

20TH Annual Report

2010-2011



DCM FINANCIAL SERVICES LTD.

BOARD OF DIRECTORS

Arif Beg	Chairman
S.K.Sharma	Executive Director
Om Prakash Gupta	Director

COMPANY SECRETARY

Sumit Agarwal

AUDITORS

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

REGISTERED OFFICE

D 7/3 Okhla Industrial Area-II, Mezzanine Floor,
New Delhi 110020.

REGISTRAR & SHARE TRANSFER AGENT

(Physical & Electronic)
MCS LTD,
F-65, Okhla Industrial Area,
Phase- - I, New Delhi 110020

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of the Company scheduled to be held on Friday, December 30th, 2011 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110 030 at 9:30 AM for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on June 30th, 2011 and Profit and Loss Account for the twelve months period ended on that date, together with the reports of the Auditors and the Board of Directors thereon.
2. To appoint Statutory Auditors in place of M/s. V. Sahai Tripathi & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company and to authorize the Board to fix their remuneration.
3. To consider appointment of Mr. Om Prakash Gupta as Director who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 302, 309 read with Schedule XIII of the Companies Act, 1956, and subject to other applicable provisions, if any, and subject to approval of the Central Government and / or terms and conditions which may be imposed while granting such approval, which the Board of Directors be and is hereby authorized to accept, consent of the members of the Company be and is hereby accorded for appointment of Mr. S. K. Sharma as Whole Time Director designated as "Executive Director" of the Company for a period of three years from 1st December 2011 on the following terms and conditions:

1		Tenure	Three years w.e.f. Date of joining i.e 1st December, 2011
2		Remuneration	Remuneration payable to Mr. S. K. Sharma shall be as follows:
	a	Salary Basic Salary	Rs. 19,217/- per month
	b	Company Leased accommodation (or HRA in lieu thereof)	50% of basic per month
LTA & Medical shall be in accordance with the Company rules.			
3		Minimum Remuneration	Mr. S.K. Sharma shall be paid the aforementioned remuneration as minimum remuneration even in the event of absence or inadequacy of profits, in any financial year.
	i	The above remuneration will be inclusive of any other allowance as may be applicable as per Company rules	
	ii	Mr. S.K. Sharma will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.	

RESOLVED FURTHER THAT the above may also be treated as notice to the shareholders under section 302 of the Companies Act, 1956."

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

"RESOLVED THAT in accordance with the provisions of the section 100, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation by the High Court of judicature at New Delhi and pursuant to Article 14 of Articles of Association of the Company and subject to necessary compliances of continuous listing on stock exchanges and such other approvals and consents as may be required, consent of the members of the Company be and is hereby accorded to the reduction of the share capital of the Company from Rs. 22,12,50,540 (Rupees Twenty Two Crores Twelve Lakhs Fifty Thousand Five Hundred Forty only) divided in 2,21,25,054 shares of Rs. 10/- (Rupees Ten only) each to Rs. 4,42,50,108 (Rupees Four Crores Forty Two Lakhs Fifty Thousand One Hundred Eight Only) divided into 2,21,25,054 shares of Rs. 2/- (Rupees Two only) each and the said reduction be effectuated by applying an amount of approximately Rs. 17,70,00,432/- (Rupees Seventeen Crores Seventy Lakhs Four Hundred Thirty Two only), being a portion of accumulated losses of the Company against the share capital.

RESOLVED FURTHER THAT the corresponding amendments be made in Clause V of the Memorandum of Association of the Company as may be required under the provisions of the act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take steps for obtaining the High Court approval, delegate powers to Director, finalise the scheme of reduction, effecting modifications as per the order of Court, finalise the terms and conditions and to do all such acts, deeds and things necessary for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to applicable provisions of the Companies Act 1956, and Articles of Association of the Company, the guidelines issued from time to time by the Securities & Exchange Board of India (SEBI) and other applicable rules and regulations and subject to such approvals, filings, consents and sanctions, as may be necessary in accordance with the government guidelines and/or prevailing practice at the time as may be considered necessary by the Board of Directors of the Company (herein after referred to as the Board which expression shall also include a Committee thereof) or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the shareholders of the Company be and is hereby accorded to delisting of the shares of the Company from the Stock Exchanges situated at Calcutta, Delhi, Ahmadabad, Madras & Jaipur."

BY THE ORDER OF THE BOARD

Sd/-

Place: New Delhi

(Sumit Agarwal)

Dated: December 5th, 2011

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER, PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed herewith.
3. A brief resume of the Director(s) proposed for appointment/re-appointment as mandated in Clause-49 of the Listing Agreement is annexed with the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, December 20th, 2011 to Thursday, December 29th, 2011 (both days inclusive).**
5. Members/Proxy holders are requested to produce at the entrance the enclosed admission slip duly completed and signed, for admission to the meeting.
6. Members are requested to notify any change in their address, immediately to the Company's Share Registrars and Transfer Agents at the address mentioned below:
MCS LTD.
 F-65, 1st Floor, Okhla Industrial Area,
 Phase – I, New Delhi–110020
 Tel: 011-41406149-52, Fax: 41709881
 Email: mcsdel@vsnl.com
7. In accordance with SEBI directions, shares of the Company can only be traded in demat mode. Accordingly it is in member's own interest to get their shares dematerialized at the earliest.
8. To implement the Green initiatives launched by the Government by allowing paperless compliances by the Companies, which will benefit the society at large through reduction in paper consumption, contribution towards a Greener Environment and also ensure prompt receipt of communication and avoid loss in postal transit, Company may send documents to Shareholders in electronic form to the e-mail Id as noted in the records of their DP or details as furnished by the Depositories viz. National Securities Depository Ltd and Central Depository Services limited.

