250     | Unquoted | Fully Paid | 1         | 1         |
| 69 | Chirau Finance Invest. & Leasing       | Others | 3,900   | 3,900   | 3,900   | Unquoted | Fully Paid | 1         | 1         |
| 70 | City Lifts Ltd                         | Others | 2,800   | 2,800   | 2,800   | Unquoted | Fully Paid | 1         | 1         |
| 71 | Grest Paper Mills Ltd                  | Others | 1,700   | 1,700   | 1,700   | Unquoted | Fully Paid | 1         | 1         |
| 72 | Datapro Information Technology Ltd     | Others | 1,000   | 1,000   | 1,000   | Unquoted | Fully Paid | 1         | 1         |
| 73 | Decora Tubes Ltd                       | Others | 200     | 200     | 200     | Unquoted | Fully Paid | 1         | 1         |
| 74 | East India Syntex Ltd                  | Others | 200     | 200     | 200     | Unquoted | Fully Paid | 1         | 1         |
| 75 | Electrolux Kelvinator (Intron)         | Others | 825     | 825     | 825     | Unquoted | Fully Paid | 1         | 1         |
| 76 | Garg Forgings & Castings Ltd           | Others | 500     | 500     | 500     | Unquoted | Fully Paid | 1         | 1         |
| 77 | Gimar Fibres Ltd                       | Others | 4,100   | 4,100   | 4,100   | Unquoted | Fully Paid | 1         | 1         |
| 78 | Gorden Herbert India Ltd               | Others | 100     | 100     | 100     | Unquoted | Fully Paid | 1         | 1         |
| 79 | Greenfield Corporation Ltd(Rs.5.00 pd) | Others | 127,000 | 127,000 | 127,000 | Unquoted | Fully Paid | 1         | 1         |
| 80 | Hindustan Development Corpn. Ltd       | Others | 21,050  | 21,050  | 21,050  | Unquoted | Fully Paid | 1         | 1         |
| 81 | Jainpur Straw Products Ltd             | Others | 1,200   | 1,200   | 1,200   | Unquoted | Fully Paid | 1         | 1         |
| 82 | Jay Vynyls Ltd                         | Others | 100     | 100     | 100     | Unquoted | Fully Paid | 1         | 1         |
| 83 | Jiwan Flora Ltd                        | Others | 400     | 400     | 400     | Unquoted | Fully Paid | 1         | 1         |
| 84 | Karishma Floriculture Ltd              | Others | 1,700   | 1,700   | 1,700   | Unquoted | Fully Paid | 1         | 1         |
| 85 | Kashipur Holdings Ltd(Bonus)           | Others | 50      | 50      | 50      | Unquoted | Fully Paid | 1         | 1         |

|              |                                   |        |                  |                  |          |            |                  |                   |
|--------------|-----------------------------------|--------|------------------|------------------|----------|------------|------------------|-------------------|
| 86           | Kitti Steels Ltd                  | Others | 100              | 100              | Unquoted | Fully Paid | 1                | 1                 |
| 87           | Makan Agro Ltd                    | Others | 200              | 200              | Unquoted | Fully Paid | 1                | 1                 |
| 88           | Minerva Holdings Ltd              | Others | 20               | 20               | Unquoted | Fully Paid | 1                | 1                 |
| 89           | Moon Beam Industries Ltd          | Others | 400              | 400              | Unquoted | Fully Paid | 1                | 1                 |
| 90           | Pan Asia Industries Ltd           | Others | 5,400            | 5,400            | Unquoted | Fully Paid | 1                | 1                 |
| 91           | Rasik Plast Ltd                   | Others | 4,500            | 4,500            | Unquoted | Fully Paid | 1                | 1                 |
| 92           | S.M. Dychem Ltd                   | Others | 4                | 4                | Unquoted | Fully Paid | 1                | 1                 |
| 93           | S.V. Electricals Ltd              | Others | 5,000            | 5,000            | Unquoted | Fully Paid | 1                | 1                 |
| 94           | Sajjan Textiles Ltd               | Others | 100              | 100              | Unquoted | Fully Paid | 1                | 1                 |
| 95           | Shree Pommami Metals & Alloys Ltd | Others | 19,400           | 19,400           | Unquoted | Fully Paid | 1                | 1                 |
| 96           | Siddarth Spinfab Ltd              | Others | 3,500            | 3,500            | Unquoted | Fully Paid | 1                | 1                 |
| 97           | Starspin & Twist Ltd              | Others | 100              | 100              | Unquoted | Fully Paid | 1                | 1                 |
| 98           | Sturdy Polymers Ltd               | Others | 200              | 200              | Unquoted | Fully Paid | 1                | 1                 |
| 99           | Suryachakra Seafoods Ltd          | Others | 13,400           | 13,400           | Unquoted | Fully Paid | 1                | 1                 |
| 100          | Swarnima Oils Ltd                 | Others | 200              | 200              | Unquoted | Fully Paid | 1                | 1                 |
| 101          | Transpower Engineering Ltd        | Others | 2,500            | 2,500            | Unquoted | Fully Paid | 1                | 1                 |
| 102          | U.P. Lime Chem Limited            | Others | 500              | 500              | Unquoted | Fully Paid | 1                | 1                 |
| 103          | Vikram Projects Ltd               | Others | 1,600            | 1,600            | Unquoted | Fully Paid | 1                | 1                 |
| 104          | Vishal Lakco Ltd                  | Others | 9,700            | 9,700            | Unquoted | Fully Paid | 1                | 1                 |
| <b>Total</b> |                                   |        | <b>1,407,082</b> | <b>1,414,830</b> |          |            | <b>6,406,027</b> | <b>12,089,583</b> |

**7 TRADE RECEIVABLES**

Trade receivables consist of the following:

| Particulars                        | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |
|------------------------------------|----------------------------|----------------------------|
|                                    | Amount in Rs.              | Amount in Rs.              |
| Unsecured, considered doubtful     | 169,467,432                | 169,467,432                |
| Less: Provision for doubtful debts | (169,467,432)              | (169,467,432)              |
| <b>Total</b>                       | <b>-</b>                   | <b>-</b>                   |

**8 Cash and Cash Equivalent**

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

| Particulars                                         | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |
|-----------------------------------------------------|----------------------------|----------------------------|
|                                                     | Amount in Rs.              | Amount in Rs.              |
| <b>(a) Balances with Bank</b>                       |                            |                            |
| -Restricted Bank Balance (Refer Note 8A)            | 1,905,505                  | 3,016,775                  |
| Less: Provision for impairment (Refer Note 8B & 8C) | (774,640)                  | (774,640)                  |
|                                                     | 1,130,865                  | 2,242,135                  |
| <b>(b) Cash in hand</b>                             | -                          | -                          |
| <b>Total</b>                                        | <b>1,130,865</b>           | <b>2,242,135</b>           |

**8A Restricted Bank Balances Includes :**

| Particulars       | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |
|-------------------|----------------------------|----------------------------|
| Canara Bank       | 748,745                    | 748,745                    |
| IDBI Bank Limited | 281,693                    | 895,897                    |
| Axis Bank         | 625,084                    | 1,077,677                  |
| UTI Bank          | 25,895                     | 25,895                     |
| Kotak Mahindra    | 222,519                    | 218,561                    |
| IDFC              | 1,569                      | 50,000                     |
| <b>Total</b>      | <b>1,905,505</b>           | <b>3,016,775</b>           |

**8B** During the year ended 31st March, 2018, the provision for impairment of Rs. 7,74,640 had been provided for the banks balances which are not in operation from past years and confirmations to their balances are not made available. These balances are subject to confirmation as on 31.3.2020 and are still not operative.

| Particulars  | As at 31 st<br>March, 2020 | As at 31 st<br>March, 2019 |
|--------------|----------------------------|----------------------------|
| Canara Bank  | 748,745                    | 748,745                    |
| UTI          | 25,895                     | 25,895                     |
| <b>Total</b> | <b>774,640</b>             | <b>774,640</b>             |

**8C** These are restricted bank balance and cannot be operated without getting prior approval of Hon'ble Delhi High Court.

**9 Other Bank Balances**

Other Bank Balances consist of the following at amortised cost:

| Particulars                                                                                                      | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                  | Amount in Rs.             | Amount in Rs.             |
| <b>Bank Deposits</b>                                                                                             | 27,881,916                | 88,449,831                |
| <i>(deposits with original maturity of more than 3 months<br/>having remaining maturity less than 12 months)</i> |                           |                           |
| <b>Total</b>                                                                                                     | <b>27,881,916</b>         | <b>88,449,831</b>         |

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

**10 Other Current Financial Assets**

Other Current Assets consist of the following at amortised cost:

| Particulars                                    | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------|---------------------------|---------------------------|
|                                                | Amount in Rs.             | Amount in Rs.             |
| Interest accrued but not due on Fixed Deposits | 11,260,735                | 1,748,530                 |
| <b>(A)</b>                                     | <b>11,260,735</b>         | <b>1,748,530</b>          |
| Unsecured, Doubtful                            |                           |                           |
| - Inter Corporate Deposit                      | 7,957,994                 | 7,957,994                 |
| - Bills Receivable                             | 10,717,132                | 10,717,132                |
| - Rent Receivable                              | 51,846,552                | 51,846,552                |
| Less: Provision towards Doubtful Debts/ECL     | (70,521,678)              | (70,521,678)              |
| <b>(B)</b>                                     | <b>-</b>                  | <b>-</b>                  |
| <b>Total (A) + (B)</b>                         | <b>11,260,735</b>         | <b>1,748,530</b>          |

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

Other Current Assets consist of the following:-

(Amount in Rs.)

| Particulars         | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---------------------|---------------------------|---------------------------|
|                     | Amount in Rs.             | Amount in Rs.             |
| Employee Advances   | 12,447                    | 13,312                    |
| Other Advances      | 284,763                   | 224,195                   |
|                     | 297,210                   | 237,507                   |
| Less: Provision NPA | (297,210)                 | (237,507)                 |
| <b>Total</b>        | <b>-</b>                  | <b>-</b>                  |

**12 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, 2020 |                    | As at 31st March, 2019 |                    |
|-----------------------------------------|------------------------|--------------------|------------------------|--------------------|
|                                         | Number                 | Amount in Rs.      | Number                 | Amount in Rs.      |
| <b>Authorised</b>                       |                        |                    |                        |                    |
| Equity Shares of Rs. 10/- each          | 65,000,000             | 65,000,000         | 65,000,000             | 650,000,000        |
| 6,50,00,000 Equity Shares of Rs.10 each | <b>65,000,000</b>      | <b>65,000,000</b>  | <b>65,000,000</b>      | <b>650,000,000</b> |
| <b>Issued</b>                           |                        |                    |                        |                    |
| 2,21,25,054 Equity Shares of Rs.10 each | 22,125,054             | 221,250,540        | 22,125,054             | 221,250,540        |
| Fully paid up                           |                        |                    |                        |                    |
| <b>Total</b>                            | <b>22,125,054</b>      | <b>221,250,540</b> | <b>22,125,054</b>      | <b>221,250,540</b> |

**12A Reconciliation of number of shares**

| Particulars                                     | Equity Shares          |               |                        |               |
|-------------------------------------------------|------------------------|---------------|------------------------|---------------|
|                                                 | As at 31st March, 2020 |               | As at 31st March, 2019 |               |
|                                                 | 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   |
| Shares Issued during the year                   | -                      | -             | -                      | -             |
| Shares bought back during the year              | -                      | -             | -                      | -             |
| Any other movement (please specify)             | -                      | -             | -                      | -             |
| Shares outstanding at the end of the year       | 22,125,054             | 221,250,540   | 22,125,054             | 221,250,540   |

**12B Details of shares held by shareholders holding more than 5% of aggregate shares in the company**

| Particulars                    | Equity Shares          |               |                        |               |
|--------------------------------|------------------------|---------------|------------------------|---------------|
|                                | As at 31st March, 2020 |               | As at 31st March, 2019 |               |
|                                | 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%        |
| Intellect Capital Services Ltd | 2,075,000              | 9.38%         | 2,075,000              | 9.38%         |
| Punjab & Sind Bank             | 1,319,900              | 5.97%         | 1,319,900              | 5.97%         |
| <b>Total</b>                   | <b>9,747,387</b>       | <b>44.06%</b> | <b>9,747,387</b>       | <b>44.06%</b> |

**13 OTHER EQUITY**

Other equity consist of following :

| Other Equity                                                 | Reserves and Surplus |                    |                         |                   | Retained Earnings    | Total                |
|--------------------------------------------------------------|----------------------|--------------------|-------------------------|-------------------|----------------------|----------------------|
|                                                              | Capital Reserve      | Securities Premium | Debt Redemption Reserve | Special Reserve   |                      |                      |
| <b>Balance at 1.04.2018</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> |
| a. Balance at the beginning of the reporting period          | 19,386,846           | 165,086,340        | 875,000                 | 15,623,000        | (844,827,519)        | (643,856,333)        |
| b. Changes in accounting policy or prior period errors       | -                    | -                  | -                       | -                 | -                    | -                    |
| c. Restated balance at the beginning of the reporting period | -                    | -                  | -                       | -                 | -                    | -                    |
| d. Total profit for the year                                 | -                    | -                  | -                       | -                 | (9,022,486)          | (9,022,486)          |
| e. Dividends                                                 | -                    | -                  | -                       | -                 | -                    | -                    |
| f. Transfer to retained earnings                             | -                    | -                  | -                       | -                 | -                    | -                    |
| g. Total other comprehensive income for the year             | -                    | -                  | -                       | -                 | (336,905)            | (336,905)            |
| <b>Balance at the end of the 31.03.2019</b>                  | <b>19,386,846</b>    | <b>165,086,340</b> | <b>875,000</b>          | <b>15,623,000</b> | <b>(854,186,910)</b> | <b>(653,215,724)</b> |
| a. Balance at the beginning of the reporting period          | 19,386,846           | 165,086,340        | 875,000                 | 15,623,000        | (854,186,910)        | (653,215,724)        |
| b. Changes in accounting policy or prior period errors       | -                    | -                  | -                       | -                 | -                    | -                    |
| c. Restated balance at the beginning of the reporting period | -                    | -                  | -                       | -                 | -                    | -                    |
| d. Total profit for the year                                 | -                    | -                  | -                       | -                 | (3,233,645)          | (3,233,645)          |
| e. Dividends                                                 | -                    | -                  | -                       | -                 | -                    | -                    |
| f. Transfer to retained earnings                             | -                    | -                  | -                       | -                 | -                    | -                    |
| g. Total other comprehensive income for the year             | -                    | -                  | -                       | -                 | 25,098               | 25,098               |
| <b>Balance at the end of the 31.03.2020</b>                  | <b>19,386,846</b>    | <b>165,086,340</b> | <b>875,000</b>          | <b>15,623,000</b> | <b>(857,395,457)</b> | <b>(656,424,271)</b> |

**14 Long Term Borrowing**

Long term borrowings consist of following :

(Amount in Rs.)

| Particulars                                 | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---------------------------------------------|---------------------------|---------------------------|
| <b>A. Secured</b>                           |                           |                           |
| (i) Term Loan from SBI HF (Refer Note 14.1) | 2,500,000                 | 2,500,000                 |
| (ii) Payable to Related Party               |                           |                           |
| - DCM Services Ltd (Refer Note 14.3)        | 18,270,000                | 18,270,000                |
| - Others                                    | -                         | 121,755,984               |
| (Refer Note 14.2, 14.3 and 14.4)            |                           |                           |
|                                             | <b>20,770,000</b>         | <b>142,525,984</b>        |
| <b>Total</b>                                | <b>20,770,000</b>         | <b>142,525,984</b>        |

#### 14.1 SBI HOME FINANCE LIMITED

- (a) **Status till 31-March-2017 and as on 31-March 2020** - 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.

#### (a) **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 SBI Home Finance 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 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.

#### 14.2 **INDUSIND BANK**

- (a) **STATUS AS AT 31-MARCH-2017 and as on 31-MARCH-2020** - 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 as is 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**

| 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 was envisaged in the Scheme

According to the recommendation of One Man Committee the principal outstanding of Rs. 4.04 crores of IndusInd Bank as per Phase - I was repaid in Year 2017-18 and balance of Rs. 1.73 crore which was outstanding as on 01.04.2019 has also been paid during the year 2019-20. Now the outstanding balance as per books is NIL as on 31st March 2020.

- (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 the FY 17-18, being assignee of said loan of IndusInd Bank under Phase-I. The balance 30% amount i.e. Rs. 1.73 crores has been repaid in the current year. The closing balance as on 31st March 2020 is Nil.

| (d) | Statement on Reconciliation of Loan:          | Amount In Rs. |
|-----|-----------------------------------------------|---------------|
|     | Principal Outstanding as per the Scheme       | 57,699,675    |
|     | Less: Redemption made during the Year 2017-18 | 40,389,773    |
|     | Less: Repayment made during the Year 2019-20  | 17,309,903    |
|     | <b>Balance as on 31st March 2020</b>          | <b>-</b>      |

**14.3 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 (45% of 4.10 crores i.e. 1.84 Crore) as per SEBI guidelines to Pressman Leasing 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 were waived and cancelled.

- (d) The Loan of Pressman Leasing (55% of 4.10 crore i.e. 2.26 Crore) was acquired by DCM Services Limited. The company pursuant to scheme of One Man Committee, has paid 70% i.e. Rs. 1.56 Crore 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 which was outstanding as on 01st April 2019 and was included in the Payment to Related Party has been released as per Phase-II as per Schedule. The closing balance after payment as per phase II of Rs. 0.68 lacs to Pressman Leasing is NIL as on 31st March 2020.