Shareholders who have not yet registered/updated their e-mail ID may notify the same to the following:

- i. If shares are held in electronic mode, to their Depository Participant (DP)
- ii. If shares are held in physical mode, to the Company and / or R&TA

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

The shareholders in the Annual General Meeting held on 30th December 2009 had given their consent to the Company for appointing Mr. S. K. Sharma as Whole Time Director of the Company designated as "Executive Director" for a period of two years from 1st December, 2009.

Mr. Sharma's term expired on 30th November, 2011. Mr. Sharma has given his consent and offered himself for re-appointment as Executive Director for further three (3) years.

Mr. Sharma being eligible for being re-appointed as Whole Time Director in terms of Section 269 of the Companies Act, 1956.

Keeping in view the experience of Mr. S. K. Sharma in the Corporate sector, Board proposed the re-appointment of Mr. Sharma for further three years w.e.f. 1st December, 2011 which requires the approval of members of the Company and Central Government approval. Your Directors recommend the resolution for approval of the members.

NONE OF THE DIRECTORS EXCEPT MR. S. K. SHARMA IS INTERESTED OR CONCERNED IN THIS RESOLUTION.

ITEM NO. 5

The present authorized share capital of the Company is Rs. 22,12,50,540/-. The resolution seeks the approval of the shareholders to reduce the share capital of the Company pursuant to section 100 of the Companies Act 1956 by a portion of the accumulated losses of the Company, being approximately Rs. 17,70,00,432/- . The purpose of the reduction of the capital is to reduce the amount of capital on issue where the value is not represented by the available assets, provided that the Company does not cancel any shares.

Under this reduction of capital, the Company will not be returning any capital to shareholders or cancelling any shares. The reduction of the capital does not prejudice the Company's ability to pay any creditors, has no direct impact on shareholders (or their shareholding), in not selective between shareholders and will not affect the number of fully paid shares on issue in the Company.

The Special resolution approved by the members did not involve diminution of any liability in respect of unpaid capital or the payment of any paid up capital, not is any call being waived or payments to any shareholder of the petitioner-company and will not affect or prejudice to the interest of the members, company, its creditors or the general public at large.

The purpose of this resolution is to unlock the value of shareholder and to bring the shares to its real value.

On your approval, necessary steps for reduction shall be taken subject to Hon'ble High Court approval.

NONE OF THE DIRECTORS IS ANY WAY CONCERNED OR INTERESTED IN THE RESOLUTION.

ITEM NO. 6

Presently the shares of the Company are listed at seven Stock Exchanges i.e., Bombay, Delhi, Jaipur, Ahmadabad, Calcutta, Madras and National Stock Exchange. Out of them, only two stock exchanges i.e. Bombay Stock Exchange and National Stock Exchange, have nation wide trade terminal and as such liquidity is insured to investors.

In order to conserve resources, the Board of Directors, subject to your approval, seek to delist the shares of the Company from Stock Exchanges at Delhi, Calcutta, Ahmedabad, Madras & Jaipur.

On your approval, necessary steps in accordance with the guidelines shall be taken.

Consent of the members is requires before taking any steps for delisting.

NONE OF THE DIRECTORS IS ANY WAY CONCERNED OR INTERESTED IN THE RESOLUTION.

PURSUANT TO THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT, A BRIEF RESUME OF DIRECTORS, PROPOSED FOR APPOINTMENT/RE-APPOINTMENTS GIVEN BELOW

ITEM NO. 3

Name of Director	Mr. Om Prakash Gupta
Date of Birth	10th July 1933
Nationality	Indian
Date of Appointment	13th February 1991
Expertise in specific	Mr. Gupta is a Management Graduate from Delhi University and has vast experience in general management of Manufacturing, Service and other Industries. He has been on board of the Company since its inception and actively contributes to the proceedings of the Board.
Qualification	MBA from Faculty of Management Studies, Delhi
List of Directorship	None
Position held in other Companies	None
Share Holding in the Company	150 shares
Relationship with Director Inter-se	Nil

PURSUANT TO THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT, A BRIEF RESUME OF DIRECTORS, PROPOSED FOR APPOINTMENT/RE-APPOINTMENT IS GIVEN BELOW

ITEM NO. 4

Name of Director	Mr. S. K. Sharma
Date of Birth	28th December 1931
Nationality	Indian
Date of Appointment	30th December 2003
Expertise in specific	Mr. Sharma is a science graduate. He retires as Senior Manager from a nationalized Bank. Mr. Sharma is also active socially and is involved in promoting the game of chess, with the credit of organizing International chess tournaments near Delhi. He has an experience of over 42 years in General Administration.
Qualification	B. Sc. (Maths)
List of Directorship	None
Position held in other Companies	None
Share Holding in the Company	Nil
Relationship with Director Inter-se	Nil

DIRECTORS' REPORT

Your Directors present the Twentieth Annual Report of the Company together with the Audited Accounts for the 12 months period ended on June 30, 2011.

FINANCIAL RESULTS

The financial results for the period under review are for a period of twelve months:

PARTICULARS	CURRENT YEAR Ended on 30.06.11 (Rs. in lacs)	PREVIOUS YEAR Ended on 30.06.10 (Rs. in lacs)
Gross Income	328.34	311.78
Profit/(Loss) before depreciation	206.47	183.46
Depreciation	36.44	36.76
Profit/(Loss) before tax	170.03	146.71
Provision for tax	-	-
Profit/(Loss) before Extra ordinary items	170.03	146.71
Prior period adjustment	1.91	-0.15
Less: Provision on Investments	-	-
Net Profit/(Loss)	168.12	146.86
Profit/(Loss) brought forward from previous year	(9163.26)	(9310.11)
Surplus /(Loss) carried to Balance Sheet	(8995.14)	(9163.26)

Your Directors have pleasure in informing the members that the Company has posted a profit of Rs. 168.12 lacs, after adjusting prior period adjustments amounting to Rs. 1.91 lacs.

The Board of Directors have made conscious efforts for drawing the financial statements on the basis of sound, accepted and conservative accounting principles to ensure true and fair financial statements of the Company.

COMPANYS' AFFAIRS / OPERATIONS / MATERIAL DEVELOPMENTS

The Statement of Company Affairs, operations, opportunities and threats, performance on the recoveries front and developments in the Scheme of Arrangement filed by the Company before the Hon'ble High Court of Delhi, have been elaborately and explicitly explained and dealt with in the Management Discussion and Analysis Report (which forms part of this report) and accordingly have not been repeated herein to avoid repetition.

The Equity Shares of the Company are presently listed on the seven Stock Exchanges including The Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE). The Shares of the Company are compulsorily traded in dematerialized form.

The Directors had recommended the voluntary delisting of shares from other five stock exchanges i.e. ASE, MSE, DSE, CSE and JSE and the share holders in the AGM held on 30th December 2009 had approved the same, however steps for delisting could not be taken due to circumstances beyond control of the Company.

Due to sustained efforts made by your Company in recovery of dues from its customers and efforts for settlement of liabilities towards secured and unsecured creditors in particular the Fixed Deposit holders, the Reserve Bank of India (RBI) allowed your Company's application for grant of certificate for registration (COR) as NBFC to remain pending till 5th of March 2004, on which date RBI issued orders rejecting the Company's application for grant of Certificate of Registration (CoR). Your Company filed an appeal before the Appellate Authority in the Ministry of Finance and vide order dated 21st May 2004, the Appellate Authority directed the Reserve Bank of India to keep its order of rejection of CoR in abeyance for a period of six months during which the Company shall file the revised scheme for restructuring before appropriate authority or till the disposal of the Company's review petition by the Hon'ble Delhi High Court. Even though your Company's business plan as of now do not envisage any fresh aggressive fund based NBFC business exposure as it envisages exploring other business activities and NBFC activities shall be restricted to non fund bases business, apart from continuation of

aggressive recovery from its defaulting customers.

RBI, against the orders of the Appellate Authority filed a Constitutional Writ before the Hon'ble High Court of Delhi at New Delhi and the Hon'ble Court granted stay on the operations of the orders of the Appellate Authority. RBI thereafter filed a Petition for winding up of the Company before the Hon'ble High Court of Delhi at New Delhi. Both the Petitions filed by RBI are pending adjudication and have been clubbed with the Scheme.

AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company is attached. The Directors' observation on the Auditors' Report are as under: -

1. Provision of interest on certain liabilities covered under notes 5 (c), 5(e), 6(B), (C), (D), 7 (e), and 8 is in accordance with the Scheme of restructuring filed by the Company before the Hon'ble Delhi High Court, which provides for waiver and cancellation of interest and the same is pending before the Hon'ble Court.
2. Depletion in the value of Assets charged to Banks/Institution and Debentures covered under notes 5(a) and 6(E) relates to ascertainment of Security against Debentures and Bank Loan, which could not be ascertained since the Company is in litigation with various Lease and Hire Purchase customers and the matters are sub-judice, hence confirmations and acknowledgements are not feasible.
3. The default in repayment to depositors as mentioned in note 7(a) and Para 6 in CARO report is comprehensively covered by the Scheme of Arrangement filed before the Hon'ble High Court of Delhi and approved by the creditors at their meetings held under the directions of the Hon'ble Delhi High Court.
4. Maintenance of minimum liquid assets covered under note 7(f) Due to the liquidity crisis and default in payment to fixed depositors, the liquid assets held by the Company had to be used for payment to depositors. Thereafter, the Company has made application to the RBI as well as the Hon'ble Company Law Board for exemption from maintaining minimum liquid assets.
5. Provision of Non Performing Assets as per RBI norms under Note 9: Though keeping in line with the philosophy and experiences during the years, that recoveries have been made even from the assets which were classified as Non Performing as per the Prudential Norms of RBI. The total NPA provisions as on date of Balance Sheet aggregates to Rs. 1556.79 lacs. This is to give a more realistic picture of the receivable of the Company and will also put more stress on recovery. Accordingly it is deemed expedient that the provision for non-performing assets may be made at a realistic level. The Director's view is that assessment of recoverable should depend on the estimate of the recovery matters, financial position of the defaulting customers and payment by the Customer in the subsequent years and the present negotiations/ commitment with/ by the customers. Non reconciliation of stock in trade –Note 11, the stocks in trade are primarily from share division customer accounts and bad delivery of shares, which used to be in physical form at that time and hence complete reconciliation has not been done however reconciliation is under process.
6. Going Concern Basis – Note 13: In accordance with section 217 (2AA) of the Companies Act, 1956, the financial statements are required to be made on going concern basis. In light of the fresh scheme of restructuring pending before the Hon'ble Delhi High Court, the Company has plans for future business and income generation. Accordingly it is not only prudent but also imperative to draw the financial statement based on such Going Concern basis. The Scheme seeks to restructure relying on debt equity swaps and profits earned by engaging in service oriented, fee based business leading to progressive reduction in the debt of the Company. The Scheme of Arrangement would not only enable the Company to wipe out its debts but will also enable it to reduce carry forward losses to be a profitable entity. Further in accordance with amended Section 217 (2AA) of the Companies Act, 1956, the financial statements are required to be made on going concern basis.
7. Balance confirmation & Un-Reconciled Balances – Note 14(a) & 14 (b): As the Company is under litigation for a majority of bills receivable and payables, and the matters are sub-judice, confirmations and acknowledgements are not feasible.