**14.4 OTHERS**

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

**Others includes the following:**

|                                                                                                  |                    |                    |
|--------------------------------------------------------------------------------------------------|--------------------|--------------------|
| - DCM International Limited                                                                      | 28,156,876         | 25,590,477         |
| - DCM Services Limited (including Pressman Leasing Loan in FY 18-19)<br>Note 14.3                | 73,924,220         | 73,885,290         |
| - DCM Anubhavi Market Private Limited<br>(including Indusind Bank Loan in FY 18-19)<br>Note 14.2 | 3,184,349          | 20,204,009         |
| - Global IT Options Limited                                                                      | -                  | 2,076,208          |
|                                                                                                  | <b>105,265,445</b> | <b>121,755,984</b> |

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

Other Non Current Liabilities consist of the following :-

| Particulars       | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|-------------------|--------------------------------------------|--------------------------------------------|
| Deferred Interest | -                                          | 7,297,982                                  |
| Employee Advances | -                                          | -                                          |
| <b>Total</b>      | <b>-</b>                                   | <b>7,297,982</b>                           |

**16 Provisions (Non-Current)**

Provisions consist of the following :

| Particulars                                | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>(a) Provision for Employee Benefits</b> |                                            |                                            |
| Leave Encashment                           | 24,846                                     | 179,608                                    |
| Gratuity                                   | 547,490                                    | 648,009                                    |
| <b>Total</b>                               | <b>572,336</b>                             | <b>827,617</b>                             |

**17 Other Current Financial Liabilities**

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

| Particulars                                                                          | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|--------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>a. <u>Current Maturities of Long Term Debt</u></b>                                |                                            |                                            |
| Payable to Related Party - Inter Corporate Deposits (Refer Note 14.2, 14.3 and 14.4) | 105,265,445                                | -                                          |
|                                                                                      | <u>105,265,445</u>                         | <u>-</u>                                   |
| <b>b. <u>Secured</u></b>                                                             |                                            |                                            |
| Debentures (Refer Note 17.1)                                                         | 184,867,923                                | 202,208,752                                |
| Term Loan from Institution -SIDBI (Refer Note 17.2)                                  | -                                          | 1,088,982                                  |
| Due to Banks (Refer Note 17.3)                                                       | -                                          | 24,102,141                                 |
|                                                                                      | <u>184,867,923</u>                         | <u>227,399,875</u>                         |
| <b>c. <u>Unsecured</u></b>                                                           |                                            |                                            |
| Fixed Deposit from Public (Refer Note 17.4)                                          | 490,766,196                                | 523,746,858                                |
| Inter - Corporate Deposits (Refer Note 17.5)                                         | 2,716,607                                  | 2,716,607                                  |
|                                                                                      | <u>493,482,803</u>                         | <u>526,463,465</u>                         |
| (d) Rent Payable                                                                     | -                                          | -                                          |
| (e) Security Deposits                                                                | 625,000                                    | 625,000                                    |
| (f) Payable to Punjab & Haryana High Court (Refer Note 17.6)                         | 10,000,000                                 | 10,000,000                                 |
| (g) Expenses Payable                                                                 | 8,607,299                                  | 7,029,206                                  |
| (h) Other Payable                                                                    | 5,217,054                                  | 4,838,567                                  |
| <b>Total</b>                                                                         | <b>808,065,524</b>                         | <b>776,356,112</b>                         |

**17.1 DEBENTURES**

| <b>(a) Debentures</b> | <b>As at 31st<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
|-----------------------|-----------------------------------|-----------------------------------|
| "A" Series Debenture  | <b>210,000</b>                    | <b>710,000</b>                    |
| "B" Series Debenture  |                                   |                                   |
| - 19.5% Regular       | 78,951,189                        | 87,586,989                        |
| - 19.5% Cumulative    | 80,310,237                        | 87,507,537                        |
| - Deep Discount Bonds | 25,396,497                        | 26,404,226                        |
|                       | <b>184,867,923</b>                | <b>202,208,752</b>                |

**(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/hypo-thecation/charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs. 710,000 were overdue as on March 31, 2019 out of which Rs 5,00,000 have been repaid during the year 2019-2020. The remaining overdue balance 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 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. 9,71,46,177 have been redeemed till March 31st, 2020. The remaining debentures as at March 31, 2020 in the "B" series amounting to Rs 18,46,57,923 consist of the following:-

| <b>Particulars</b>  | <b>Amount in Rs.</b> | <b>Amount in Rs.</b> |
|---------------------|----------------------|----------------------|
| 19.5% Regular       | 78,951,189           | 87,586,989           |
| 19.5% Cumulative    | 80,310,237           | 87,507,537           |
| Deep Discount Bonds | 25,396,497           | 26,404,226           |
| <b>Total</b>        | <b>184,657,923</b>   | <b>201,498,752</b>   |

(d) The value of assets charged in favor 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 and till 31st March 2020** - 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, 2020.

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**

| 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                      | (In Crores)  |             |
|----------------------------------|--------------|-------------|
|                                  | 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            |
| <b>Balance as on 1st April 2017</b>                                                              | <b>255,020,844</b> |
| 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> |
| Less: Redemption made during the year ended 31-March-2019 as per the scheme of one man committee | 35,195,313         |
| <b>Balance as on 31st March 2019</b>                                                             | <b>202,208,752</b> |
| Less: Redemption made during the year ended 31-March-2020 as per the scheme of one man committee | 17,340,829         |
| <b>Balance as on 31st March 2020</b>                                                             | <b>184,867,923</b> |

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.7,01,52,921 has already been made till March 31, 2020. 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 18,48,67,923 is shown as Other Current Financial Liability.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also been started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

## 17.2 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 favor 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>     |

| 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. The balance outstanding as on 01st April 2019 of Rs. 10.89 lacs has also been repaid during the financial year 2019-20 and balance as on 31st March 2020 as per books is NIL. 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 | 3,629,941 |
| <b>Balance as on 31st March 2020</b>                                                   | <b>-</b>  |

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 also paid in financial Year 2019-20 and closing balance is NIL.

### 17.3 PUNJAB AND SIND BANK

| (a) | Due to Banks       | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-----|--------------------|---------------------|---------------------|
|     | Punjab & Sind Bank | -                   | 24,102,140          |
|     |                    | -                   | <b>24,102,140</b>   |

- (b) The value of the assets charged in favor 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 and as on 31st March 2020** - 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 Crore) |
|--------------------------|-------------------|
| I. Principal Outstanding | 8.03              |
| II. Maturity Interest    | -                 |
| <b>Total</b>             | <b>8.03</b>       |

#### (ii) Payment Schedule

(In Crores)

| 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. The balance amount of Rs. 2.41 crore has also been repaid during financial year 2019-2020 and closing balance is NIL. 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 2017-18 | 56,238,324 |
| Less: Redemption made during the year as per the scheme of one man committee 2019-20 | 24,102,139 |
| <b>Balance as on 31st March 2020</b>                                                 | <b>-</b>   |

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. The balance 30% i.e. Rs. 2,41,02,139 which is also paid in financial year 2019-2020 and closing balance as on 31st March 2020 is NIL.

**17.4 FIXED DEPOSITORS**

- (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****Amount (In Cr)**

| <b>Particulars</b>               | <b>Phase-I</b> | <b>Phase-II</b> |
|----------------------------------|----------------|-----------------|
| 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:**

| <b>Particulars</b>                                                             | <b>Amount in Rs</b> |
|--------------------------------------------------------------------------------|---------------------|
| Balance as on 1st April 2018                                                   | 544,992,529         |
| Less: Redemption made during the year with the approval of High Court of Delhi | 21,245,671          |
| Balance as on 31st March 2019                                                  | 523,746,858         |
| Less: Redemption made during the year as per the scheme of one man committee   | 32,980,662          |
| <b>Balance as on 31st March 2020</b>                                           | <b>490,766,196</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.

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.3,91,56,922 has already made till 31st March 2019. During the financial year 2019-20 further payment to depositors to the tune of Rs. 3,29,80,662/- has 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 49,07,16,196 is shown as Other Current Financial Liability.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

**17.5 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**

| <b>Particulars</b>       | <b>Amount (In Lacs)</b> |
|--------------------------|-------------------------|
| 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.

No payment has been made till date to ICD Lenders. However, scheme has been already approved, 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.

- 17.6** 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.

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

Other current liabilities consist of the following:-

(Amount in Rs.)

| Particulars                            | As at 31st<br>March, 2020 | As at 1st<br>April, 2019 |
|----------------------------------------|---------------------------|--------------------------|
|                                        | Amount in Rs.             | Amount in Rs.            |
| Statutory Liabilities                  | 363,885                   | 346,001                  |
| Payable to Employees/Employee Advances | 2,089,633                 | 2,717,453                |
| <b>Total</b>                           | <b>2,453,518</b>          | <b>3,063,454</b>         |

**19 Provision (Current)**

Provisions consist of the following :

(Amount in Rs.)

| Particulars                                | As at 31st<br>March, 2020 | As at 1st<br>April, 2019 |
|--------------------------------------------|---------------------------|--------------------------|
|                                            | Amount in Rs.             | Amount in Rs.            |
| <b>(a) Provision for employee benefits</b> |                           |                          |
| - Leave Encashment                         | 40,502                    | 397,796                  |
| - Gratuity                                 | 10,894                    | 1,325,140                |
| <b>Total</b>                               | <b>51,396</b>             | <b>1,722,936</b>         |

**20 Other Income**

Other income (net) consist of the following:

(Amount In Rs.)

| Particulars                               | For the<br>year ended<br>31.03.2020 | For the<br>year ended<br>31.03.2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
|                                           | Amount in Rs.                       | Amount in Rs.                       |
| Interest on Fixed Deposits                | 18,072,623                          | 20,886,221                          |
| Deferred Income                           | 7,297,981                           | 8,580,448                           |
| Dividend Income                           | 45,024                              | 25,730                              |
| Profit on sale of Investment              | 2,825                               | -                                   |
| Miscellaneous Income                      | -                                   | 41,922                              |
| Reversal of Provision, no longer required | -                                   | 344,904                             |
| Interest on Income Tax Refund             | -                                   | 57,599                              |
| <b>Total</b>                              | <b>25,418,452</b>                   | <b>29,936,824</b>                   |

**21 Employee Benefit Expense**

Employee benefits expenses consist of the following:

(Amount In Rs.)

| Particulars                                         | For the<br>year ended<br>31.03.2020<br>Amount in Rs. | For the<br>year ended<br>31.03.2019<br>Amount in Rs. |
|-----------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| (a) Salaries, Wages & Bonus                         | 3,401,874                                            | 4,788,093                                            |
| (b) Contributions to Provident Fund and other funds | 508,032                                              | 721,755                                              |
| (c) Staff Welfare expenses                          | 513                                                  | -                                                    |
| <b>Total</b>                                        | <b>3,910,419</b>                                     | <b>5,509,848</b>                                     |

**22 Finance Cost**

Finance costs consist of the following:

(Amount In Rs.)

| Particulars                             | For the<br>year ended<br>31.03.2020<br>Amount in Rs. | For the<br>year ended<br>31.03.2019<br>Amount in Rs. |
|-----------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Interest on late deposit of TDS         | 468                                                  | 3,978                                                |
| Interest Expense on financial liability | 9,802,788                                            | 11,068,726                                           |
| <b>Total</b>                            | <b>9,803,256</b>                                     | <b>11,072,704</b>                                    |

**23 Other Expenses**

Other expenses consist of the following

(Amount In Rs.)

| Particulars                                                 | For the<br>year ended<br>31.03.2020<br>Amount in Rs. | For the<br>year ended<br>31.03.2019<br>Amount in Rs. |
|-------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Travelling & Conveyance                                     | 202,914                                              | 174,997                                              |
| Repairs                                                     |                                                      |                                                      |
| - Building                                                  | 30,950                                               | 1,150                                                |
| - Others                                                    | 381,314                                              | 33,998                                               |
| Electricity & Water                                         | 103,735                                              | 112,186                                              |
| Legal & Consultancy Charges                                 | 6,423,057                                            | 6,267,772                                            |
| Postage and Telegram                                        | 6,009                                                | 1,187,743                                            |
| Auditors Remuneration:                                      |                                                      |                                                      |
| - Statutory/Tax Audit                                       | 383,500                                              | 383,500                                              |
| - Other                                                     | -                                                    | 69,030                                               |
| Rent                                                        | 532,704                                              | 532,704                                              |
| Telephone Expenses                                          | 48,307                                               | 56,769                                               |
| Advertisement & Publicity                                   | 596,701                                              | 47,943                                               |
| Printing and Stationery                                     | 21,794                                               | 86,068                                               |
| Bad Debts Written off                                       | -                                                    | -                                                    |
| Old Employee Advance written off                            | -                                                    | 332,997                                              |
| Bank Charges                                                | 2,242                                                | 2,006                                                |
| Provision for Diminuation of Investments                    | 4,680                                                | 1,710,167                                            |
| Provision for NPA                                           | 59,702                                               |                                                      |
| Provision for Impairment                                    | -                                                    | -                                                    |
| Unrealised loss on account of fair valuation of Investments | 5,205,700                                            | 1,433,371                                            |
| Share Transfer Expenses                                     | 150,000                                              | 174,505                                              |
| AGM Expenses                                                | 1,027,421                                            | 1,054,354                                            |
| Internal Audit Fees                                         | 20,000                                               | 23,600                                               |
| Listing Fees                                                | 783,717                                              | 784,988                                              |
| Rates and Taxes                                             | 13,400                                               | 72,224                                               |
| Excess Accrued Interest written off                         | 157,460                                              | 11,977                                               |
| Property Tax                                                | 284,409                                              | 305,702                                              |
| Penalty on late deposit of EPF challan                      | 944                                                  | 184                                                  |
| Loss on sale of Investments                                 | 42,879                                               |                                                      |
| Fine/Penalty                                                | 129,800                                              | -                                                    |
| Other Expenses                                              | 13,483                                               | 25,572                                               |
| <b>TOTAL</b>                                                | <b>16,626,822</b>                                    | <b>14,885,506</b>                                    |

**24 Income tax expenses**

(Amount In Rs.)

**Particulars****For the  
year ended  
31.03.2020****For the  
year ended  
31.03.2019****A. Amount Recognized in Profit or Loss****Current tax**

Income tax for the year

Current tax

Adjustments/(credits) related to previous years - Net

-

-

Total current tax

-

18,574

**Total current tax**

-

18,574

**Deferred tax**

Deferred tax for the year

(7,402,780)

4,340,950

Adjustments/(credits) related to previous years - Net

-

-

**Total deferred tax**

(7,402,780)

4,340,950

**TOTAL****(7,402,780)****4,359,523****B Amount recognised in other comprehensive income**

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

**Deferred tax**

On items that will not be reclassified to profit or loss

- Remeasurement gains/(losses) on defined benefit plans

8,818

(87,827)

**TOTAL****8,818****(87,827)****25) 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, 2018.

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.

**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 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 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:

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.
- 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:

- 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**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

**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.

**Additional Notes to Accounts****26) 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 2020**

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 immoveable 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 immoveable 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)**

| 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<br>(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 2.35Cr         |
|      | <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 Cr.           | -                  |
| II   | Less than Rs 5,000            | 1.69                | -                  |
| III  | 30% of total amount           | -                   | 5.97               |
| IV   | Maturity Interest             | -                   | 2.35               |
|      | <b>Total</b>                  | <b>Rs 19.56 Cr.</b> | <b>Rs 8.32 Cr.</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.

Payment to debenture holders are being made as per the recommendation of One Man Committee during the Financial Year 2017-18, 2018-19 and 2019-20 refer note 17.1 for details regarding repayments made to debentureholders

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

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

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

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

Payment to Fixed Deposit holders are being made as per the recommendation of One Man Committee during the Financial Year 2017-18, 2018-19 and 2019-20 refer note 17.4 for details regarding repayments made to Fixed deposit holders.

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

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

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

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

Payment to SIDBI are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 17.2 for details regarding repayments made to SIDBI.

**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:

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

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

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

| S.N. | Particulars                   | Phase-I           | Phase-II          |
|------|-------------------------------|-------------------|-------------------|
| I    | 70% of total principal amount | Rs 5.62 Cr        | -                 |
| II   | Less than Rs 5,000            | -                 | -                 |
| III  | 30% of total amount           | -                 | Rs 2.41 Cr        |
|      | <b>Total</b>                  | <b>Rs 5.62 Cr</b> | <b>Rs 2.41 Cr</b> |

Payment to PSB are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 17.3 for details regarding repayments made to PSB.

**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:

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

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

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

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

Payment to Indusind Bank are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 14.2 for details regarding repayments made to PSB.Z'

**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:-

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

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

**(B) 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                                                                                       | Rs 25 Lac        |
| 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>Rs 25 Lac</b> |

Since, the number of shares to be allotted are not clear, presently the amount of Rs. 25 Lacs is shown in 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.

**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 | Rs 27.17 Lac        |
| II   | Interest              | --                  |
|      | <b>TOTAL</b>          | <b>Rs 27.17 Lac</b> |

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

| S.N. | Particulars                   | Phase-I             | Phase-II           |
|------|-------------------------------|---------------------|--------------------|
| I    | 70% of total principal amount | Rs 19.02 Lac        | -                  |
| II   | 30% of total amount           | -                   | Rs 8.15 Lac        |
|      | <b>Total</b>                  | <b>Rs 19.02 Lac</b> | <b>Rs 8.15 Lac</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 | Rs 4.10 Cr         |
| II   | Interest              | --                 |
|      | <b>TOTAL</b>          | <b>Rs 4.10 Cr.</b> |

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

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

**(C) 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 | Rs 1.84 Cr        |
|      | <b>TOTAL</b>                                                                                                               | <b>Rs 1.84 Cr</b> |

Payment to Pressman Leasing are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 14.3 for details regarding repayments made to Pressman Leasing.

**Developments during the financial year ended 31st March, 2019 and 31st March 2020**

During the financial year ending March 2019 and March 2020, the company is continuing to make payments to deposit holders and debenture holders in Phase – I. Phase II has also been started simultaneously during the current financial year.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

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

|    |                                                                            | Year ended<br>31st March,<br>2020 | Year ended<br>31st March,<br>2019 |
|----|----------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 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.)    | (32,08,547)                       | (93,59,391)                       |
| c) | Earning per share – Basic**                                                | (0.15)                            | (0.42)                            |
| d) | Earning per share – Diluted**                                              | (0.15)                            | (0.42)                            |

**28) Contingent Liabilities and Commitments****A) Contingent Liabilities**

- (a) During the year ended 30th June, 2011 the company's tenant had filed a claim of Rs. 10,000,000 against the company due to damages suffered by the tenant which is still pending under arbitration proceedings as on 31st March, 2020.
- (b) There is a demand of Rs. 34,58,900 for the Assessment Year 2006-07 and Rs. 357,542 for the Assessment Year 2012-13 for payment of income tax under the Income Tax Act, 1961, which is disputed by the company and pending before the appropriate authorities as on 31st March 2020.
- (c) There is an award passed by the arbitrator against the company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the company. The total financial impact comes to Rs. 36,358,448 which has been contested by Company before Hon'ble Delhi High Court.
- (d) Due to dispute with the builder namely M/s NBCC Ltd. from which the company had purchased an office premises in the year 1995, regarding a claim of Rs. 28,829,634 on account of increase in super area and certain other expenditure which the builder i.e. M/s NBCC Ltd. had incurred and the same is pending in arbitration. Breakup of the amount of Rs. 28,829,634 mentioned supra is as follows:

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

- (e) 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.

- (f) 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. 13.40 Lacs. The cumulative net loss as well as Current/Non- Current Liability/Provisions as at 31st March, 2020 would have been higher by Rs. 13.40 Lacs.

#### **B) Commitments**

There are no non-cancellable capital commitments.

#### **29) 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 10.87 years. For the current valuation a discount rate of 7.63% 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 2019-20.

| PARTICULARS                                                                                                        | Gratuity       | Leave Encashment | Gratuity         | Leave Encashment |
|--------------------------------------------------------------------------------------------------------------------|----------------|------------------|------------------|------------------|
|                                                                                                                    | Unfunded       | Unfunded         | Unfunded         | Unfunded         |
|                                                                                                                    | 31.03.2020     |                  | 31.03.2019       |                  |
| <b>Statement of profit &amp; loss</b>                                                                              |                |                  |                  |                  |
| <b>Net employee benefit expense recognized in employee cost</b>                                                    |                |                  |                  |                  |
| Current Service Cost                                                                                               | 56,019         | 41,448           | 101,963          | 29,991           |
| Interest Cost on Defined Benefit Obligation                                                                        | 150,551        | 44,056           | 102,541          | 25,281           |
| <b>Total Expense recognized in the Statement of Profit and Loss</b>                                                | <b>206,570</b> | <b>85,504</b>    | <b>204,504</b>   | <b>55,272</b>    |
| <b>Remeasurements recognised in Other Comprehensive Income</b>                                                     |                |                  |                  |                  |
| Net Actuarial (Gain)/Loss                                                                                          | (33,916)       | (17,784)         | 424,732          | 190,791          |
| <b>Total defined benefit cost recognized in Profit &amp; Loss and Other Comprehensive Income</b>                   | <b>172,654</b> | <b>67,720</b>    | <b>629,236</b>   | <b>246,063</b>   |
| <b>Changes in the present value of the defined benefit obligation are as follows:</b>                              |                |                  |                  |                  |
| Opening Defined Benefit Obligation                                                                                 | 1,973,149      | 577,404          | 1,343,913        | 331,246          |
| Interest Cost                                                                                                      | 150,551        | 44,056           | 102,541          | 25,281           |
| Current Service Cost                                                                                               | 56,019         | 41,448           | 101,963          | 29,991           |
| Benefits Paid                                                                                                      | (15,87,419)    | (579,776)        | -                | -                |
| Actual Losses / (Gain) on Obligation                                                                               | (33,916)       | (17,784)         | 424,732          | 190,791          |
| Closing Defined Benefit Obligation                                                                                 | 558,384        | 65,348           | 1,973,149        | 577,404          |
| <b>Classification in Balance Sheets</b>                                                                            |                |                  |                  |                  |
| Net Assets/ (Liability)                                                                                            | Gratuity       |                  | Leave Encashment |                  |
|                                                                                                                    | Current        | Non-Current      | Current          | Non-Current      |
| As at 31st March 2020                                                                                              | 10,894         | 547,490          | 40,502           | 24,846           |
| As at 31st March 2019                                                                                              | 1,325,140      | 6,48,009         | 397,796          | 179,608          |
| <b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b> |                |                  |                  |                  |
| Discount Rate                                                                                                      | 6.70           | 6.70             | 6.70             | 6.70             |
| Increase in Compensation Cost                                                                                      | 6.00           | 6.00             | 6.00             | 6.00             |

**SENSITIVITY ANALYSIS**

|    | <b>PARTICULARS</b>                                                     | <b>Gratuity</b> | <b>Leave encashment</b> |
|----|------------------------------------------------------------------------|-----------------|-------------------------|
| a. | Defined benefit obligation - Discount rate + 100 Basis points          | (58,113)        | (2,900)                 |
| b. | Defined benefit obligation - Discount rate - 100 Basis points          | 67,280          | 3,381                   |
| c. | Defined benefit obligation – Salary escalation rate + 100 Basis points | 67,078          | 3,372                   |
| d. | Defined benefit obligation – Salary escalation rate - 100 Basis points | (58,988)        | (2,944)                 |

30) For year ended 31st March, 2020, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

31) As the Company has brought forward unabsorbed depreciation amounting to Rs.28,20,33,011 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".

**32) 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, 2020 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.

**33) Related Parties Transactions:**

**A. List of Related parties**

| <b>SN</b> | <b>Description of Relationship</b> | <b>Name of Party</b> |                                                                               |
|-----------|------------------------------------|----------------------|-------------------------------------------------------------------------------|
| (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. Shantanu Deveshwar –Director                                              |
|           |                                    | (ii)                 | Mrs. Priya Sharma –Company Secretary and CFO (Resigned on 10.06.2019)         |
|           |                                    | (iii)                | Mrs. Somali Tiwari- Company Secretary and CFO (Appointed on w.e.f 18.07.2019) |

**B. Transactions with related parties during the year** (Amount in Rs.)

|                                 | Particulars                              | For the year ending<br>31st March 2020 | For the year ending<br>31st March 2019 |
|---------------------------------|------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Key Management Personnel</b> |                                          |                                        |                                        |
| 1.                              | <b>Remuneration</b>                      | 4,81,131                               | 2,79,230                               |
| 2.                              | <b>Repayment of loan</b>                 |                                        |                                        |
|                                 | - DCM Services Limited                   | 66,99,000                              | -                                      |
|                                 | - DCM Anubhavi Marketing Private Limited | 1,73,09,902                            | -                                      |
|                                 | - Global IT Options Limited              | 22,84,425                              | -                                      |
| 3.                              | <b>Interest Expense</b>                  |                                        |                                        |
|                                 | - DCM Services Limited                   | 67,37,930                              | 67,16,845                              |
|                                 | - DCM International Limited              | 25,66,399                              | 23,26,407                              |
|                                 | - DCM Anubhavi Marketing Private Limited | 2,90,242                               | 18,36,728                              |
|                                 | - Global IT Options Limited              | 2,08,217                               | 1,88,746                               |
| 4.                              | <b>Interest Income</b>                   |                                        |                                        |
|                                 | - DCM Services Limited                   | 49,15,886                              | 52,79,977                              |
|                                 | - DCM International Limited              | 21,40,068                              | 21,34,221                              |
|                                 | - DCM Anubhavi Marketing Private Limited | 2,42,077                               | 11,66,250                              |
|                                 | - Global IT Options Limited              | 1,73,708                               | 1,72,615                               |

**C. Balance Outstanding** (Amount in Rs.)

|    |                                        |             |             |
|----|----------------------------------------|-------------|-------------|
| 1. | DCM Services Ltd.                      | 7,39,24,220 | 7,38,85,290 |
| 2. | DCM International Limited              | 2,81,56,876 | 2,55,90,476 |
| 3. | DCM Anubhavi Marketing Private Limited | 31,84,349   | 2,02,04,010 |
| 4. | Global IT Options                      | NIL         | 20,76,208   |
| 5. | Remuneration Payable                   | 28,829      | NIL         |

**34) Financial Instruments and Related Disclosures**

**a) Categories of Financial Instruments**

| Particulars      |                                | Note  | As at 31st March 2020 | As at 31st March 2019 |
|------------------|--------------------------------|-------|-----------------------|-----------------------|
| Financial Assets |                                |       |                       |                       |
| I                | Measured at amortised cost     |       |                       |                       |
|                  | (i) Investments                | 6     | NIL                   | 1,070                 |
|                  | (ii) Cash and cash equivalents | 8     | 1,130,865             | 2,242,135             |
|                  | (iii) Other Bank Balances      | 9     | 27,881,916            | 88,449,831            |
|                  | (iv) Others                    | 3& 10 | 182,536,685           | 221,748,530           |
|                  | Total (A)                      |       | 211,549,466           | 312,441,566           |

|                              |                                                                  |    |                    |                    |
|------------------------------|------------------------------------------------------------------|----|--------------------|--------------------|
| <b>II</b>                    | <b>Measured at fair value through Other Comprehensive Income</b> |    |                    |                    |
|                              | (i) Investments                                                  | 6  | NIL                | NIL                |
|                              | <b>Total (B)</b>                                                 |    | <b>NIL</b>         | <b>NIL</b>         |
| <b>III</b>                   | <b>Measured at fair value through Profit &amp; loss</b>          |    |                    |                    |
|                              | (i) Investments                                                  | 6  | 6,406,027          | 12,088,513         |
|                              | <b>Total (C)</b>                                                 |    | <b>6,406,027</b>   | <b>12,088,513</b>  |
|                              | <b>Total financial assets (A+B+C)</b>                            |    | <b>217,955,493</b> | <b>324,530,079</b> |
| <b>Financial Liabilities</b> |                                                                  |    |                    |                    |
| <b>I</b>                     | Measured at amortised cost                                       |    |                    |                    |
|                              | (i) Borrowings                                                   | 14 | 20,770,000         | 142,525,984        |
|                              | (ii) Other financial liabilities                                 | 17 | 808,065,524        | 776,356,111        |
|                              | <b>Total financial liabilities</b>                               |    | <b>828,835,524</b> | <b>918,882,095</b> |

**(b) Fair Value Hierarchy**

|            | <b>Particulars</b>                                                                                                                                                     | <b>As at 31st March 2020</b> | <b>As at 31st March 2019</b> |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>I</b>   | <b>Financial Assets / Financial Liabilities at amortized cost</b>                                                                                                      |                              |                              |
|            | The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values except the following: |                              |                              |
|            | Fair value of Current Maturities of Long Term Debt/ Borrowing measured at amortized cost (Level 3)                                                                     | 105,265,445                  | 121,755,984                  |
| <b>II</b>  | <b>Financial assets at fair value through profit &amp; loss</b>                                                                                                        |                              |                              |
|            | Investment in Equity Shares (Level 1)                                                                                                                                  | 1,218,021                    | 4,425,653                    |
|            | Investment in Equity Shares (Level 2)                                                                                                                                  | 5,188,006                    | 7,662,860                    |
| <b>III</b> | <b>Financial assets at fair value through Other Comprehensive Income</b>                                                                                               | <b>NIL</b>                   | <b>NIL</b>                   |

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined on the basis of net asset value as per last available audited financial statements.

Level 3: If one or more of the significant inputs is not based on observable market data, the fair value is determined using discounted cash flow method with the most significant inputs being the discount rate that reflects the credit risk of the counter-party.

**35) 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:

- 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.

### 36) 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 and Phase-I is still in continuation for the financial year ending 31st March 2019 and 31st March 2020, However, company has simultaneously started making payment under phase- II of balance 30% to those who have claimed the same. During the year 2019-20 company has started making payment of 100% to those creditors who are claiming it. 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. 32,08,547 during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by Rs.413,831,396. The accumulated loss as on 31st March, 2020 stands to Rs. 85,73,95,457/- (Previous year Rs. 85,48,86,910/-). As on 31st March, 2020, the Company's total liabilities exceeded to its total assets by Rs. 43,51,73,731/- (Previous year Rs. 43,19,65,185/-).

- (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,
- 37) 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.
- 38) 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.
- 39) **Segment information for the year ended 31st March 2020**  
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.
- 40) The COVID -19 pandemic is rapidly spreading throughout the world. The company is not doing any operations as there is order by the Hon'ble High Court and RBI to not to do any operations/ business. Accordingly, company is only paying back its creditors and Fixed Deposit Holders as per the recommendations of One Man Committee. The Company has resumed repayment to its creditors in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial results as at 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.
- 41) 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 & Co**

Chartered Accountants

Firm Registration No. 011393N

**Rishi Mittal****Partner****M.No. 521860****Richa Kalra****Director****DIN: 07632571****Shantanu Deveshwar****Whole-time Director****DIN: 08268523****Place : New Delhi****Dated : 3rd July, 2020****Somali Tiwari****Company Secretary****M.No.A47631**

## INDEPENDENT AUDITOR'S REPORT

To The Members Of

## DCM FINANCIAL SERVICES LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Opinion

We have audited the accompanying consolidated financial statements of **DCM FINANCIAL SERVICES LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as the 'Group') which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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 consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the Company as at March 31, 2020; and
- (b) In the case of Consolidated Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2020.
- (c) In the case of Consolidated Cash Flow Statement for the year ended on date March 31, 2020.
- (d) In the case of Consolidated Statement of changes in equity for the year ended on date March 31, 2020.

## 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 consolidated financial statements on the outstanding amount of Debentures and Fixed Deposits.

Had interest of Rs. 1,683 Lacs been provided for in the consolidated financial statements of year ending 31st March 2018 on outstanding amount of Debentures and Fixed Deposits, the Net Profit before tax would have been lowered by Rs. 1,683 Lacs and Net Profit after tax would have been lowered by Rs. 1,340 Lacs as at 31st March, 2018. The cumulative net loss as well as Current Liabilities as at 31st March, 2020 would have been higher by Rs 1,340 Lacs. The same has been explained in **Note 17.1 and Note 17.4**

- (ii) For redemption of 'B' series debentures of Rs. 2014.98 Lacs debenture redemption reserve is required to be created. Debenture redemption reserve of Rs. 2014.98 Lacs has not been created due to insufficient profits. The same has been explained in **Note 17.1**.
- (iii) The value of assets charged as security in 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 17.1, 17.2 and 17.3**.

- (iv) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, FD balances with Bank, interest on FD from banks, balance of ex-employees, margin against L/C, loans from institutions, banks, no dues certificate on payment of loans from bank 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-38**

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

- v(a) 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, 2020.
- v(b) There is a demand of Rs. 3,458,902 raised by Income Tax Department for the Assessment Year 2006-07 and Rs. 357,542 for the Assessment Year 2012-13 for payment of income tax under the Income Tax Act, 1961, which is disputed by the holding company and pending before the appropriate authorities as on 31st March 2020.
- v(c) There is an award passed by the arbitrator against the holding company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 5,128,320 i.e. the claim amount, along with Rs. 30,680,848 towards interest cost for an underwriting given by the holding company in the year 1995 for the public issue of M/s MS Shoes East Ltd. Furthermore, an incidental cost which includes arbitration venue rent, record keeping cost, administrative cost and stamp paper charges amounting to Rs. 549,280, had been awarded to the holding company. The total financial impact comes to Rs. 36,358,448 which has been contested by Holding Company before Hon'ble Delhi High Court.
- v(d) 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> |

- (vi) The subsidiary company namely, Global IT Options Limited has from 1st June 2014 to 31st March, 2018 incurred expenditure of Rs 22.84 Lacs for & on behalf of its Holding Company (i.e. DCM Financial Services Limited) and the same balance is outstanding as on 31st March 2019 also. It comes under the category of short term funding which is in-fact Inter-Corporate Deposit. In case of Inter-Corporate Deposit, Section 186 of Companies Act, 2013 stipulates to charge interest at a rate not less than the bank declared by Reserve Bank of India. No Interest has been provided on outstanding balance of Rs 22.84 Lacs by Company to its subsidiary - Global IT Options Limited with effect from 1-June-2014. It is a non-compliance of Section 186 of the Companies Act, 2013, which could attract penalties. We have discounted this liability considering the borrowing with interest @10% p.a. in FY 2015-16 considering that the same will be paid in FY 2019-20. However, the company has paid back the amount of Rs. 22.84 Lacs to its subsidiary in the FY 2019-20. Hence, the balance outstanding as on 31st March 2020 is NIL. This qualification pertains to subsidiary.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 36 in the consolidated financial statements, which indicates that the Company incurred a net loss of Rs. 31,20,791 during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 41,15,46,356. The accumulated loss as on 31st March, 2020 stands to Rs. 85,54,17,842/-(Previous year Rs. 85,22,97,051/-). As on 31st March, 2020, the Company's total liabilities exceeded to its total assets by Rs. 43,28,88,691/- (Previous year Rs. 42,97,67,900/-).

As stated in Note 36, these events or conditions, along with other matters as set forth in Note 36 which are as under :-

The Holding 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. This indicates 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.

- (ii) We draw attention to **Note 26** in the consolidated 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.
- (iii) We draw attention to **Note 32** in the consolidated 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, 2020 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.

### Other Matter

We draw attention to **Note 40** to the financial statements, regarding management's assessment of Covid-19 impact on the future performance of the company. Our report is not modified in respect of the matter.

### Information Other than the consolidated financial statements and Auditor's Report Thereon

The Board of Directors of Group is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Report on Corporate Governance and General Shareholders Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the consolidated financial statements**

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, we report that:
  - a. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the matters described in the Basis for Qualified Opinion and Key Audit Matters paragraph, in our opinion proper books of account as required by law have been kept by so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. Except for the matters described in the Basis for Qualified Opinion and Other Key Matters paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed 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 and Other Key Matters paragraph above, in our opinion, may have a qualified effect on the functioning of the Group.
  - f. On the basis of the representations received from the directors as on 31st March 2020 taken on the record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act..

- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A' ; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 28 to the consolidated financial statements;
  - ii. The Group has made necessary provision in its consolidated financial statements under the applicable law or Indian accounting standards, wherever required;
  - 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 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, During the year ended 31st March, 2018, Company started paying the amount as per Phase-I and the company is still in continuation of making payments as per Phase I for the year ended 31st March 2020. Also the company has started making payments as per Phase II simultaneously during the current financial year. 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 One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors in full who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them. Also company has also started paying balance 30% to creditors to whom 70% has already been paid previously. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

All the unpaid matured Public Fixed Deposits of Rs 4907.66 Lacs Unpaid Matured Debentures of Rs. 1848.68 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 17.1 and 17.4.

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

**For Mukesh Aggarwal & Co**  
Chartered Accountants  
Firm Registration No. 011393N

Rishi Mittal  
*Partner*  
M.No. 521860

Place : New Delhi  
Dated : 3rd July, 2020  
UDIN No 20521860AAAAAX6431

## **Annexure 'A' to Independent Auditors' Report**

**Referred to in Paragraph 2 (f) under the heading of "Report on Other Legal and Regulatory Requirements" 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")**

We have audited the internal financial controls over financial reporting of DCM FINANCIAL SERVICES LIMITED ("herein referred as the Company") and its subsidiary company as of March 31, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

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

The management of Company and its subsidiary company is responsible for establishing and maintaining internal financial controls based on internal policies & procedures, accounting records and essential components on the internal control over financial reporting criteria established by the respective Company as per Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Disclaimer of Opinion**

According to the information and explanation given to us, the Company and its subsidiary 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, 2020.