8. Rental receivable: With reference to Clause 5(f) of the auditor's report, there are certain disputes with the tenant and the company and the matter is pending arbitration.
9. Stock in trade : With reference to Clause 5(f) of the auditor's report, efforts are on to get transferred these shares held under bad delivery in the name of the company and the value of these shares are much higher than considered in the books.
10. Director remuneration: Note 15- The Company could not file application for approval of remuneration of director in the absence of NOC from the financial institutions, however the same has been filed and the approval is awaited.
11. Note 18 on Contingent liabilities: The Company is contesting claims lodged against it not acknowledged as debts including claims on account of securitization transaction and underwriting obligations. Rest of the contingent liabilities are being addressed through the Scheme. Claim of Rs 1 Cr filed against the company by the tenant and the matter is pending before arbitrator.

All the other notes are self-explanatory.

AUDITOR'S

M/s V.Sahai Tripathi & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. They have furnished a Certificate to the effect that their re-appointment, if made, will be within the limits specified under section 224(1B) of the Companies Act, 1956.

DIVIDEND

In view of the accumulated losses in the past years, the Directors regret their inability to recommend dividend for the period under review.

DIRECTORS

There was no change in the Directors during the year. In accordance with the provision as contained in Section 256 of the Companies Act 1956, & Article of Association, Mr. Om Prakash Gupta, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Om Prakash Gupta was appointed as Director, liable to retire by rotation, at the AGM held on 16.12.2008 and holds the office as such up to the date of the ensuing Annual General Meeting.

Mr. S.K. Sharma is proposed to be re-appointed as Whole Time Director designated as "Executive Director" of the Company, subject to approval of members and the Central Government.

Keeping in view the experience of Mr. Sharma, requirement of Companies Act, 1956, and challenges ahead, your Director's recommend appointment of Mr. Sharma as the Executive director of the Company for three years.

LISTING AGREEMENT COMPLIANCES

- I. The Company is presently listed at Stock Exchanges at Ahmedabad, Calcutta, Chennai, Delhi, Jaipur, Bombay and the National Stock Exchange. Due to Financial constraints, the Company is in arrears of listing fees to the Stock Exchanges at Ahmedabad, Calcutta, Chennai, Delhi and Jaipur and also applied for delisting its shares from these Stock Exchanges because of non-availability of nation wide terminals and there is no suffering to the investors for trading & it will reduce the cost to your company. However, the trading on National Stock Exchange is suspended since October, 2010 due to certain queries raised by the National Stock Exchange and reply to same has been made. The Company is in constant touch with the National Stock Exchange and progressing towards revocation of suspension of trading on National Stock Exchange.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report and report on Corporate Governance form an integral part of this report. The Certificate from the Auditors of the Company certifying compliance of the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges is also annexed to the Report on Corporate Governance. Though the Company is complying with all the requirements of the Listing Agreement, yet your company had been served a Show Cause Notice from Securities & Exchange Board of India (SEBI) for non-compliance of Clause 49 III of the Listing Agreement. The Show Cause Notice states that your Company has not appointed an independent Director on the Board of Directors of its material Subsidiary Company. Further, the audit committee of the listed holding company shall also review the financial statements, in particular the investments made by the unlisted subsidiary Company. The Show Cause Notice further states that your company has not complied with the requirements of Clause 49 ID of the Listing Agreement which states that the Board shall lay down a code of conduct for all Board Members and senior management personnel shall affirm compliance with the code on an annual basis.