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 financial statement of the company and the disclaimer does not affect our opinion on the financial statements of the company.

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 & Co**  
Chartered Accountants  
Firm Registration No. 011393N

Place : New Delhi  
Dated : 3rd July, 2020  
UDIN No 20521860AAAAAX6431

Rishi Mittal  
*Partner*  
M.No. 521860

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020**

|                                             |          | (Amount in Rupees) |                    |
|---------------------------------------------|----------|--------------------|--------------------|
| Particulars                                 | Note No. | As at 31.03.2020   | As at 31.03.2019   |
| <b>I. ASSETS</b>                            |          |                    |                    |
| <b>Non-current assets</b>                   |          |                    |                    |
| (a) Property, Plant and Equipment           | 1        | 119,498,959        | 122,403,641        |
| (b) Financial Assets                        |          |                    |                    |
| (i) Investments                             | 2        | 20,857             | 46,128             |
| (ii) Other Financial Assets                 | 3        | 171,275,950        | 220,000,000        |
| (c) Deferred Tax Assets (Net) Including MAT | 4        | 37,356,300         | 32,851,897         |
| (d) Other Non-Current Assets                | 5        | 22,089,934         | 20,284,786         |
| <b>2 Current assets</b>                     |          |                    |                    |
| (a) Financial Assets                        |          |                    |                    |
| (i) Investments                             | 6        | 6,406,027          | 12,089,583         |
| (ii) Trade Receivable                       | 7        | -                  | -                  |
| (iii) Cash and cash equivalents             | 8        | 3,506,422          | 2,279,885          |
| (iv) Other Bank Balance                     | 9        | 27,881,916         | 88,449,831         |
| (v) Other Financial Assets                  | 10       | 11,260,735         | 1,748,530          |
| (b) Other Current Assets                    | 11       | 3,448              | 3,669              |
| <b>TOTAL ASSETS</b>                         |          | <b>399,300,547</b> | <b>500,157,951</b> |
| <b>II EQUITY AND LIABILITIES</b>            |          |                    |                    |
| <b>Equity</b>                               |          |                    |                    |
| (a) Equity Share Capital                    | 12       | 221,250,540        | 221,250,540        |
| (b) Other Equity                            | 13       |                    |                    |
| Attributable to Owners of the Parent        |          | (654,455,431)      | (651,325,865)      |
| Non - Controlling Interests                 |          | 316,200            | 307,425            |
| <b>2 Liabilities</b>                        |          |                    |                    |
| <b>Non-current liabilities</b>              |          |                    |                    |
| (a) Financial Liabilities                   |          |                    |                    |
| (i) Borrowings                              | 14       | 20,770,000         | 140,449,776        |
| (ii) Other Financial Liabilities            |          | -                  | -                  |
| (b) Other Non Current Liabilities           | 15       | -                  | 7,297,982          |
| (c) Provisions                              | 16       | 572,336            | 827,617            |
| <b>Current liabilities</b>                  |          |                    |                    |
| (a) Financial Liabilities                   |          |                    |                    |
| (ii) Other Financial Liabilities            | 17       | 808,341,990        | 776,564,088        |
| (b) Other current liabilities               | 18       | 2,453,518          | 3,063,454          |
| (c) Provisions                              | 19       | 51,396             | 1,722,936          |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |          | <b>399,300,547</b> | <b>500,157,951</b> |

**For Mukesh Aggarwal & Co**  
Chartered Accountants  
Firm Registration No. 0111393N

**Rishi Mittal**  
Partner  
M.No. 521860

**Shantanu Deveshwar**  
Director  
DIN: 08268523

**Richa Kalra**  
Director  
DIN: 07632571

**Somali Tiwari**  
Company Secretary  
M.No. A-47631

**Place : Delhi**  
**Dated : 3rd July 2020**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020**

| Particular                                                                                                                           | Note No. | (Amount in Rupees)            |                              |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------|------------------------------|
|                                                                                                                                      |          | For the year ended 31.03.2020 | For the yearended 31.03.2019 |
| I. Revenue From Operations                                                                                                           |          | -                             | -                            |
| II. Other income                                                                                                                     | 20       | 25,508,700                    | 29,962,982                   |
| III. <b>Total Revenue (I + II)</b>                                                                                                   |          | <b>25,508,700</b>             | <b>29,962,982</b>            |
| IV. Expenses:                                                                                                                        |          |                               |                              |
| Changes in inventories of Stock in Trade                                                                                             |          | -                             | -                            |
| Employee benefits expense                                                                                                            | 21       | 3,910,419                     | 5,509,848                    |
| Finance costs                                                                                                                        | 22       | 9,595,039                     | 10,883,958                   |
| Depreciation and amortization expense                                                                                                | 1        | 2,941,782                     | 3,199,362                    |
| Other expenses                                                                                                                       | 23       | 16,720,571                    | 15,054,677                   |
| Total expenses                                                                                                                       |          | 33,167,811                    | 34,647,846                   |
| V. <b>Profit before exceptional items and tax (III-IV)</b>                                                                           |          | <b>(7,659,111)</b>            | <b>(4,684,864)</b>           |
| VI. Exceptional Item                                                                                                                 |          |                               |                              |
| VII. <b>Profit before tax (V - VI)</b>                                                                                               |          | <b>(7,659,111)</b>            | <b>(4,684,864)</b>           |
| VIII. Tax expense:                                                                                                                   | 24       |                               |                              |
| (1) Current tax                                                                                                                      |          | -                             | -                            |
| (2) Deferred tax                                                                                                                     |          | (7,365,128)                   | 4,382,745                    |
| (3) MAT Credit Entitlement                                                                                                           |          | 2,851,906                     | -                            |
| (4) Prior Period Taxes                                                                                                               |          | -                             | 76,694                       |
| IX <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>                                                         |          | <b>(3,145,889)</b>            | <b>(9,144,302)</b>           |
| X <b>Profit (Loss) for the period</b>                                                                                                |          | <b>(3,145,889)</b>            | <b>(9,144,302)</b>           |
| XI <b>Other Comprehensive Income</b>                                                                                                 |          |                               |                              |
| A (i) Items that will not be reclassified to profit or loss                                                                          |          | 33,916                        | (424,732)                    |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                                                    |          | (8,818)                       | 87,827                       |
| 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>(3,120,791)</b>            | <b>(9,481,207)</b>           |
| <b>Total Comprehensive Income</b>                                                                                                    |          |                               |                              |
| Attributable to                                                                                                                      |          |                               |                              |
| Owners of the Parent                                                                                                                 |          | (3,129,566)                   | (9,469,026)                  |
| Non-Controlling Interests                                                                                                            |          | 8,775                         | (12,182)                     |
| <b>Profit for the year</b>                                                                                                           |          |                               |                              |
| Attributable to:                                                                                                                     |          |                               |                              |
| Owners of the Parent                                                                                                                 |          | (3,154,664)                   | (9,132,121)                  |
| Non-Controlling Interests                                                                                                            |          | 8,775                         | (12,182)                     |
| <b>Other Comprehensive Income for the year</b>                                                                                       |          |                               |                              |
| Attributable to:                                                                                                                     |          |                               |                              |
| Owners of the Parent                                                                                                                 |          | 25,098                        | (336,905)                    |
| Non-Controlling Interests                                                                                                            |          | -                             | -                            |
| XIII <b>Earnings per equity share (for continuing operation):</b>                                                                    |          |                               |                              |
| - Basic                                                                                                                              |          | (0.14)                        | (0.43)                       |
| - Diluted                                                                                                                            |          | (0.14)                        | (0.43)                       |

**For Mukesh Aggarwal & Co**

Chartered Accountants

Firm Registration No. 011393N

**Rishi Mittal**

Partner

M.No. 521860

**Shantanu Deveshwar**

Director

DIN: 08268523

**Richa Kalra**

Director

DIN: 07632571

**Somali Tiwari**

Company Secretary

M.No. A-47631

**Place : Delhi****Dated : 3rd July 2020**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH 2020**

|                                                             |                     | (Amount in Rupees)  |  |
|-------------------------------------------------------------|---------------------|---------------------|--|
| Particulars                                                 | 31.03.2020          | 31.03.2019          |  |
| (A) <b>Cash flow from Operating Activities</b>              |                     |                     |  |
| Profit Before Tax                                           | (7,659,111)         | (4,684,864)         |  |
| <b>Add:</b>                                                 |                     |                     |  |
| Depreciation                                                | 2,941,782           | 3,199,362           |  |
| Interest Paid                                               | 9,594,571           | 10,879,980          |  |
| Provision for Impairment of Investment                      | 4,680               | 1,710,167           |  |
| Unrealised loss on account of fair valuation of Investments | 5,205,700           | 1,433,371           |  |
| <b>Less:</b>                                                |                     |                     |  |
| Remeasurement of post employment defined benefit plans      | 33,916              | (424,732)           |  |
| Interest on Fixed Deposits                                  | (18,072,623)        | (20,886,221)        |  |
| Deferred Income                                             | (7,297,981)         | (8,580,448)         |  |
| Dividend Income                                             | (45,542)            | (26,128)            |  |
| Gain on sale of Fixed Assets                                | -                   | -                   |  |
| Unrealised gain on account of fair valuation of Investments | 25,270              | -761                |  |
| <b>Operating Profits before working Capital changes</b>     | <b>(15,269,337)</b> | <b>(17,380,273)</b> |  |
| Adjustment for:                                             |                     |                     |  |
| Change in Other Current Assets                              | 221                 | 2,730               |  |
| Change in Other Non Current Assets                          | -                   | 339,400             |  |
| Change in Other Financial Current Assets                    | (9,512,205)         | 17,101,934          |  |
| Change in Current Liabilities                               | (609,936)           | (256,704)           |  |
| Change in Other Current Financial Liabilities               | 2,025,071           | 628,748             |  |
| Change in Other Non Current Financial Liabilities           | -                   | -                   |  |
| Change in Provisions                                        | (1,926,821)         | 875,298             |  |
| Cash generation from Operating Activities                   | (25,293,007)        | 1,311,132           |  |
| Less Income Tax paid                                        | 1,805,148           | 2,459,083           |  |
|                                                             | <b>(27,098,155)</b> | <b>(1,147,951)</b>  |  |
| (B) <b>Cash Flow from Investing Activities</b>              |                     |                     |  |
| Interest Income                                             | 18,072,623          | 20,886,221          |  |
| Dividend Income                                             | 45,542              | 26,128              |  |
| Redemption/(Purchase) of FD                                 | 109,291,965         | 27,604,765          |  |
| Sale of Investments                                         | 473,177             | (7,000)             |  |
| Purchase of Fixed Assets                                    | (37,100)            | -                   |  |
|                                                             | <b>127,846,207</b>  | <b>48,510,114</b>   |  |
| (C) <b>Cash Flow from Financing Activities</b>              |                     |                     |  |
| Repayment to Debenture Holders                              | (17,340,829)        | (35,195,313)        |  |
| Repayment to SIDBI                                          | (1,088,982)         | -                   |  |
| Repayment of Bank Loan - PSB                                | (24,102,141)        | -                   |  |
| Repayment of Loan to Fixed Depositors                       | (32,980,662)        | (21,245,671)        |  |
| Repayment of Loan to Related Parties                        | (24,008,903)        | -                   |  |
|                                                             | <b>(99,521,515)</b> | <b>(56,440,984)</b> |  |
| Net increase decrease in cash & cash equivalents            | 1,226,537           | (9,078,821)         |  |
| Cash and Cash equivalents (Opening Balance)                 | 2,279,885           | 11,358,706          |  |
| <b>Cash and Cash equivalents (Closing Balance)</b>          | <b>3,506,422</b>    | <b>2,279,885</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 & Co**

Chartered Accountants

Firm Registration No. 0111393N

**Rishi Mittal**

Partner

M.No. 521860

**Shantanu Deveshwar**

Director

DIN: 08268523

**Richa Kalra**

Director

DIN: 07632571

**Somali Tiwari**

Company Secretary

M.No. A-47631

**Place : Delhi****Dated : 3rd July 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****Equity Share Capital**

| Particulars                                       | As at 31st<br>March 2020 | As at 31st<br>March 2019 |
|---------------------------------------------------|--------------------------|--------------------------|
| Balance at the beginning of the reporting period; | 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>       |

**Other Equity**

Other equity consist of following :

| Particulars                                                  | Reserves and Surplus |                       |                                                   |                    |                      |                                            | Non<br>Controlling<br>Interest | Total                |
|--------------------------------------------------------------|----------------------|-----------------------|---------------------------------------------------|--------------------|----------------------|--------------------------------------------|--------------------------------|----------------------|
|                                                              | Capital<br>Reserve   | Securities<br>Premium | De-<br>venture<br>Re-<br>dem-<br>ption<br>Reserve | Special<br>Reserve | Retained<br>Earnings | Attributable<br>to the owners<br>of Parent |                                |                      |
| <b>Balance at 1.04.2018</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>(641,537,233)</b> |
| a. Balance at the beginning of the reporting period          | 19,386,846           | 165,086,340           | 875,000                                           | 15,623,000         | (842,828,026)        | (641,856,840)                              | 319,607                        | (641,537,233)        |
| b. Changes in accounting policy or prior period errors       | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| c. Restated balance at the beginning of the reporting period | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| d. Total profit for the year                                 | -                    | -                     | -                                                 | -                  | (9,144,302)          | (9,132,121)                                | (12,182)                       | (9,144,302)          |
| e. Dividends                                                 | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| f. Transfer to retained earnings                             | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| g. Total other comprehensive income for the year             | -                    | -                     | -                                                 | -                  | (336,905)            | (336,905)                                  | -                              | (336,905)            |
| <b>Balance at the end of the 31.03.2019</b>                  | <b>19,386,846</b>    | <b>165,086,340</b>    | <b>875,000</b>                                    | <b>15,623,000</b>  | <b>(852,297,051)</b> | <b>(651,325,865)</b>                       | <b>307,425</b>                 | <b>(651,018,440)</b> |
| a. Balance at the beginning of the reporting period          | 19,386,846           | 165,086,340           | 875,000                                           | 15,623,000         | (852,297,051)        | (651,325,865)                              | 307,425                        | (651,018,440)        |
| b. Changes in accounting policy or prior period errors       | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| c. Restated balance at the beginning of the reporting period | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| d. Total profit for the year                                 | -                    | -                     | -                                                 | -                  | (3,145,889)          | (3,154,664)                                | 8,775                          | (3,145,889)          |
| e. Dividends                                                 | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| f. Transfer to retained earnings                             | -                    | -                     | -                                                 | -                  | -                    | -                                          | -                              | -                    |
| g. Total other comprehensive income for the year             | -                    | -                     | -                                                 | -                  | 25,098               | 25,098                                     | -                              | 25,098               |
| <b>Balance at the end of the 31.03.2020</b>                  | <b>19,386,846</b>    | <b>165,086,340</b>    | <b>875,000</b>                                    | <b>15,623,000</b>  | <b>(852,565,586)</b> | <b>(651,594,400)</b>                       | <b>316,200</b>                 | <b>(654,139,231)</b> |

**1 Property, Plant and Equipment**

Property, plant and equipment consist of the following :

| Particulars                                                  | Land           | Plant & Machinery | Buildings Refer Note 1A | Vehicles       | Computers     | Furniture & Fixtures | Office Equipment & Appliances | Total              |
|--------------------------------------------------------------|----------------|-------------------|-------------------------|----------------|---------------|----------------------|-------------------------------|--------------------|
| Year ended 31 March 2019                                     |                |                   |                         |                |               |                      |                               |                    |
| <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>780,910</b>       | <b>53,326</b>                 | <b>131,959,392</b> |
| Additions                                                    | -              | -                 | -                       | -              | 7,000         | -                    | -                             | 7,000              |
| Disposals                                                    | -              | -                 | -                       | -              | -             | -                    | -                             | -                  |
| <b>Closing Gross Carrying Amount as at March 31, 2019</b>    | <b>306,000</b> | <b>2,769</b>      | <b>130,434,470</b>      | <b>378,229</b> | <b>10,688</b> | <b>780,910</b>       | <b>53,326</b>                 | <b>131,966,392</b> |
| Opening Accumulated Depreciation                             | -              | -                 | 5,724,951               | 153,788        | -             | 440,292              | 44,357                        | 6,363,388          |
| Depreciation charged during the year 2018-2019               | -              | -                 | 2,862,475               | 63,734         | 3,757         | 269,253              | 143                           | 3,199,362          |
| Depreciation on Disposals                                    | -              | -                 | -                       | -              | -             | -                    | -                             | -                  |
| <b>Closing Accumulated Depreciation as at March 31, 2019</b> | <b>-</b>       | <b>-</b>          | <b>8,587,427</b>        | <b>217,522</b> | <b>3,757</b>  | <b>709,545</b>       | <b>44,500</b>                 | <b>9,562,751</b>   |
| <b>Net Carrying Amount as at March 31, 2019</b>              | <b>306,000</b> | <b>2,769</b>      | <b>121,847,044</b>      | <b>160,707</b> | <b>6,931</b>  | <b>71,365</b>        | <b>8,826</b>                  | <b>122,403,641</b> |

**Year ended 31 March 2020**

|                                                              |                |              |                    |                |               |                |               |                    |
|--------------------------------------------------------------|----------------|--------------|--------------------|----------------|---------------|----------------|---------------|--------------------|
| <b>Opening Gross Carrying Amount</b>                         | <b>306,000</b> | <b>2,769</b> | <b>130,434,470</b> | <b>378,229</b> | <b>10,688</b> | <b>780,910</b> | <b>53,326</b> | <b>131,966,392</b> |
| Additions                                                    | -              | -            | -                  | -              | -             | -              | 37,100        | 37,100             |
| Disposals                                                    | -              | -            | -                  | -              | -             | -              | -             | -                  |
| <b>Closing Gross Carrying Amount as at March 31, 2020</b>    | <b>306,000</b> | <b>2,769</b> | <b>130,434,470</b> | <b>378,229</b> | <b>10,688</b> | <b>780,910</b> | <b>90,426</b> | <b>132,003,492</b> |
| Opening Accumulated Depreciation                             | -              | -            | 8,587,427          | 217,522        | 3,757         | 709,545        | 44,500        | 9,562,751          |
| Depreciation charged during the year 2019-2020               | -              | -            | 2,862,475          | 63,734         | 4,367         | -              | 11,206        | 2,941,782          |
| Depreciation on Disposals                                    | -              | -            | -                  | -              | -             | -              | -             | -                  |
| <b>Closing Accumulated Depreciation as at March 31, 2020</b> | <b>-</b>       | <b>-</b>     | <b>11,449,902</b>  | <b>281,256</b> | <b>8,124</b>  | <b>709,545</b> | <b>55,706</b> | <b>12,504,533</b>  |
| <b>Net Carrying Amount as at March 31, 2020</b>              | <b>306,000</b> | <b>2,769</b> | <b>118,984,568</b> | <b>96,973</b>  | <b>2,564</b>  | <b>71,365</b>  | <b>34,720</b> | <b>119,498,959</b> |

**Note 1A:** Debenture 'B' Series are secured against hypothecation/charge on land and premises situated at Mouje Pirangut, Taluka Mulshi, Distt Pune along with 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 charge has been created against the Land mentioned above. Refer note 17.1 also in this regard.

**2 NON CURRENT INVESTMENTS**

| Particulars                              | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------------------|---------------------------|---------------------------|
|                                          | Amount in Rs.             | Amount in Rs.             |
| <b>Details of non current investment</b> |                           |                           |
| --Investments in Equity Shares           | 20,857                    | 46,128                    |
| <b>Total</b>                             | <b>20,857</b>             | <b>46,128</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, 2020 | As at 31st March, 2019 |
|---------|-------------------------------|-------------------------------------|-------------------------|-------------------------|-------------------|--------------------------|------------------------|------------------------|
| (a)     | Investments in Equity Shares  |                                     | As at 31 st March, 2020 | As at 31 st March, 2019 |                   |                          |                        |                        |
|         | <b>Non -Trade Investments</b> |                                     |                         |                         |                   |                          |                        |                        |
| 1       | Hindalco Industries Limited   | Others                              | 82                      | 82                      | Quoted            | Fully Paid               | 7,843                  | 16,839                 |
| 2       | Digiam Limited                | Others                              | 58                      | 58                      | Quoted            | Fully Paid               | 49                     | 253                    |
| 3       | Federal Bank Limited          | Others                              | 300                     | 300                     | Quoted            | Fully Paid               | 12,315                 | 28,920                 |
| 4       | Dion Global Solutions Limited | Others                              | 20                      | 20                      | Quoted            | Fully Paid               | 20                     | 82                     |
| 5       | Healthfore Technologies       | Others                              | 5                       | 5                       | Quoted            | Fully Paid               | 630                    | 33                     |
|         | <b>TOTAL</b>                  |                                     | <b>465</b>              | <b>465</b>              |                   |                          | <b>20,857</b>          | <b>46,128</b>          |

**Note 3: Other Financial Assets (Non-Current)**

Other Financial Assets consist of the following:

| Particulars                                                    | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|----------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Bank Deposits</b>                                           | 171,275,950                                | 220,000,000                                |
| <i>(Deposits having original maturity more than 12 months)</i> |                                            |                                            |
| <b>Total</b>                                                   | <b>171,275,950</b>                         | <b>220,000,000</b>                         |

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

**Note 4: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances

| Deferred Tax Liabilities      | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|-------------------------------|--------------------------------------------|--------------------------------------------|
| Depreciation and amortisation | 30,090,635                                 | 30,730,023                                 |
| Related Parties               | -                                          | 597,113                                    |
| <b>Total (a)</b>              | <b>30,090,635</b>                          | <b>31,327,136</b>                          |

| Deferred Tax Assets                                                                      | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Post Employment Defined Benefit Plans                                                    | 162,170                                    | 663,144                                    |
| Provision for Doubtful Debts                                                             | 62,941,813                                 | 62,926,290                                 |
| Unrealised gain on securities carried at fair value through statement of profit and loss | 4,342,952                                  | (2,262,307)                                |
| <b>Total (b)</b>                                                                         | <b>67,446,935</b>                          | <b>61,327,127</b>                          |

|                                                             |                   |                   |
|-------------------------------------------------------------|-------------------|-------------------|
| <b>Net Deferred Tax (Liabilities)/</b>                      | <b>37,356,300</b> | <b>29,999,991</b> |
| <b>Assets (b-a)</b>                                         |                   |                   |
| <b>Add Minimum Alternative Tax (MAT) Credit entitlement</b> | <b>-</b>          | <b>2,851,906</b>  |
| <b>Net Deferred Tax Asset</b>                               | <b>37,356,300</b> | <b>32,851,897</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 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> |
| (Charged) / credited              |                               |                                       |                              |                                                     |                    |                   |
| – to Statement of Profit and Loss | 387,316                       | 319,593                               | (4,943,524)                  | (556,864)                                           | 586,388            | (4,207,091)       |
| – to Other Comprehensive Income   | -                             | (87,827)                              | -                            | -                                                   | -                  | (87,827)          |
| <b>At 31st March, 2019</b>        | <b>(30,730,023)</b>           | <b>663,144</b>                        | <b>62,926,290</b>            | <b>(2,262,307)</b>                                  | <b>(597,113)</b>   | <b>29,999,991</b> |
| (Charged) / credited              |                               |                                       |                              |                                                     |                    |                   |
| – to Statement of Profit and Loss | 639,388                       | (492,155)                             | 15,523                       | 6,605,259                                           | 597,113            | 7,365,128         |
| – to Other Comprehensive Income   |                               | (8,818)                               |                              |                                                     |                    | (8,818)           |
| <b>At 31st March, 2020</b>        | <b>(30,090,635)</b>           | <b>162,170</b>                        | <b>62,941,813</b>            | <b>4,342,952</b>                                    | <b>-</b>           | <b>37,356,300</b> |

**5 OTHER NON CURRENT ASSETS**

Other non current assets consist of the following :

(Amount in Rs.)

| Particulars                                            | As at 31st March, 2020<br>Amount in Rs. | As at 31st March, 2019<br>Amount in Rs. |
|--------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Advances other than capital advances:</b>           |                                         |                                         |
| Security Deposits                                      | 655,944                                 | 655,944                                 |
|                                                        | <u>655,944</u>                          | <u>655,944</u>                          |
| Tax Recoverable (Net of Provisions)<br>(Refer Note 5A) | 21,423,990                              | 19,618,842                              |
|                                                        | <u>21,423,990</u>                       | <u>19,618,842</u>                       |
| Unsecured , Doubtful                                   |                                         |                                         |
| - Employee Advances                                    |                                         | -                                       |
| - Others                                               | 1,022,936                               | 1,022,936                               |
| Less: Provision towards doubtful advances/ECL          | (1,022,936)                             | (1,022,936)                             |
|                                                        | <u>-</u>                                | <u>-</u>                                |
| <b>Total</b>                                           | <b><u>22,079,934</u></b>                | <b><u>20,274,786</u></b>                |

**5A Details of Tax Recoverable**

(Amount in Rs.)

| Particulars         | As at 31st March, 2020   | As at 31st March, 2019   |
|---------------------|--------------------------|--------------------------|
| Advance Tax and TDS | 28,176,358               | 26,285,570               |
| Provision for Tax   | 6,752,368                | 6,666,728                |
| <b>Net</b>          | <b><u>21,423,990</u></b> | <b><u>19,618,842</u></b> |

## 6 CURRENT INVESTMENTS

| Particulars                          | As at<br>31st March, 2020<br>Amount in Rs. | As at<br>31st March, 2019<br>Amount in Rs. |
|--------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Details of current investment</b> |                                            |                                            |
| —Investments in Equity Shares        | 6,406,027                                  | 12,089,583                                 |
| <b>Total</b>                         | <b>6,406,027</b>                           | <b>12,089,583</b>                          |

## 6(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 | Amount in Rs.<br>As at 31st March, 2020 | Amount in Rs.<br>As at 31st March, 2019 |
|---------|-----------------------------------------------------|-------------------------------------|-------------------------|-------------------------|-------------------|--------------------------|-----------------------------------------|-----------------------------------------|
| (a)     | Investments in Equity Shares                        |                                     | As at 31 st March, 2020 | As at 31 st March, 2019 |                   |                          |                                         |                                         |
|         | <b>At Fair Value Through Profit &amp; Loss</b>      |                                     |                         |                         |                   |                          |                                         |                                         |
| 1       | Clutch Auto Limited                                 | Others                              | 98,050                  | 98,050                  | Quoted            | Fully Paid               | 619,676                                 | 619,676                                 |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (619,675)                               | (619,675)                               |
| 2       | Health fore Technologies(Religare Technologies Ltd) | Others                              | 10                      | 10                      | Quoted            | Fully Paid               | 66                                      | 77                                      |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (65)                                    | (76)                                    |
| 3       | Indo Biotech Foods Ltd                              | Others                              | 300                     | 300                     | Quoted            | Fully Paid               | 1,200                                   | 1,200                                   |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (1,199)                                 | (1,199)                                 |
| 4       | Sujana Steel Ltd                                    | Others                              | 1,300                   | 1,300                   | Quoted            | Fully Paid               | 2,600                                   | 2,600                                   |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (2,599)                                 | (2,599)                                 |
| 5       | Padmini Technology Ltd                              | Others                              | 500                     | 500                     | Quoted            | Fully Paid               | 5,000                                   | 5,000                                   |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (4,999)                                 | (4,999)                                 |
| 6       | Radhika Spinning Mills Ltd                          | Others                              | 300                     | 300                     | Quoted            | Fully Paid               | 723                                     | 723                                     |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (722)                                   | (722)                                   |
| 7       | Uniworth Textiles Ltd.                              | Others                              | 100                     | 100                     | Quoted            | Fully Paid               | 300                                     | 300                                     |
|         | Less: Provision for impairment                      |                                     |                         |                         |                   |                          | (299)                                   | (299)                                   |

|    |                                                       |        |         |         |          |            |              |              |
|----|-------------------------------------------------------|--------|---------|---------|----------|------------|--------------|--------------|
| 8  | Virtualsoft System Limited (Suri Capital Leasing Ltd) | Others | 13,400  | 13,400  | Quoted   | Fully Paid | 26,398       | 21,708       |
|    | Less: Provision for impairment                        |        |         |         |          |            | (26,397)     | (21,707)     |
| 9  | Daewoo Motors India Ltd                               | Others | 8,250   | 8,250   | Unquoted | Fully Paid | 55,358       | 55,358       |
|    | Less: Provision for impairment                        |        |         |         |          |            | (55,357)     | (55,357)     |
| 10 | ESSAR Ports Ltd.                                      | Others | 3       | 3       | Unquoted | Fully Paid | 30           | 30           |
|    | Less: Provision for impairment                        |        |         |         |          |            | (29)         | (29)         |
| 11 | Galaxy Indo Fab Ltd (Shri Laksmi Cotsyn Ltd)          | Others | 200     | 200     | Unquoted | Fully Paid | 400          | 400          |
|    | Less: Provision for impairment                        |        |         |         |          |            | (399)        | (399)        |
| 12 | Hazira Cargo Terminals Ltd                            | Others | 9       | 9       | Unquoted | Fully Paid | 90           | 90           |
|    | Less: Provision for impairment                        |        |         |         |          |            | (89)         | (89)         |
| 13 | Haryana Sheet Glass Ltd                               | Others | 200     | 200     | Unquoted | Fully Paid | 2,060        | 2,060        |
|    | Less: Provision for impairment                        |        |         |         |          |            | (2,059)      | (2,059)      |
| 14 | Vadinar Oil Terminal Ltd                              | Others | 49      | 49      | Unquoted | Fully Paid | 490          | 490          |
|    | Less: Provision for impairment                        |        |         |         |          |            | (489)        | (489)        |
| 15 | Profin Money Market Ltd                               | Others | 25,000  | 25,000  | Unquoted | Fully Paid | 250,000      | 250,000      |
|    | Less: Provision for impairment                        |        |         |         |          |            | (249,999)    | (249,999)    |
| 16 | Tulip Finance Ltd                                     | Others | 1,000   | 1,000   | Unquoted | Fully Paid | 1,000,000    | 1,000,000    |
|    | Less: Provision for impairment                        |        |         |         |          |            | (999,999)    | (999,999)    |
| 17 | World Tex Ltd                                         | Others | 437,500 | 437,500 | Unquoted | Fully Paid | 11,953,000   | 11,953,000   |
|    | Less: Provision for impairment                        |        |         |         |          |            | (11,952,999) | (11,952,999) |
| 18 | Salaya Bulk Terminals Ltd                             | Others | 3       | 3       | Unquoted | Fully Paid | 30           | 30           |
|    | Less: Provision for impairment                        |        |         |         |          |            | (29)         | (29)         |
| 19 | Skypack Courier Ltd                                   | Others | 100     | 100     | Unquoted | Fully Paid | 443          | 443          |
|    | Less: Provision for impairment                        |        |         |         |          |            | (442)        | (442)        |
| 20 | Banaras Beads Ltd                                     | Others | 110     | 110     | Quoted   | Fully Paid | 3,240        | 5,308        |
| 21 | Calcom Vision Ltd                                     | Others | -       | 5,600   | Quoted   | Fully Paid | -            | 170,240      |
| 22 | Doin Global Solutions Ltd (Religare Technova)         | Others | 40      | 40      | Quoted   | Fully Paid | 40           | 165          |
| 23 | ESSAR Shipping Ltd.                                   | Others | -       | 33      | Quoted   | Fully Paid | -            | 345          |
| 24 | Flex Foods Ltd                                        | Others | -       | 100     | Quoted   | Fully Paid | -            | 5,855        |

|    |                                                            |        |         |         |        |            |         |           |
|----|------------------------------------------------------------|--------|---------|---------|--------|------------|---------|-----------|
| 25 | Gagan Polycot Ltd                                          | Others | 700     | 800     | Quoted | Fully Paid | 1,792   | 1,376     |
| 26 | GE Shipping Ltd                                            | Others | 65      | 65      | Quoted | Fully Paid | 13,341  | 18,392    |
| 27 | Gujarat Meditech Ltd                                       | Others | 200     | 200     | Quoted | Fully Paid | 840     | 800       |
| 28 | Innovative Tech Pack Ltd                                   | Others | -       | 100     | Quoted | Fully Paid | -       | 2,840     |
| 29 | Jamna Auto Ind. Ltd. (Jaiparabolic Springs Ltd)            | Others | -       | 200     | Quoted | Fully Paid | -       | 62,750    |
| 30 | Kesar Terminal Infrastructure Ltd. (Kesar Enterprises Ltd) | Others | -       | 145     | Quoted | Fully Paid | -       | 9,135     |
| 31 | Kinetic Trust Ltd.                                         | Others | 100     | 100     | Quoted | Fully Paid | 1       | 855       |
| 32 | Mid India Industries Ltd                                   | Others | 100     | 100     | Quoted | Fully Paid | 97      | 32        |
| 33 | Nagarjuna Oil Refinery Ltd                                 | Others | -       | 100     | Quoted | Fully Paid | -       | 33        |
| 34 | Nagarjuna Fertilizers & Chemicals Ltd                      | Others | -       | 110     | Quoted | Fully Paid | -       | 755       |
| 35 | Pioneer Investcorp Ltd                                     | Others | -       | 100     | Quoted | Fully Paid | -       | 3,020     |
| 36 | Profin Capital Services Ltd                                | Others | 19,300  | 19,300  | Quoted | Fully Paid | 412,055 | 2,078,610 |
| 37 | Rain Industries Ltd                                        | Others | -       | 500     | Quoted | Fully Paid | -       | 51,250    |
| 38 | Shree Rajasthan Syntex Ltd                                 | Others | 500     | 500     | Quoted | Fully Paid | 4,325   | 5,000     |
| 39 | Shree Rayalaseema Hi Strength Hypo Ltd                     | Others | 8,255   | 8,255   | Quoted | Fully Paid | 604,679 | 1,400,874 |
| 40 | Cephram Milk Specialities Ltd.                             | Others | 30,000  | 30,000  | Quoted | Fully Paid | 1       | 3,861     |
| 41 | Punj Llyod Ltd                                             | Others | 200,000 | 200,000 | Quoted | Fully Paid | 170,000 | 422,000   |
| 42 | Sujana Universal Industries Ltd                            | Others | 1,100   | 1,100   | Quoted | Fully Paid | 165     | 308       |
| 43 | Svam Software Ltd                                          | Others | 200     | 200     | Quoted | Fully Paid | 74      | 94        |
| 44 | Thomas Cook Ltd.                                           | Others | -       | 660     | Quoted | Fully Paid | -       | 166,782   |
| 45 | United Breweries Limited                                   | Others | 8       | 8       | Quoted | Fully Paid | 7,351   | 11,161    |
| 46 | Sunstar Lubricants Ltd                                     | Others | 3,100   | 3,100   | Quoted | Fully Paid | 1       | 3,777     |
| 47 | Jaimata Rolled Glass Ltd                                   | Others | 100     | 100     | Quoted | Fully Paid | 1       | 35        |
| 48 | Jsw Ispat Steel Ltd                                        | Others | 80      | 80      | Quoted | Fully Paid | 1       | 1         |
| 49 | Modern Threads Ltd                                         | Others | 100     | 100     | Quoted | Fully Paid | 1       | 1         |
| 50 | Tribology India Ltd                                        | Others | 400     | 400     | Quoted | Fully Paid | 1       | 1         |
| 51 | HPM Industries Ltd                                         | Others | 5,000   | 5,000   | Quoted | Fully Paid | 1       | 1         |
| 52 | Mardia Samyoung Capillary Tube                             | Others | 1       | 1       | Quoted | Fully Paid | 1       | 1         |
| 53 | Grand Foundry Ltd                                          | Others | 600     | 600     | Quoted | Fully Paid | 1       | 1         |