Your company has replied to the show cause notice wherein it has been stated that the company is complying with the requirements of the Clause 49 of the Listing Agreement, however since your company has defaulted in paying its depositors, all its Directors are disqualified under section 274 (1)(g) of the Companies Act, 1956, hence the Directors on the Board of Directors of your Company cannot become the Directors on the Board of any Public Limited Company. As regards the Code of Conduct for all Board Members and senior management personnel and affirmation by senior management personnel with the code on annual basis, the company is complying with the same and the website of your company is also operational. As per communication received from SEBI, SEBI seems to be satisfied with the reply submitted by the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is confirmed that for the twelve months period ended on June 30, 2011:

- (i) In the preparation of the Annual Accounts, the Company has followed the applicable Accounting Standards and there are no material departure except for non-payment of interest and discounting charges, which is in line with the new scheme of restructuring u/s 391-394 filed by the Company, which envisages waiver of Interest. It may be worthwhile to note that the said new Scheme has already been approved by the requisite class of Secured and Unsecured Creditors and is pending approval before the Hon'ble High Court of Delhi.
- (ii) They have, in the selection of the accounting policies consulted the Statutory and Internal Auditors from time to time and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period aforementioned and of the profit or loss of the Company for that period.
- (iii) They have taken, proper and sufficient care, to the best of their knowledge and ability and consulted the Statutory as well Internal Auditors from time to time for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities for the financial year aforementioned.
- (iv) The financial statement has been prepared on a going concern basis.

SUBSIDIARY COMPANY

The Accounts of the Subsidiary Company for the year ended on June 30, 2011 is attached herewith. Statement in pursuance of section 212 is also annexed.

Your Company had not made any loans to its subsidiary for the year ended 30th June 2011.

FIXED DEPOSITS

During the year under review, the Company had not invited any fixed deposits.

Unclaimed / Unpaid deposits as on 30th June 2011 are Rs.3.51 Crores (3639 depositors) and Rs.56.38 Crores (50928 depositors) respectively. The fixed deposit liability of the Company is proposed to be settled in the manner and in accordance with the Scheme of restructuring filed by the Company, which is pending before the Hon'ble Delhi High Court.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of operations of the Company, no particulars are furnished in respect of conservation of energy and technology up gradation.

FOREIGN EXCHANGE EARNING AND OUTGO

There has been no foreign exchange income and outgo for the period of this report.

PERSONNEL

During the year ended June 30, 2011, there was no employee drawing remuneration in excess of the amount prescribed under section 217(2A) of the Companies Act, 1956.

FORWARD LOOKING STATEMENTS

Certain statements describing the future outlook, industry structure, developments, projection, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Since the Company's operation are influenced by many external and internal factors beyond the control of the company and its management. Important factors that could make the difference to the Company's operation and future include RBI's stance towards the company, outcome of the restructuring scheme, industry and economic conditions, changes in Government regulations, tax laws and other statutes.

ACKNOWLEDGEMENTS

Your Directors wish to place on records their sincere thanks and deep appreciation for the guidance, support, continued co-operation extended by the Banks specially the Reserve Bank of India, Central Bank of India, Punjab & Sind Bank, IndusInd Bank, Ministry of Corporate Affairs, Creditors, Shareholders, Debenture holders, fixed depositors and its Solicitors, advocates for their continued support and assistance.

The Directors also take this opportunity to acknowledge the dedicated efforts of the employees at all levels.

For & on behalf of the Board of Directors

Place : New Delhi
Date: December 5th, 2011

Sd/-
(Arif Beg)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company is pleased to present its Report on Industry scenario including Company's performance during the year 2010-11.

Indian Economy

India's economy grew at 8.6% last year, next only to China and this is certainly a remarkable achievement as it comes in the backdrop of a challenging period of global recession where a few countries were even on the brink of bankruptcy and had to seek huge bailouts. With the world economy coming out of recession, the Indian economy has successfully re-positioned itself on a faster growth trajectory, which prompts us to believe that the country will be able to grow at a rate of 9%, on a sustained basis.

The Economy of India is the ninth largest in the world by nominal GDP and the fourth largest by purchasing power parity (PPP). The country is a part of the G-20 major economies and the BRICS, in addition to being partners of the ASEAN. The country's per capita GDP was \$3,408 (IMF, 129th in the world) in 2010, making it a low-income country. The independence-era Indian economy (before and a little after 1947) was inspired by the economy of the Soviet Union with socialist practices, large public sectors, high import duties and lesser private participation characterizing it, leading to massive inefficiencies and widespread corruption. However, later on India adopted free market principles and liberalized its economy to international trade under the guidance of Manmohan Singh, who then was the Finance Minister of India under the leadership of P. V. Narasimha Rao the then Prime Minister. Following these strong economic reforms, the country's economic growth progressed at a rapid pace with very high rates of growth and large increases in the incomes of people. India recorded the highest growth rates in the mid-2000s, and is one of the fastest-growing economies in the world. The growth was led primarily due to a huge increase in the size of the middle class consumer population, a large workforce comprising skilled and non-skilled workers, good education standards and considerable foreign investments. India is the seventeenth largest exporter and eleventh largest importer in the world. Economic growth rates are projected at around 7.5%-8% for the financial year 2011-2012.

Industry Structure and Developments

Despite the recent global economic crisis, India has established itself firmly amongst the fastest growing economies in the world and is now a 1.3 trillion-dollar economy aspiring to play a greater role in shaping the future of the world. The economy is steadily recovering from the global crisis and the growth rate in the current year is expected to be about 9%; and is well on course to high growth trajectory with a growth rate of over 9% or to a double digit growth phase.

While the industry has developed tools to deliver portfolios and wealth management solutions, these tend to be very expensive, do not relate to financial needs, cannot effectively manage risk or return and are primarily concerned with product distribution.

At the present moment in time the product providers and product managers and the sellers of wealth management products and solutions are too closely related. While the industry does not efficiently manage wealth for the average individual, it does quite nicely for itself. Indeed, financial services in most developed economies is either the single biggest or one of the biggest components of the economy.