|    |                                        |        |         |         |          |            |           |           |
|----|----------------------------------------|--------|---------|---------|----------|------------|-----------|-----------|
| 54 | Goldwon Textiles Ltd                   | Others | 100     | 100     | Quoted   | Fully Paid | 1         | 1         |
| 55 | Good Value Marketing Ltd               | Others | 200     | 200     | Quoted   | Fully Paid | 1         | 1         |
| 56 | Krishna Engineering Works Ltd          | Others | 300     | 300     | Quoted   | Fully Paid | 1         | 1         |
| 57 | Superforging & Steels Ltd              | Others | 9,600   | 9,600   | Quoted   | Fully Paid | 1         | 1         |
| 58 | Bharati Telecom Ltd                    | Others | 100     | 100     | Unquoted | Fully Paid | 1         | 1,000     |
| 59 | RFB Latex Ltd                          | Others | 220,000 | 220,000 | Unquoted | Fully Paid | 404,126   | 3,380,852 |
| 60 | Rajasthan Antibiotics Ltd.             | Others | 30,000  | 30,000  | Unquoted | Fully Paid | 4,690,150 | 4,182,479 |
| 61 | Cebon India Ltd.                       | Others | 30,000  | 30,000  | Unquoted | Fully Paid | 57,278    | 57,278    |
| 62 | Krishna Colled Rolled Ltd(Rs.2.50 pd)  | Others | 25,000  | 25,000  | Unquoted | Fully Paid | 23,044    | 27,219    |
| 63 | Valpus Biotech Ltd                     | Others | 700     | 700     | Unquoted | Fully Paid | 13,354    | 15,032    |
| 64 | Adhunik Synthetics Ltd                 | Others | 100     | 100     | Unquoted | Fully Paid | 1         | 1         |
| 65 | Bhiwani Synthetics Ltd                 | Others | 400     | 400     | Unquoted | Fully Paid | 1         | 1         |
| 66 | BLB Mutual Services Ltd                | Others | 300     | 300     | Unquoted | Fully Paid | 1         | 1         |
| 67 | BLB Share & Financial Services Ltd     | Others | 50      | 50      | Unquoted | Fully Paid | 1         | 1         |
| 68 | Cepharm Organics Ltd                   | Others | 250     | 250     | Unquoted | Fully Paid | 1         | 1         |
| 69 | Chirau Finance Invest. & Leasing       | Others | 3,900   | 3,900   | Unquoted | Fully Paid | 1         | 1         |
| 70 | City Lifts Ltd                         | Others | 2,800   | 2,800   | Unquoted | Fully Paid | 1         | 1         |
| 71 | Crest Paper Mills Ltd                  | Others | 1,700   | 1,700   | Unquoted | Fully Paid | 1         | 1         |
| 72 | Dataporo Information Technology Ltd    | Others | 1,000   | 1,000   | Unquoted | Fully Paid | 1         | 1         |
| 73 | Decora Tubes Ltd                       | Others | 200     | 200     | Unquoted | Fully Paid | 1         | 1         |
| 74 | East India Syntex Ltd                  | Others | 200     | 200     | Unquoted | Fully Paid | 1         | 1         |
| 75 | Electrolux Kelvinator (Intron)         | Others | 825     | 825     | Unquoted | Fully Paid | 1         | 1         |
| 76 | Garg Forgings & Castings Ltd           | Others | 500     | 500     | Unquoted | Fully Paid | 1         | 1         |
| 77 | Gimar Fibres Ltd                       | Others | 4,100   | 4,100   | Unquoted | Fully Paid | 1         | 1         |
| 78 | Gorden Herbert India Ltd               | Others | 100     | 100     | Unquoted | Fully Paid | 1         | 1         |
| 79 | Greenfield Corporation Ltd(Rs.5.00 pd) | Others | 127,000 | 127,000 | Unquoted | Fully Paid | 1         | 1         |
| 80 | Hindustan Development Corpn. Ltd       | Others | 21,050  | 21,050  | Unquoted | Fully Paid | 1         | 1         |
| 81 | Jainpur Straw Products Ltd             | Others | 1,200   | 1,200   | Unquoted | Fully Paid | 1         | 1         |
| 82 | Jay Vinyls Ltd                         | Others | 100     | 100     | Unquoted | Fully Paid | 1         | 1         |
| 83 | Jiwan Flora Ltd                        | Others | 400     | 400     | Unquoted | Fully Paid | 1         | 1         |
| 84 | Karishma Floriculture Ltd              | Others | 1,700   | 1,700   | Unquoted | Fully Paid | 1         | 1         |

|              |                                   |        |                  |                  |          |            |                  |                   |
|--------------|-----------------------------------|--------|------------------|------------------|----------|------------|------------------|-------------------|
| 85           | Kashipur Holdings Ltd(Bonus)      | Others | 50               | 50               | Unquoted | Fully Paid | 1                | 1                 |
| 86           | Kitti Steels Ltd                  | Others | 100              | 100              | Unquoted | Fully Paid | 1                | 1                 |
| 87           | Makan Agro Ltd                    | Others | 200              | 200              | Unquoted | Fully Paid | 1                | 1                 |
| 88           | Minerva Holdings Ltd              | Others | 20               | 20               | Unquoted | Fully Paid | 1                | 1                 |
| 89           | Moon Beam Industries Ltd          | Others | 400              | 400              | Unquoted | Fully Paid | 1                | 1                 |
| 90           | Pan Asia Industries Ltd           | Others | 5,400            | 5,400            | Unquoted | Fully Paid | 1                | 1                 |
| 91           | Rasik Plast Ltd                   | Others | 4,500            | 4,500            | Unquoted | Fully Paid | 1                | 1                 |
| 92           | S.M. Dychem Ltd                   | Others | 4                | 4                | Unquoted | Fully Paid | 1                | 1                 |
| 93           | S.V. Electricals Ltd              | Others | 5,000            | 5,000            | Unquoted | Fully Paid | 1                | 1                 |
| 94           | Sajjan Textiles Ltd               | Others | 100              | 100              | Unquoted | Fully Paid | 1                | 1                 |
| 95           | Shree Pommami Metals & Alloys Ltd | Others | 19,400           | 19,400           | Unquoted | Fully Paid | 1                | 1                 |
| 96           | Siddarth Spinfab Ltd              | Others | 3,500            | 3,500            | Unquoted | Fully Paid | 1                | 1                 |
| 97           | Starspin & Twist Ltd              | Others | 100              | 100              | Unquoted | Fully Paid | 1                | 1                 |
| 98           | Sturdy Polymers Ltd               | Others | 200              | 200              | Unquoted | Fully Paid | 1                | 1                 |
| 99           | Suryachakra Seafoods Ltd          | Others | 13,400           | 13,400           | Unquoted | Fully Paid | 1                | 1                 |
| 100          | Swarnima Oils Ltd                 | Others | 200              | 200              | Unquoted | Fully Paid | 1                | 1                 |
| 101          | Transpower Engineering Ltd        | Others | 2,500            | 2,500            | Unquoted | Fully Paid | 1                | 1                 |
| 102          | U.P. Lime Chem Limited            | Others | 500              | 500              | Unquoted | Fully Paid | 1                | 1                 |
| 103          | Vikram Projects Ltd               | Others | 1,600            | 1,600            | Unquoted | Fully Paid | 1                | 1                 |
| 104          | Vishal Lakoo Ltd                  | Others | 9,700            | 9,700            | Unquoted | Fully Paid | 1                | 1                 |
| <b>Total</b> |                                   |        | <b>1,407,082</b> | <b>1,414,830</b> |          |            | <b>6,406,027</b> | <b>12,089,583</b> |

**7 TRADE RECEIVABLES**

Trade receivables consist of the following:

(Amount in Rs.)

**TRADE RECEIVABLES**

|                                    | <b>As at 31st<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
|------------------------------------|-----------------------------------|-----------------------------------|
|                                    | <b>Amount in Rs.</b>              | <b>Amount in Rs.</b>              |
| Unsecured, considered doubtful     | 169,467,432                       | 169,467,432                       |
| Less: Provision for doubtful debts | (169,467,432)                     | (169,467,432)                     |
| <b>Total</b>                       | <b>-</b>                          | <b>-</b>                          |

**8 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<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                     | <b>Amount in Rs.</b>              | <b>Amount in Rs.</b>              |
| (a) Balances with Bank                              |                                   |                                   |
| Balance with Banks (Refer Note 8A)                  | 2,375,021                         | 18,216                            |
| -Restricted Bank Balance (Refer Note 8B)            | 1,905,505                         | 3,016,775                         |
| Less: Provision for impairment (Refer Note 8B & 8C) | (774,640)                         | (774,640)                         |
|                                                     | 3,505,887                         | 2,260,351                         |
| (b) Cash in hand                                    | 535                               | 19,535                            |
| <b>Total</b>                                        | <b>3,506,422</b>                  | <b>2,279,885</b>                  |

**8A Bank Balances Includes:**

(Amount in Rs.)

| <b>Particulars</b> | <b>As at 31st<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
|--------------------|-----------------------------------|-----------------------------------|
|                    | <b>Amount in Rs.</b>              | <b>Amount in Rs.</b>              |
| Canara Bank        | 11,371                            | 11,371                            |
| Axis Bank          | 2,363,651                         | 6,845                             |
| <b>Total</b>       | <b>2,375,021</b>                  | <b>18,216</b>                     |

**8B Restricted Bank Balances Includes :**

| <b>Particulars</b> | <b>As at 31st<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
|--------------------|-----------------------------------|-----------------------------------|
| Canara Bank        | 748,745                           | 748,745                           |
| IDBI Bank Limited  | 281,693                           | 895,897                           |
| Axis Bank          | 625,084                           | 1,077,677                         |
| UTI Bank           | 25,895                            | 25,895                            |
| Kotak Mahindra     | 222,519                           | 218,561                           |
| IDFC               | 1,569                             | 50,000                            |
| <b>Total</b>       | <b>1,905,505</b>                  | <b>3,016,775</b>                  |

**8C** During the year ended 31st March, 2018, the provision for impairment of Rs. 7,74,640 had been provided for the banks balances which are not in operation from past years and confirmations to their balances are not made available. These balances are subject to confirmation as on 31.3.2020 and are still not operative.

(Amount in Rs.)

|              | <b>As at 31st<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
|--------------|-----------------------------------|-----------------------------------|
| Canara Bank  | 748,745                           | 748,745                           |
| UTI          | 25,895                            | 25,895                            |
| <b>Total</b> | <b>774,640</b>                    | <b>774,640</b>                    |

- 8D These are restricted bank balance and cannot be operated without getting prior approval of Hon'ble Delhi High Court.

#### 9 Other Bank Balances

Other Bank Balances consist of the following at amortised cost:

| Particulars                                                                                                      | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                  | Amount in Rs.             | Amount in Rs.             |
| <b>Bank Deposits</b>                                                                                             |                           |                           |
| <i>(deposits with original maturity of more than 3 months<br/>having remaining maturity less than 12 months)</i> | 27,881,916                | 88,449,831                |
| <b>Total</b>                                                                                                     | <b>27,881,916</b>         | <b>88,449,831</b>         |

- 9A. These are restricted bank deposit and can not be operated without getting prior approval of Honorable delhi high court.

#### 10 Other Current Financial Assets

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

| Particulars                                    | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------|---------------------------|---------------------------|
|                                                | Amount in Rs.             | Amount in Rs.             |
| Interest accrued but not due on Fixed Deposits | 11,260,735                | 1,748,530                 |
| <b>(A)</b>                                     | <b>11,260,735</b>         | <b>1,748,530</b>          |
| Unsecured, Doubtful                            |                           |                           |
| - Inter Corporate Deposit                      | 7,957,994                 | 7,957,994                 |
| - Bills Receivable                             | 10,717,132                | 10,717,132                |
| - Rent Receivable                              | 51,846,552                | 51,846,552                |
| Less: Provision towards Doubtful Debts/ECL     | (70,521,678)              | (70,521,678)              |
| <b>(B)</b>                                     | <b>-</b>                  | <b>-</b>                  |
| <b>Total (A) + (B)</b>                         | <b>11,260,735</b>         | <b>1,748,530</b>          |

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

Other Current Assets consist of the following:-

| Particulars         | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---------------------|---------------------------|---------------------------|
|                     | Amount in Rs.             | Amount in Rs.             |
| Prepaid Expenses    | 3,448                     | 3,669                     |
| Employee Advances   | 12,447                    | 13,312                    |
| Other Advances      | 284,763                   | 224,195                   |
|                     | 297,210                   | 237,507                   |
| Less: Provision NPA | (297,210)                 | (237,507)                 |
| <b>Total</b>        | <b>3,448</b>              | <b>3,669</b>              |

**12 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, 2020 |                    | As at 31st March, 2019 |                    |
|------------------------------------------|------------------------|--------------------|------------------------|--------------------|
|                                          | 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        |
| 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>Issued</b>                            |                        |                    |                        |                    |
| 2,21,25,054 Equity Shares of Rs. 10 each | 22,125,054             | 221,250,540        | 22,125,054             | 221,250,540        |
| Fully paid up                            |                        |                    |                        |                    |
| <b>Total</b>                             | <b>22,125,054</b>      | <b>221,250,540</b> | <b>22,125,054</b>      | <b>221,250,540</b> |

**12A Reconciliation of number of shares**

| Particulars                                      | Equity Shares          |                    |                        |                    |
|--------------------------------------------------|------------------------|--------------------|------------------------|--------------------|
|                                                  | As at 31st March, 2020 |                    | As at 31st March, 2019 |                    |
|                                                  | 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        |
| Shares Issued during the year                    | -                      | -                  | -                      | -                  |
| Shares bought back during the year               | -                      | -                  | -                      | -                  |
| Any other movement (please specify)              | -                      | -                  | -                      | -                  |
| <b>Shares outstanding at the end of the year</b> | <b>22,125,054</b>      | <b>221,250,540</b> | <b>22,125,054</b>      | <b>221,250,540</b> |

**12B Details of shares held by shareholders holding more than 5% of aggregate shares in the company**

| Name of Shareholders           | Equity Shares          |               |                        |               |
|--------------------------------|------------------------|---------------|------------------------|---------------|
|                                | As at 31st March, 2020 |               | As at 31st March, 2019 |               |
|                                | 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%        |
| Intellect Capital Services Ltd | 2,075,000              | 9.38%         | 2,075,000              | 9.38%         |
| Punjab & Sind Bank             | 1,319,900              | 5.97%         | 1,319,900              | 5.97%         |
| <b>Total</b>                   | <b>9,747,387</b>       | <b>44.06%</b> | <b>9,747,387</b>       | <b>44.06%</b> |

**13 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   |                      |                                      |                          |                      |
| <b>Balance at 1.04.2018</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>(641,537,233)</b> |
| a. Balance at the beginning of the reporting period          | 19,386,846           | 165,086,340        | 875,000                 | 15,623,000        | (842,828,026)        | (641,856,840)                        | 319,607                  | (641,537,233)        |
| b. Changes in accounting policy or prior period errors       | -                    | -                  | -                       | -                 | -                    | -                                    | -                        | -                    |
| c. Restated balance at the beginning of the reporting period | -                    | -                  | -                       | -                 | -                    | -                                    | -                        | -                    |
| d. Total profit for the year                                 | -                    | -                  | -                       | -                 | (9,144,302)          | (9,132,121)                          | (12,182)                 | (9,144,302)          |
| e. Dividends                                                 | -                    | -                  | -                       | -                 | -                    | -                                    | -                        | -                    |
| f. Transfer to retained earnings                             | -                    | -                  | -                       | -                 | -                    | -                                    | -                        | -                    |
| g. Total other comprehensive income for the year             | -                    | -                  | -                       | -                 | (336,905)            | (336,905)                            | -                        | (336,905)            |
| <b>Balance at the end of the 31.03.2019</b>                  | <b>19,386,846</b>    | <b>165,086,340</b> | <b>875,000</b>          | <b>15,623,000</b> | <b>(852,297,051)</b> | <b>(651,325,865)</b>                 | <b>307,425</b>           | <b>(651,018,440)</b> |
| a. Balance at the beginning of the reporting period          | 19,386,846           | 165,086,340        | 875,000                 | 15,623,000        | (852,297,051)        | (651,325,865)                        | 307,425                  | (651,018,440)        |
| 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                   | -                    | -                  | -                       | -                 | (3,145,889)          | (3,154,664)                          | 8,775                    | (293,983)            |
| e. Dividends                                                 | -                    | -                  | -                       | -                 | -                    | -                                    | -                        | -                    |
| f. Transfer to retained earnings                             | -                    | -                  | -                       | -                 | -                    | -                                    | -                        | -                    |
| g. Total other comprehensive income for the year             | -                    | -                  | -                       | -                 | 25,098               | 25,098                               | -                        | 25,098               |
| <b>Balance at the end of the 31.03.2020</b>                  | <b>19,386,846</b>    | <b>165,086,340</b> | <b>875,000</b>          | <b>15,623,000</b> | <b>(855,417,842)</b> | <b>(654,455,431)</b>                 | <b>316,200</b>           | <b>(654,139,231)</b> |

**14 Long Term Borrowing**

Long term borrowings consist of following :

| Particulars                                 | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|---------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>A. Unsecured</b>                         |                                            |                                            |
| (i) Term Loan from SBI HF (Refer Note 14.1) | 2,500,000                                  | 2,500,000                                  |
| (ii) Payable to Related Party               |                                            |                                            |
| - DCM Services Ltd (Refer Note 14.3)        | 18,270,000                                 | 18,270,000                                 |
| - Others                                    | -                                          | 119,679,776                                |
| (Refer Note 14.2, 14.3 and 14.4)            |                                            |                                            |
| <b>Total</b>                                | <b>20,770,000</b>                          | <b>140,449,776</b>                         |
|                                             | <b>20,770,000</b>                          | <b>140,449,776</b>                         |

**14.1 SBI HOME FINANCE LIMITED**

- (a) **Status till 31-March-2017** and as on 31-March 2020 - 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 SBI Home Finance 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 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.

**14.2 INDUSIND BANK**

- (a) **STATUS AS AT 31-MARCH-2017 and as on 31-MARCH-2020 - 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 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 was envisaged in the Scheme

According to the recommendation of One Man Committee the principal outstanding of Rs. 4.04 crores of Indusind Bank as per Phase - I was repaid in Year 2017-18 and balance of Rs. 1.73 crore which was outstanding as on 01.04.2019 has also been paid during the year 2019-20. Now the outstanding balance as per books is NIL as on 31st March 2020.

- (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 the FY 17-18, being assignee of said loan of Indusind Bank under Phase-I. The balance 30% amount i.e. Rs. 1.73 crores has been repaid in the current year. The closing balance as on 31st March 2020 is Nil.

| (d) | Statement on Reconciliation of Loan           | Amount In Rs |
|-----|-----------------------------------------------|--------------|
|     | Principal Outstanding as per the Scheme       | 57,699,675   |
|     | Less: Redemption made during the Year 2017-18 | 40,389,773   |
|     | Less: Repayment made during the Year 2019-20  | 17,309,903   |
|     | <b>Balance as on 31st March 2020</b>          | <b>-</b>     |

#### 14.3 **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 (45% of 4.10 crores i.e. 1.84 Crore) as per SEBI guidelines to Pressman Leasing 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 were waived and cancelled.

- (d) The Loan of Pressman Leasing (55% of 4.10 crore i.e. 2.26 Crore) was acquired by DCM Services Limited. The company pursuant to scheme of One Man Committee, has paid 70% i.e. Rs. 1.56 Crore 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 which was outstanding as on 01st April 2019 and was included in the Payment to Related Party has been released as per Phase-II as per Schedule. The closing balance after payment as per phase II of Rs. 0.68 lacs to Pressman Leasing is NIL as on 31st March 2020.

#### 14.4 **OTHERS**

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

Others includes the following:

|                                                                                    |                    |                    |
|------------------------------------------------------------------------------------|--------------------|--------------------|
| - DCM International Limited                                                        | 28,156,876         | 25,590,477         |
| " - DCM Services Limited (including Pressman Leasing Loan in FY 18-19)             | 73,924,220         | 73,885,290         |
| Note 14.3 "                                                                        |                    |                    |
| " - DCM Anubhavi Market Private Limited (including Indusind Bank Loan in FY 18-19) | 3,184,349          | 20,204,009         |
| Note 14.2 "                                                                        |                    |                    |
| - Global IT Options Limited                                                        | -                  | -                  |
|                                                                                    | <b>105,265,445</b> | <b>119,679,776</b> |

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

Other Non Current Liabilities consist of the following:-

(Amount in Rs.)

| Particulars       | As at 31st<br>March, 2020<br>Amount in Rs. | As at 1st<br>March, 2019<br>Amount in Rs. |
|-------------------|--------------------------------------------|-------------------------------------------|
| Deferred Interest | -                                          | 7,297,982                                 |
| Employee Advances | -                                          | -                                         |
| <b>Total</b>      | <b>-</b>                                   | <b>7,297,982</b>                          |

**16 Provisions (Non-Current)**

Provisions consist of the following :

(Amount in Rs.)

| Particulars                         | As at 31st<br>March, 2020<br>Amount in Rs. | As at 1st<br>March, 2019<br>Amount in Rs. |
|-------------------------------------|--------------------------------------------|-------------------------------------------|
| (a) Provision for Employee Benefits |                                            |                                           |
| Leave Encashment                    | 24,846                                     | 179,608                                   |
| Gratuity                            | 547,490                                    | 648,009                                   |
| <b>Total</b>                        | <b>572,336</b>                             | <b>827,617</b>                            |

**17 Other Current Financial Liabilities**

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

(Amount in Rs.)

| Particulars                                                                          | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|--------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>a. <u>Current Maturities of Long Term Debt</u></b>                                |                                            |                                            |
| Payable to Related Party - Inter Corporate Deposits (Refer Note 14.2, 14.3 and 14.4) | 105,265,445                                | -                                          |
|                                                                                      | <u>105,265,445</u>                         | <u>-</u>                                   |
| <b>b. <u>Secured</u></b>                                                             |                                            |                                            |
| Debentures (Refer Note 17.1)                                                         | 184,867,923                                | 202,208,752                                |
| Term Loan from Institution -SIDBI (Refer Note 17.2)                                  | -                                          | 1,088,982                                  |
| Due to Banks (Refer Note 17.3)                                                       | -                                          | 24,102,141                                 |
|                                                                                      | <u>184,867,923</u>                         | <u>227,399,875</u>                         |
| <b>c. <u>Unsecured</u></b>                                                           |                                            |                                            |
| Fixed Deposit from Public (Refer Note 17.4)                                          | 490,766,196                                | 523,746,858                                |
| Inter - Corporate Deposits (Refer Note 17.5)                                         | 2,716,607                                  | 2,716,607                                  |
|                                                                                      | <u>493,482,803</u>                         | <u>526,463,465</u>                         |
| (d) Rent Payable                                                                     |                                            |                                            |
| (e) Security Deposits                                                                | 625,000                                    | 625,000                                    |
| (f) Payable to Punjab & Haryana High Court (Refer Note 17.6)                         | 10,000,000                                 | 10,000,000                                 |
| (g) Expenses Payable                                                                 | 8,607,299                                  | 7,237,182                                  |
| (h) Other Payable                                                                    | 5,493,520                                  | 4,838,567                                  |
| <b>Total</b>                                                                         | <b>808,341,990</b>                         | <b>776,564,088</b>                         |

**17.1 DEBENTURES**

| (a) | Debentures            | As at 31.03.2020   | As at 31.03.2019   |
|-----|-----------------------|--------------------|--------------------|
|     | "A" Series Debenture  | 210,000            | 710,000            |
|     | "B" Series Debenture  |                    |                    |
|     | - 19.5% Regular       | 78,951,189         | 87,586,989         |
|     | - 19.5% Cumulative    | 80,310,237         | 87,507,537         |
|     | - Deep Discount Bonds | 25,396,497         | 26,404,226         |
|     |                       | <b>184,667,923</b> | <b>202,208,752</b> |

**(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/hypo-thecation/charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs. 710,000 were overdue as on March 31, 2019 out of which Rs 5,00,000 have been repaid during the year 2019-2020. The remaining overdue balance are to be paid as per report of One Man Committee under Fresh Restructuring Scheme.

**Scheme "B" Series**

Debenture 'B' Series were allotted on 5th November, 1996 and 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. 9,71,46,177 have been redeemed till March 31st, 2020. The remaining debentures as at March 31, 2020 in the "B" series amounting to Rs 18,46,57,923 consist of the following:-\

| Particulars         | Amount (Rs.)       | Amount (Rs.)       |
|---------------------|--------------------|--------------------|
| 19.5% Regular       | 78,951,189         | 87,586,989         |
| 19.5% Cumulative    | 80,310,237         | 87,507,537         |
| Deep Discount Bonds | 25,396,497         | 26,404,226         |
| <b>Total</b>        | <b>184,657,923</b> | <b>201,498,752</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 and till 31st March 2020 -** 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, 2020.

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

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

#### (ii) Payment Schedule

(In Crores)

| 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            |
| <b>Balance as on 1st April 2017</b>                                                              | <b>255,020,844</b> |
| 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> |
| Less: Redemption made during the year ended 31-March-2019 as per the scheme of one man committee | 35,195,313         |
| <b>Balance as on 31st March 2019</b>                                                             | <b>202,208,752</b> |
| Less: Redemption made during the year ended 31-March-2020 as per the scheme of one man committee | 17,340,829         |
| <b>Balance as on 31st March 2020</b>                                                             | <b>184,867,923</b> |

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.7,01,52,921 has already been made till March 31, 2020. 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 18,48,67,923 is shown as Other Current Financial Liability.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also been started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

## 17.2 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**

| (In Lacs)                        |              |              |
|----------------------------------|--------------|--------------|
| 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. The balance outstanding as on 01st April 2019 of Rs. 10.89 lacs has also been repaid during the financial year 2019-20 and balance as on 31st March 2020 as per books is NIL. 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 | 3,629,941 |
| <b>Balance as on 31st March 2020</b>                                                   | <b>-</b>  |

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 also paid in financial Year 2019-20 and closing balance is NIL.

### 17.3 **PUNJAB AND SIND BANK**

| (a) | Due to Banks       | As at 31.03.2019 | As at 31.03.2018  |
|-----|--------------------|------------------|-------------------|
|     | Punjab & Sind Bank | -                | 24,102,140        |
|     |                    | -                | <b>24,102,140</b> |

- (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 and as on 31st March 2020 - 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 whichever 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 Crore) |
|--------------------------|-------------------|
| I. Principal Outstanding | 8.03              |
| II. Maturity Interest    | -                 |
| <b>Total</b>             | <b>8.03</b>       |

#### (ii) **Payment Schedule**

(In Crores)

| 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. The balance amount of Rs. 2.41 crore has also been repaid during financial year 2019-2020 and closing balance is NIL. 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 2017-18 | 56,238,324 |
| Less: Redemption made during the year as per the scheme of one man committee 2019-20 | 24,102,139 |
| <b>Balance as on 31st March 2020</b>                                                 | <b>-</b>   |

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. The balance 30% i.e. Rs. 2,41,02,139 which is also paid in financial year 2019-2020 and closing balance as on 31st March 2020 is NIL.

**17.4 FIXED DEPOSITORS**

- (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****Amount (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:**

| Particulars                                                                    | Amount in Rs       |
|--------------------------------------------------------------------------------|--------------------|
| Balance as on 1st April 2018                                                   | 544,992,529        |
| Less: Redemption made during the year with the approval of High Court of Delhi | 21,245,671         |
| Balance as on 31st March 2019                                                  | 523,746,858        |
| Less: Redemption made during the year as per the scheme of one man committee   | 32,980,662         |
| <b>Balance as on 31st March 2020</b>                                           | <b>490,766,196</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.

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.3,91,56,922 has already made till 31st March 2019. During the financial year 2019-20 further payment to depositors to the tune of Rs. 3,29,80,662/- has 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 49,07,16,196 is shown as Other Current Financial Liability.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

**17.5 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 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.**

No payment has been made till date to ICD Lenders. However, scheme has been already approved, 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.

- 17.6** 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.

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

Other current liabilities consist of the following:-

(Amount in Rs.)

| Particulars                            | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|----------------------------------------|--------------------------------------------|--------------------------------------------|
| Statutory Liabilities                  | 363,885                                    | 346,001                                    |
| Payable to Employees/Employee Advances | 2,089,633                                  | 2,717,453                                  |
| <b>Total</b>                           | <b>2,453,518</b>                           | <b>3,063,454</b>                           |

**19 Provision (Current)**

Provisions consist of the following :

(Amount in Rs.)

| Particulars                                | As at 31st<br>March, 2020<br>Amount in Rs. | As at 31st<br>March, 2019<br>Amount in Rs. |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>(a) Provision for employee benefits</b> |                                            |                                            |
| - Leave Encashment                         | 40,502                                     | 397,796                                    |
| - Gratuity                                 | 10,894                                     | 1,325,140                                  |
| <b>Total</b>                               | <b>51,396</b>                              | <b>1,722,936</b>                           |

**20 Other Income**

Other income (net) consist of the following:

(Amount in Rs.)

| Particulars                                                 | For the year<br>ended 31.03.2020<br>Amount in Rs. | For the year<br>ended 31.03.2019<br>Amount in Rs. |
|-------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Interest on Fixed Deposits                                  | 18,072,623                                        | 20,886,221                                        |
| Deferred Income                                             | 7,297,981                                         | 8,580,448                                         |
| Dividend Income                                             | 45,542                                            | 26,128                                            |
| Profit on sale of Investment                                | 2,825                                             | -                                                 |
| Miscellaneous Income                                        | 115,000                                           | 66,922                                            |
| Unrealised gain on account of fair valuation of Investments | -25,270                                           | 761                                               |
| Reversal of Provision, no longer required                   | -                                                 | 344,904                                           |
| Interest on Income Tax Refund                               | -                                                 | 57,599                                            |
| <b>Total</b>                                                | <b>25,508,700</b>                                 | <b>29,962,982</b>                                 |

**21 Employee Benefit Expense**

Employee benefits expenses consist of the following:

| Particulars                                         | For the<br>year ended<br>31.03.2020<br>Amount in Rs. | For the<br>year ended<br>31.03.2019<br>Amount in Rs. |
|-----------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| (a) Salaries, Wages & Bonus                         | 3,401,874                                            | 4,788,093                                            |
| (b) Contributions to Provident Fund and other funds | 508,032                                              | 721,755                                              |
| (c) Staff Welfare expenses                          | 513                                                  | -                                                    |
| <b>Total</b>                                        | <b>3,910,419</b>                                     | <b>5,509,848</b>                                     |

**22 Finance Cost**

Finance costs consist of the following:

| Particulars                             | For the<br>year ended<br>31.03.2020<br>Amount in Rs. | For the<br>year ended<br>31.03.2019<br>Amount in Rs. |
|-----------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Interest on late deposit of TDS         | 468                                                  | 3,978                                                |
| Interest Expense on financial liability | 9,594,571                                            | 10,879,980                                           |
| <b>Total</b>                            | <b>9,595,039</b>                                     | <b>10,883,958</b>                                    |

**23 Other Expenses**

Other expenses consist of the following

| Particulars                                                 | For the<br>year ended<br>31.03.2020<br>Amount in Rs. | For the<br>year ended<br>31.03.2019<br>Amount in Rs. |
|-------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Travelling & Conveyance                                     | 202,914                                              | 206,797                                              |
| Repairs                                                     |                                                      |                                                      |
| - Building                                                  | 30,950                                               | 1,150                                                |
| - Others                                                    | 411,426                                              | 87,807                                               |
| Electricity & Water                                         | 103,735                                              | 112,186                                              |
| Legal & Consultancy Charges                                 | 6,442,497                                            | 6,290,772                                            |
| Postage and Telegram                                        | 6,009                                                | 1,187,743                                            |
| Auditors Remuneration:                                      |                                                      |                                                      |
| - Statutory/Tax Audit                                       | 413,000                                              | 413,000                                              |
| - Other                                                     | -                                                    | 69,030                                               |
| Rent                                                        | 532,704                                              | 532,704                                              |
| Telephone Expenses                                          | 48,307                                               | 56,769                                               |
| Advertisement & Publicity                                   | 596,701                                              | 47,943                                               |
| Printing and Stationery                                     | 21,794                                               | 86,068                                               |
| Bad Debts Written off                                       | -                                                    | -                                                    |
| Old Employee Advance written off                            | -                                                    | 332,997                                              |
| Bank Charges                                                | 2,242                                                | 2,006                                                |
| Provision for Diminuation of Investments                    | 4,680                                                | 1,710,167                                            |
| Provision for NPA                                           | 59,702                                               |                                                      |
| Provision for Impairment                                    | -                                                    | -                                                    |
| Unrealised loss on account of fair valuation of Investments | 5,205,700                                            | 1,433,371                                            |
| Share Transfer Expenses                                     | 150,000                                              | 174,505                                              |
| AGM Expenses                                                | 1,027,421                                            | 1,054,354                                            |
| Internal Audit Fees                                         | 20,000                                               | 23,600                                               |
| Lisiting Fees                                               | 783,717                                              | 784,988                                              |
| Rates and Taxes                                             | 15,200                                               | 75,224                                               |

|                                        | For the<br>year ended<br>31.03.2020 | For the<br>year ended<br>31.03.2019 |
|----------------------------------------|-------------------------------------|-------------------------------------|
|                                        | Amount in Rs.                       | Amount in Rs.                       |
| Excess Accrued Interest written off    | 157,460                             | 11,977                              |
| Property Tax                           | 284,409                             | 305,702                             |
| Penalty on late deposit of EPF challan | 944                                 | 184                                 |
| Loss on sale of Investments            | 42,879                              |                                     |
| Fine/Penalty                           | 129,800                             | -                                   |
| Other Expenses                         | 26,380                              | 53,634                              |
| <b>TOTAL</b>                           | <b>16,720,571</b>                   | <b>15,054,677</b>                   |

**24 Income tax expenses**

(Amount In Rs.)

| Particulars                                           | For the<br>year ended<br>31.03.2020<br>Amount in<br>Rs. | For the<br>year ended<br>31.03.2019<br>Amount in<br>Rs. |
|-------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>A. Amount recognised in profit or loss</b>         |                                                         |                                                         |
| <b>Current tax</b>                                    |                                                         |                                                         |
| Income tax for the year                               |                                                         |                                                         |
| Current tax                                           | -                                                       | -                                                       |
| Adjustments/(credits) related to previous years - Net | -                                                       | 76,694                                                  |
| <b>Total current tax</b>                              | -                                                       | 76,694                                                  |
| <b>Deferred tax</b>                                   |                                                         |                                                         |
| Deferred tax for the year                             | (7,365,128)                                             | 4,382,745                                               |
| Adjustments/(credits) related to previous years - Net | -                                                       | -                                                       |
| <b>Total deferred tax</b>                             | (7,365,128)                                             | 4,382,745                                               |
| <b>TOTAL</b>                                          | <b>(7,365,128)</b>                                      | <b>4,459,438</b>                                        |

**B. Amount recognised in other comprehensive income**

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

**Deferred tax**

On items that will not be reclassified to profit or loss

|                                                         |              |                 |
|---------------------------------------------------------|--------------|-----------------|
| - Remeasurement gains/(losses) on defined benefit plans | 8,818        | (87,827)        |
| <b>TOTAL</b>                                            | <b>8,818</b> | <b>(87,827)</b> |

**25) 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, 2020.
- 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:

- (i) 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".
- (ii) 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.
- (iii) 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 31 <sup>st</sup> March, 2020 | As at 1 <sup>st</sup> April, 2019 |
| <b>Subsidiary Companies:-</b> |                                    |                                   |
| Global IT Options Limited     | 90%                                | 90%                               |

**III Basis of preparation of consolidated financial statements****A. Statement of Compliance with Ind AS**

These consolidated 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, 2018.

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.

**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 116 – 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:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period, or
- d) 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:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) 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.
- 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:

- 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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## **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.

### **ADDITIONAL NOTES TO ACCOUNTS**

#### **26) RESTRUCTURING SCHEME (Holding Company)**

##### **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 2020**

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            |
|      | <b>Total</b>                                   | <b>128.50</b>    |
| 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          |
|  | <b>Total</b>                                             | <b>15.44</b>  |
|  | <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<br>(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 2.35Cr         |
|      | <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 Cr.           | -                  |
| II   | Less than Rs 5,000            | 1.69                | -                  |
| III  | 30% of total amount           | -                   | 5.97               |
| IV   | Maturity Interest             | -                   | 2.35               |
|      | <b>TOTAL</b>                  | <b>Rs 19.56 Cr.</b> | <b>Rs 8.32 Cr.</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.

Payment to debenture holders are being made as per the recommendation of One Man Committee during the Financial Year 2017-18, 2018-19 and 2019-20 refer note 17.1 for details regarding repayments made to debenture holders.

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

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

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

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

Payment to Fixed Deposit holders are being made as per the recommendation of One Man Committee during the Financial Year 2017-18, 2018-19 and 2019-20 refer note 17.4 for details regarding repayments made to Fixed deposit holders.

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)****(A) 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 | Rs 36.30Lac         |
| II   | Interest              | --                  |
|      | <b>TOTAL</b>          | <b>Rs 36.30 Lac</b> |

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

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

Payment to SIDBI are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 17.2 for details regarding repayments made to SIDBI.