Over the years, the dependence on Agriculture has been substantially reduced from about 43% in the Seventies to the current level of about 17%. Consequently, the other sectors have gained in terms of their share in GDP. The share of Industry has gone up steadily from about 17% to 27% and the contribution of Service sector has grown from 40% to 57% during the same period above. One important factor that is contributing to the country's booming service sector is the availability of skilled young manpower as India is still young with 70% of its population are aged below 35 years.

The economy has shown tremendous resilience in facing the global economic crisis due to domestic consumption largely supported by rural demand and the outlook remains positive as the growth is well supported by investment. The flow of FDI from a level of about US\$ 4 billion per year in the beginning of the current decade has multiplied to the current level of over US\$ 20 billion per year.

The inflation rate has been moderate and the interest rates are stable. But due to rise in price of primary items, social sector expenditure and the base effect, inflationary pressure is likely to be a concern. Due to higher level of inflow of dollars in terms of FDI and FII investments and the compelling

need for the central bank to control money supply to keep the inflation at a moderate level through increase in CRR, the management does not foresee a softer interest rate in near future.

The financial sector has acquired greater strength, efficiency and stability by the combined effect of competition, regulatory measures, policy environment and motivation among the market players including banks. The same have been appreciated by the developed western world. The financial markets, especially the money, government securities and forex markets have matured in terms volume, depth and spread, which further confirms the strength in the economy. The share market is also reflecting confidence and optimism and the Sensex of BSE is hovering around 17000 mark at present.

The growth in the economy in the past few years, has led to positive business and consumer confidence, increase in purchasing power in urban as well as rural areas and wider scope of new business opportunities. In this background once the restructuring scheme of your Company, which is pending, for approval before the Hon'ble High Court, Delhi, is approved, your Company shall be in a position to exploit the conducive economic situations for revival of its business activities.

a. Opportunities and Threats / Risks and Concerns / Outlook

Due to factors beyond the control of the Company, the earlier Scheme under section 391 to 394 of the Companies Act, 1956, has not been sanctioned by the Hon'ble Delhi High Court, this has adversely effected the plans of the Company including its venturing into new business avenues and opportunities. The Company has filed a fresh Scheme before the Hon'ble Delhi High Court under section 391 to 394 of the Companies Act, 1956, and on approval of the Scheme, not only the Company would become debt free but it will also enable it to commence new business activities, which the Company has been attempting to start since quite sometime. The Company is planning to make a niche in the new areas of operation upon sanction of the Company's Scheme of Restructuring.

Delay in the sanction of the Scheme is increasing the volume, efforts and cost associated with the litigation process. As already mentioned, that post approval of the Scheme, the Company shall also explore possibilities in field of non-fund based business and other activities.

b. Segment-wise / product-wise performance

The efforts of the Company are concentrated towards recovering the past dues from the defaulting customers. The division of the recoveries operations between segment and / or product wise is not possible and therefore not provided with.

Your Company vehemently continued its aggressive drive launched by it against its debtors for recovery of past overdue, by following specialized and professional approach. The Company had put in a sincere and committed effort and had explored possible and probable ways including civil and criminal litigations, negotiations, settlement and arbitration route, to recover its monies from both retail as well as corporate clients. The Company has been successful in recovering monies from some of the large defaulting debtors. With the passage of time, the rate of recovery in terms of volumes is slowly depleting, when compared with previous years. But pending the Company's Scheme of Restructuring, the recoveries are still the major source of revenue for the Company. The fall in the income from leasing and hire purchase was primarily due to lapse of tenure.

c. Internal control systems and their adequacy

The Company has an effective system of accounting and administrative controls which ensures that all assets are safeguarded and protected against loss against unauthorized use or disposition. The Company has a well-defined organization structure headed by Executive Director who is an Ex-Banker with clear functional authority limits for approval of all transactions

The Company has a strong reporting system, which evaluates and forewarns the management on issue related to compliance. The Company has appointed to M/s Kushwaha & Company, Chartered Accountants as their Internal Auditor. The performance of the Company is regularly viewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with pre-set objectives.

The Company updates its internal control systems from time to time, enabling it to monitor employee adherence to internal procedures and external regulatory guidelines.

d. Financials performance with respect to operational performance

The efforts are towards recovery of dues from past and present creditors. There was no income from leasing and hire purchase due to lapse of tenure. The sustained efforts for aggressive recoveries during the current financial year has supported the bottomline of your Company which has posted a profit of Rs 168.12 lacs which includes Prior Period adjustments amounting to Rs. 1.91 lacs after providing for depreciation of Rs. 36.44 lacs.

e. Material developments in Human Resources / Industrial Relations Front, including number of people employed

The relations with the employees remained cordial during the year.

The total number of employees in the Company was 15 as on June 30th, 2011.

Cautionary Note

The statements in the Directors' and Management Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

REPORT ON CORPORATE GOVERNANCE**COMPANY'S PHILOSOPHY**

The Company's philosophy on Corporate Governance is to practice transparency in its operations and maintain a professional approach, accountability and equity in its dealing with its employees, shareholders, government, lenders and every individual who comes in contact with the Company.

The Company believes that its vision coupled with its Business Principles and Core Dimensions, would create the culture of High Performance Environment to enhance overall stakeholder value.

The Company believes that fairness in corporate procedures, full disclosures in reporting system, total transparency in corporate culture, fiduciary and trustee relationship and maximization of share holders value in the long run are the pillars on which the structure of the Corporate Governance rests.

BOARD OF DIRECTORS

The Board of the Company is comprised of three Directors and is headed by an independent non – executive Director.

During the Financial Year under review, five Board Meetings were held as per detailed given in **ANNEXURE - B**.

AUDIT COMMITTEE

The Audit Committee was constituted on April 20, 2000 as required under section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The constitution of the Committee and no. of meeting held is detailed in **ANNEXURE - A & B**.

In absence of Company Secretary, Mr. S.K. Sharma, Executive Director acted as Secretary to the Committee till the appointment of a new Company Secretary.

The terms of reference stipulated by the Board to the Audit Committee include those prescribed in the Listing Agreement and briefly put, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 (2AA) of section 217 of the Companies Act, 1956
 - 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. 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.
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. 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.
10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

REMUNERATION COMMITTEE

The Remuneration committee was constituted on 1st December 2005 as required under section 198, 269, 309 read with Schedule XIII to the Companies Act, 1956 and in accordance with clause 49 of the Listing Agreement. The composition of the committee and meeting of the members of the committee is detailed in **ANNEXURE - A & B**.

During the preceding financial Year one Remuneration Committee meeting was held on 5th October 2009. The remuneration paid to Mr. Sharma can be broadly categorized into the following heads:

Basic Salary	Rs. 17470/- p.m.
Company Leased Accommodation (or HRA in lieu thereof)	50% of Basic p.m.
Medical/LTA in accordance with Company Rules	

No other Director of the Company is paid any remuneration.

None of the Directors are holding any shares in the Company except for Mr. Om Prakash Gupta who is holding 150 Shares in the Company.

SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Shareholders Grievance Committee was constituted on January 30, 2002. The composition of the committee is detailed in **Annexure-A & B**.

The Committee oversees redressal of shareholders Grievances/Complaints.

The Company is prompt in attending to complaints/queries from shareholders/investors.

Number of Shareholder's complaints received by Company's Registrar & Share Transfer Agent, M/s MCS Ltd. during the period year ended June 30, 2011: **Nil**

Number not solved to the satisfaction of shareholders: **Nil**

Number of Share Transfers pending: **Nil**

GENERAL BODY MEETINGS

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

Year	2007-08	2008-09	2009-10
AGM	17th	18th	19th
Date &	16.12.2008	30.12.2009	31.12.2010
Time	9:30 AM	9:30 AM	9:30 AM
Venue	The Executive Club, 439, Village Shahoorpur, P.O. FatehpurBerli, New Delhi – 110 030	The Executive Club, 439, Village Shahoorpur, P.O. FatehpurBerli, New Delhi – 110 030	The Executive Club, 439, Village Shahoorpur, P.O. FatehpurBerli, New Delhi – 110 030
Special Resolution Passed	1. Delisting of shares 2. Preferential Allotment to Promoters 3. Right Issue to members 4. Name Change of the Company	1. Delisting of shares	None

During the last year, no item warranted the postal ballot as stipulated under the Companies Act, 1956.

DISCLOSURES

- i. There were no materially significant related party transactions that may have potential conflict with the interests of Company at large.
- ii. Board Members and Senior Management personnel have confirmed compliance with the Code of Conduct of the Company for the financial year ending on 30th June, 2011.
- iii. In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down a new Code of Conduct for Prevention of Insider Trading aligned with the recent amendments. Under this Code, Directors/Officers are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits, specified permission of Compliance Officer is required.
- iv. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement save and except Clause 49(III) i.e. Subsidiary Company. As the Company is defaulted in year 1997 in repayment of public Deposits, Debentures and Interest thereon and the scheme of Arrangement of Re-organization of share capital with its creditors is pending before the Hon'ble High Court. Therefore the Directors of the Company become disqualified to becoming Director in any other Public Limited Company.
- v. There have been neither any non-compliance by the Company nor any penalties imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years. However, the trading on National Stock Exchange is suspended since October, 2010 due to certain queries raised by the National Stock Exchange and reply to same has been made. The Company is in constant touch with the National Stock Exchange and progressing towards revocation of suspension of trading on National Stock Exchange.
- vi. The Company has not paid any listing fee for the year 2010-11 to Delhi, Jaipur, Ahmadabad, Chennai and Calcutta due to non trading on these Stock Exchanges and efforts are being made for delisting from these Stock Exchanges.
- vii. Given the present size of the Company and restricted areas of operation which primarily consists of recoveries and that no fresh business is being conducted, the Board has not constituted any specific whistle blower policy however. No personnel has been denied access to audit committee.
- viii. The Company has been complying with mandatory requirements and the non-mandatory to the extent relevant for the Company has been adopted.

MEANS OF COMMUNICATION

Quarterly Results:	The results of the Company are published in Newspapers
Newspapers normally published in:	(i) Money Makers, (English) Delhi (ii) Dainik Mahalaxmi Bhagyodaya (Hindi)
Any Website, where displayed:	Yes
Presentation made to institutional investors or to the Analysts:	No
Whether Management Discussion & Analysis is a part of annual report or not:	Yes

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date and Time	Friday, December 30, 2011 at 9:30 AM
Venue	The Executive Club, 439, Village Shahoorpur, P.O. FatehpurBeri, New Delhi – 110030.
Financial Calendar	July 01 st 2010 to June 30 th 2011
Date of Book Closure	20 th December 2011 to 29 th December 2011 (both days inclusive).
Dividend	In view of the losses suffered, the Director regrets their inability to recommend the Dividend for the period under review.