**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:

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

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

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

| S.N. | Particulars                   | Phase-I           | Phase-II          |
|------|-------------------------------|-------------------|-------------------|
| I    | 70% of total principal amount | Rs 5.62 Cr        | -                 |
| II   | Less than Rs 5,000            | -                 | -                 |
| III  | 30% of total amount           | -                 | Rs 2.41 Cr        |
|      | <b>Total</b>                  | <b>Rs 5.62 Cr</b> | <b>Rs 2.41 Cr</b> |

Payment to PSB are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 17.3 for details regarding repayments made to PSB.

**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:

**(A) 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 | Rs 5.77 Cr         |
| II   | Interest              | --                 |
|      | <b>TOTAL</b>          | <b>Rs 5.77 Cr.</b> |

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

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

Payment to IndusInd Bank are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 14.2 for details regarding repayments made to PSB.

**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:-

**(A) 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 | Rs 25 Lacs        |
| II   | Interest              | --                |
|      | <b>TOTAL</b>          | <b>Rs 25 Lacs</b> |

**(B) 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                                                                                      | Rs 25 Lac        |
| 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>Rs 25 Lac</b> |

Since, the number of shares to be allotted are not clear, presently the amount of Rs. 25 Lacs is shown in 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.

**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 | Rs 27.17 Lac        |
| II   | Interest              | --                  |
|      | <b>TOTAL</b>          | <b>Rs 27.17 Lac</b> |

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

| S.N. | Particulars                   | Phase-I             | Phase-II           |
|------|-------------------------------|---------------------|--------------------|
| I    | 70% of total principal amount | Rs 19.02 Lac        | -                  |
| II   | 30% of total amount           | -                   | Rs 8.15 Lac        |
|      | <b>Total</b>                  | <b>Rs 19.02 Lac</b> | <b>Rs 8.15 Lac</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 | Rs 4.10 Cr         |
| II   | Interest              | --                 |
|      | <b>TOTAL</b>          | <b>Rs 4.10 Cr.</b> |

**(B) Payment Schedule in cash**

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

**(C) 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 | Rs 1.84 Cr        |
|      | <b>TOTAL</b>                                                                                                               | <b>Rs 1.84 Cr</b> |

Payment to Pressman Leasing are being made as per the recommendation of One Man Committee during the Financial Year 2017-18 and 2019-20 refer note 14.3 for details regarding repayments made to Pressman Leasing.

**Developments during the financial year ended 31st March, 2019 and 31st March 2020**

During the financial year ending March 2019 and March 2020, the company is continuing to make payments to deposit holders and debenture holders in Phase – I. Phase II has also been started simultaneously during the current financial year.

The One Man committee earlier recommended to pay to the creditors 70% of the principal amount. The above said arrangement was modified by the committee on 18th May 2019 and accordingly it has been decided to pay creditors who have claimed amount as per procedure set by the committee and whose documents have been verified. As per the claims made by the creditors 100% of principal being paid to them and balance 30% to creditors whom 70% has already been paid has also started by the company. The balance payable to creditors is as per books and who have not claimed so far or their documents are under verification.

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

|    |                                                                            | Year ended<br>31st March,<br>2020 | Year ended<br>31st March,<br>2019 |
|----|----------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 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.)    | (31,20,791)                       | (94,81,207)                       |
| c) | Earning per share – Basic**                                                | (0.14)                            | (0.43)                            |
| d) | Earning per share – Diluted**                                              | (0.14)                            | (0.43)                            |

**28) Contingent Liabilities and Commitments****A) Contingent Liabilities**

- (a) During the year ended 30th June, 2011 the holding 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, 2020.

- (b) There is a demand of Rs. 34,58,900 for the Assessment Year 2006-07 and Rs. 357,542 for the Assessment Year 2012-13 for payment of income tax under the Income Tax Act, 1961, which is disputed by the holding company and pending before the appropriate authorities as on 31st March 2020.
- (c) There is an award passed by the arbitrator against the holding company in the matter of MS Shoes East Limited on May 28, 2012 for Rs. 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.
- (d) 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> |

- (e) 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 Holding Company was in contravention of the aforesaid provision. As explained to us, the management has made various attempts to appoint a Whole Time Company Secretary, however was unable to appoint Whole Time Company Secretary in the absence of suitable candidate. The 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.

- (f) Pursuant to section 149 of Companies Act, 2013 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 every listed company is required to appoint at least one Woman Director. During the year ended March 31st, 2016, the Holding Company was in contravention of the aforesaid provision as no woman director has been appointed. It is non-compliance of Section 149 of Companies Act, 2013. Presently Section 149(1) of the Companies Act, 2013 is silent on the component of penalty. SEBI guidelines prescribed penalties for the non-compliance which are Rs. 50,000 from 1-April-2015 to 30th June, 2015 and thereafter Rs. 1,000 per day for next 01-July-2015 to 30-Sep-2015 and thereafter from 01-Oct-2015 onwards Rs. 5,000 per day. With effect from 6-October 2016, woman director has been appointed by the Company. Total estimated penalty/fine comes to Rs. 16.85 Lacs (P.Y RS.16.85 Lacs) till date of appointment of woman 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. 13.40 Lacs. The cumulative net loss as well as Current/Non- Current Liability/Provisions as at 31st March, 2020 would have been higher by Rs. 13.40 Lacs.

#### B) Commitments

There are no non-cancellable capital commitments.

#### 29) Defined Benefit Plans/Long Term Compensated Absences :-

##### Description of Plans

The Holding 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 10.87 years. For the current valuation a discount rate of 7.63% 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 2019-20.

| PARTICULARS                                                                                      | Gratuity   | Leave Encashment | Gratuity   | Leave Encashment |
|--------------------------------------------------------------------------------------------------|------------|------------------|------------|------------------|
|                                                                                                  | Unfunded   | Unfunded         | Unfunded   | Unfunded         |
|                                                                                                  | 31.03.2020 |                  | 31.03.2019 |                  |
| <b>Statement of profit &amp; loss</b>                                                            |            |                  |            |                  |
| <b>Net employee benefit expense recognized in employee cost</b>                                  |            |                  |            |                  |
| Current Service Cost                                                                             | 56,019     | 41,448           | 101,963    | 29,991           |
| Interest Cost on Defined Benefit Obligation                                                      | 150,551    | 44,056           | 102,541    | 25,281           |
| <b>Total Expense recognized in the Statement of Profit and Loss</b>                              | 206,570    | 85,504           | 204,504    | 55,272           |
| <b>Remeasurements recognised in Other Comprehensive Income</b>                                   |            |                  |            |                  |
| Net Actuarial (Gain)/Loss                                                                        | (33,916)   | (17,784)         | 424,732    | 190,791          |
| <b>Total defined benefit cost recognized in Profit &amp; Loss and Other Comprehensive Income</b> | 172,654    | 67,720           | 629,236    | 246,063          |

**Changes in the present value of the defined benefit obligation are as follows:**

|                                      |             |           |           |         |
|--------------------------------------|-------------|-----------|-----------|---------|
| Opening Defined Benefit Obligation   | 1,973,149   | 577,404   | 1,343,913 | 331,246 |
| Interest Cost                        | 150,551     | 44,056    | 102,541   | 25,281  |
| Current Service Cost                 | 56,019      | 41,448    | 101,963   | 29,991  |
| Benefits Paid                        | (15,87,419) | (579,776) | -         | -       |
| Actual Losses / (Gain) on Obligation | (33,916)    | (17,784)  | 424,732   | 190,791 |
| Closing Defined Benefit Obligation   | 558,384     | 65,348    | 1,973,149 | 577,404 |

**Classification in Balance Sheets**

| Net Assets/ (Liability) | Gratuity  |             | Leave Encashment |             |
|-------------------------|-----------|-------------|------------------|-------------|
|                         | Current   | Non-Current | Current          | Non-Current |
| As at 31st March 2020   | 10,894    | 547,490     | 40,502           | 24,846      |
| As at 31st March 2019   | 1,325,140 | 6,48,009    | 397,796          | 179,608     |

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

|                               |      |      |      |      |
|-------------------------------|------|------|------|------|
| Discount Rate                 | 6.70 | 6.70 | 6.70 | 6.70 |
| Increase in Compensation Cost | 6.00 | 6.00 | 6.00 | 6.00 |

**SENSITIVITY ANALYSIS**

|    | PARTICULARS                                                            | Gratuity | Leave encashment |
|----|------------------------------------------------------------------------|----------|------------------|
| a. | Defined benefit obligation - Discount rate + 100 Basis points          | (58,113) | (2,900)          |
| b. | Defined benefit obligation - Discount rate - 100 Basis points          | 67,280   | 3,381            |
| c. | Defined benefit obligation – Salary escalation rate + 100 Basis points | 67,078   | 3,372            |
| d. | Defined benefit obligation – Salary escalation rate - 100 Basis points | (58,988) | (2,944)          |

**30)** For year ended 31st March, 2020, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

**31)** As the Holding Company has brought forward unabsorbed depreciation amounting to Rs.28,20,33,011 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".

**32) 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, 2020 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.

**33) Related Parties Transactions:**

**A. List of Related parties**

| SN  | Description of Relationship | Name of Party |                                                                               |
|-----|-----------------------------|---------------|-------------------------------------------------------------------------------|
| (a) | Significant Influence Exist | (i)           | DCM Services limited                                                          |
|     |                             | (ii)          | DCM International Limited                                                     |
|     |                             | (iii)         | DCM Anubhavi Marketing Private Limited                                        |
| (b) | Key Management Personnel    | (i)           | Mr. Shantanu Deveshwar – Executive Director                                   |
|     |                             | (ii)          | Mrs. Priya Sharma – Company Secretary and CFO (Resigned on 10.06.2019)        |
|     |                             | (iii)         | Mrs. Somali Tiwari- Company Secretary and CFO (Appointed on w.e.f 18.07.2019) |

**B. Transactions with related parties during the year (Amount in Rs.)**

| Particulars                     |                                          | For the year ending<br>31st March 2020 | For the year ending<br>31st March 2019 |
|---------------------------------|------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Key Management Personnel</b> |                                          |                                        |                                        |
| 1.                              | Remuneration                             | 4,81,131                               | 2,79,230                               |
| 2.                              | Repayment of loan                        |                                        |                                        |
|                                 | - DCM Services Limited                   | 66,99,000                              | -                                      |
|                                 | - DCM Anubhavi Marketing Private Limited | 1,73,09,902                            | -                                      |
| 3.                              | Interest Expense                         |                                        |                                        |
|                                 | - DCM Services Limited                   | 67,37,930                              | 67,16,845                              |
|                                 | - DCM International Limited              | 25,66,399                              | 23,26,407                              |
|                                 | - DCM Anubhavi Marketing Private Limited | 2,90,242                               | 18,36,728                              |
| 4.                              | Interest Income                          |                                        |                                        |
|                                 | - DCM Services Limited                   | 49,15,886                              | 52,79,977                              |
|                                 | - DCM International Limited              | 21,40,068                              | 21,34,221                              |
|                                 | - DCM Anubhavi Marketing Private Limited | 2,42,077                               | 11,66,250                              |

**C. Balance Outstanding (Amount in Rs.)**

|    |                                |             |             |
|----|--------------------------------|-------------|-------------|
| 1. | DCM Services Pvt. Ltd.         | 7,39,24,220 | 7,38,85,290 |
| 2. | DCM International Limited      | 2,81,56,876 | 2,55,90,476 |
| 3. | DCM Anubhavi Marketing Limited | 31,84,349   | 2,02,04,010 |
| 4. | Remuneration Payable           | 28,829      | NIL         |

**34) Financial Instruments and Related Disclosures****a) Categories of Financial Instruments**

|                              | Particulars                                                      | Note   | As at 31st<br>March 2020 | As at 31st<br>March 2019 |
|------------------------------|------------------------------------------------------------------|--------|--------------------------|--------------------------|
| <b>Financial Assets</b>      |                                                                  |        |                          |                          |
| <b>I</b>                     | <b>Measured at amortised cost</b>                                |        |                          |                          |
|                              | (i) Investments                                                  | 6      | NIL                      | 1,070                    |
|                              | (ii) Cash and cash equivalents                                   | 8      | 3,506,422                | 2,279,885                |
|                              | (iii) Other Bank Balances                                        | 9      | 27,881,916               | 88,449,831               |
|                              | (iv) Others                                                      | 3 & 10 | 182,536,685              | 221,748,530              |
|                              | <b>Total (A)</b>                                                 |        | <b>213,925,022</b>       | <b>312,479,316</b>       |
| <b>II</b>                    | <b>Measured at fair value through Other Comprehensive Income</b> |        |                          |                          |
|                              | (i) Investments                                                  | 6      | NIL                      | NIL                      |
|                              | <b>Total (B)</b>                                                 |        | <b>NIL</b>               | <b>NIL</b>               |
| <b>III</b>                   | <b>Measured at fair value through Profit &amp; loss</b>          |        |                          |                          |
|                              | (i) Investments                                                  | 6      | 6,426,844                | 12,134,641               |
|                              | <b>Total (C)</b>                                                 |        | <b>6,426,844</b>         | <b>12,134,641</b>        |
|                              | <b>Total financial assets (A+B+C)</b>                            |        | <b>220,351,906</b>       | <b>324,613,957</b>       |
| <b>Financial Liabilities</b> |                                                                  |        |                          |                          |
| <b>I</b>                     | <b>Measured at amortised cost</b>                                |        |                          |                          |
|                              | (i) Borrowings                                                   | 14     | 20,770,000               | 140,449,776              |
|                              | (ii) Other financial liabilities                                 | 17     | 808,065,524              | 776,564,088              |
|                              | <b>Total financial liabilities</b>                               |        | <b>828,835,524</b>       | <b>917,013,863</b>       |

**(b) Fair Value Hierarchy:**

|            | Particulars                                                                                                                                                            | As at 31st<br>March 2020 | As at 31st<br>March 2019 |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>I</b>   | <b>Financial Assets / Financial Liabilities at amortized cost</b>                                                                                                      |                          |                          |
|            | The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values except the following: |                          |                          |
|            | Fair value of Current Maturities of Long Term Debt/Borrowing measured at amortized cost (Level 3)                                                                      | 105,265,445              | 119,679,776              |
| <b>II</b>  | <b>Financial assets at fair value through profit &amp; loss</b>                                                                                                        |                          |                          |
|            | Investment in Equity Shares (Level 1)                                                                                                                                  | 1,238,878                | 4,471,781                |
|            | Investment in Equity Shares (Level 2)                                                                                                                                  | 5,188,006                | 7,662,860                |
| <b>III</b> | <b>Financial assets at fair value through Other Comprehensive Income</b>                                                                                               | NIL                      | NIL                      |

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined on the basis of net asset value as per last available audited financial statements.

Level 3: If one or more of the significant inputs is not based on observable market data, the fair value is determined using discounted cash flow method with the most significant inputs being the discount rate that reflects the credit risk of the counter-party.

**35) Capital Management**

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

- a) To ensure the company's ability to continue as a going concern.
- b) 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.

### 36) 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 and Phase-I

is still in continuation for the financial year ending 31st March 2019 and 31st March 2020, However, company has simultaneously started making payment under phase- II of balance 30% to those who have claimed the same. During the year 2019-20 company has started making payment of 100% to those creditors who are claiming it. 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) Group's incurred a net loss of Rs.3,120,791 during the year ended March 31, 2020 and, as of that date, the Group's current liabilities exceeded its total assets by Rs.411,546,356. The accumulated loss as on 31st March, 2020 stands to Rs. 855,417,842/-(Previous year Rs. 852,297,051/-). As on 31st March, 2020, the Group's total liabilities exceeded to its total assets by Rs. 432,888,691/- (Previous year Rs. 429,767,900/-).
  - (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,
- 37) The Holding 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.**
- 38) 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.**
- 39) Segment information for the year ended 31st March 2020**
- 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.
- 40) The COVID -19 pandemic is rapidly spreading throughout the world. The company is not doing any operations as there is order by the Hon'ble High Court and RBI to not to do any operations/ business. Accordingly, company is only paying back its creditors and Fixed Deposit Holders as per the recommendations of One Man Committee. The Company has resumed repayment to its creditors in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial results as at 31st March 2020. However, the impact assessment of COVID-19**

is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

**41) Statement of Net Assets and Profit or (loss), other comprehensive income and total comprehensive income attributable to owners**

| Name of the Company             | Net Assets (Total Assets minus Total Liabilities) |                 | Share in Profit or (Loss)           |                | Share in other Comprehensive Income             |                | Share in Total Comprehensive income             |                |
|---------------------------------|---------------------------------------------------|-----------------|-------------------------------------|----------------|-------------------------------------------------|----------------|-------------------------------------------------|----------------|
|                                 | As % of Consolidated net assets                   | Amount in Lakh  | As % of Consolidated profit or loss | Amount in Lakh | As % of Consolidated other Comprehensive Income | Amount in Lakh | As % of Consolidated Total Comprehensive income | Amount in Lakh |
| <b>Parent Company (Indian)</b>  |                                                   |                 |                                     |                |                                                 |                |                                                 |                |
| DCM Financial Services Limited  | 100.52                                            | -4351.74        | 102.79                              | -32.34         | 100                                             | 2.51           | 102.82                                          | -32.09         |
| <b>Subsidiaries (Indian)</b>    |                                                   |                 |                                     |                |                                                 |                |                                                 |                |
| Global IT Options Limited       | -0.45                                             | 19.69           | -2.51                               | 0.79           | 0                                               | 0              | -2.53                                           | 0.79           |
| <b>Non-Controlling Interest</b> | <b>-0.07</b>                                      | <b>3.16</b>     | <b>-0.28</b>                        | <b>0.09</b>    | <b>0</b>                                        | <b>0</b>       | <b>-0.29</b>                                    | <b>0.09</b>    |
| <b>Total</b>                    | <b>100</b>                                        | <b>-4328.89</b> | <b>100</b>                          | <b>-31.46</b>  | <b>100</b>                                      | <b>2.51</b>    | <b>100</b>                                      | <b>-31.21</b>  |

**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 & Co**

Chartered Accountants

Firm Registration No. 011393N

**Rishi Mittal**

Partner

M.No. 521860

**Shantanu Deveshwar**

Director

DIN: 08268523

**Richa Kalra**

Director

DIN: 07632571

**Somali Tiwari**

Company Secretary

M.No. A-47631

**Place : New Delhi**

**Dated : 3rd July 2020**



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Mezzanine Floor, New Delhi-110020