LISTING ON STOCK EXCHANGES

Bombay Stock Exchange Ltd (BSE) P.J.Towers, Dalal Street, Mumbai 400 001	Calcutta Stock Exchange (CSE) 7, LyonsRange, Calcutta 700001
National Stock Exchange (NSE) ExchangePlaza, 5th Floor, Plot No. C/1, G, Block, Bandra (East) Mumbai 400051	Madras Stock Exchange (MSE) Exchange Building, 11, SecondLineBeach, Chennai 400051
Jaipur Stock Exchange (JSE) IndiraPalace, Jawaharlal Nehru Marg, Jaipur	Delhi Stock Exchange (DSE) DSE House, 3/1, Asaf Ali Road, New Delhi 110002
Ahmedabad Stock Exchange (ASE) Kamdhenu Complex, Panjirapole, Ahmedabad	

ISIN No.	INE891B01012
Stock Code	511611 (BSE) DCMFINSERV (NSE)

MARKET PRICE DATA

High/Low during each month in the last financial year as per data received from the Bombay Stock Exchange and performance in comparison to broad based indices such as BSE SENSEX.

Paid up value Rs. 10/- per share

Month	Share Price High (Rs.)	Share Price Low (Rs.)	SENSEX High	SENSEX Low
Jul-10	4.45	3.81	18,237.56	17,395.58
Aug-10	4.66	3.73	18,475.27	17,819.99
Sep-10	4.29	3.60	20,267.98	18,027.12
Oct-10	4.32	3.45	20,854.55	19,768.96
Nov-10	4.19	2.82	21,108.64	18,954.82
Dec-10	3.57	2.45	20,552.03	19,074.57
Jan-11	3.65	2.57	20,664.80	18,038.48
Feb-11	3.16	2.33	18,690.97	17,295.62
Mar-11	3.00	2.12	19,575.16	17,792.17
Apr-11	3.57	2.40	19,811.14	18,976.19
May-11	3.16	2.40	19,253.87	17,786.13
Jun-11	3.70	2.58	18,873.39	17,314.38

Registrar and Transfer Agents:

M/s MCS Ltd.
 F-65, Okhla Industrial Area,
 Phase –I, New Delhi – 110020.
 Tel: 011-41406149, 41406151, 41406152
 Fax: 41709881
 Email: mcsdel@vsnl.com.

SHARE TRANSFER SYSTEM

M/s MCS Ltd. are the Registrar and Share Transfer Agents for processing transfers, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialization and Re-materialization of the Company's shares.

As the Company's shares are compulsorily to be traded in dematerialized form, members are requested to send the shares if held in physical form, directly to the Registrars and Transfer Agents for dematerialization. Members have the option to open their accounts either with National Securities Depository Limited or Central Depository Services (India) Limited as the Company has entered into Agreements with both the Depositories.

All physical share transfers are returned within 30 days of lodgment subject to the documents being in order.

Reconciliation of Share Capital is being carried out every quarter by a practicing Company Secretary and report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.

DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2011

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	No. of Shares held	% of Total
1-500	20242	86.16	3068883	13.87
501-1000	1692	7.2	1481702	6.69
1001-2000	766	3.26	1240025	5.6
2001-3000	249	1.05	650225	2.93
3001-4000	119	0.5	443099	2
4001-5000	147	0.62	706960	3.19
5001-10000	173	0.73	1251200	5.65
10001-50000	90	0.38	1893119	8.55
50001-100000	6	0.02	409174	1.84
100001 and above	9	0.03	10980667	49.63
Total	23493	100%	22125054	100%

SHAREHOLDING PATTERN AS ON JUNE 30, 2011

Categories	No. of Shares held	% of holding
Promoters-Indian	8739952	39.50%
Mutual Funds & UTI	33700	0.15%
Banks, Financial Institutions and Insurance Companies	1352700	6.11%
Foreign Institutional Investors	5000	0.00%
Bodies Corporate	1785231	8.06%
Individuals	9580358	43.30%
NRI / OCB's	628113	2.83%
TOTAL	22125054	100%

Address of Registered Office

D-7/3, Okhla Industrial Area-II,
Mezzanine Floor, New Delhi- 110 020

Address for Correspondence:

D-7/3, Okhla Industrial Area-II,
Mezzanine Floor, New Delhi- 110 020

BRANCHES

AHMEDABAD 1 NN Complex Opp. BVD School Shah Alam Tolnaka ManInagar Ahmedabad-380028	INDORE 119, Vaibhav Chamber UshaGanj Jora Compound Indore-452001
BARODA 811-Centre Point R.C. Dutt Road, Alkapuri Baroda-390005	KANPUR No. 2, 1st Floor, 14/123-A, Mall, Gopala Chambers Kanpur-208001
BANGLORE 28/A, 7- Cross, 3- Main, Divanrapalya Mathlkore Post Banglore	LUCKNOW 306, Chintel House 16, Station Road Lucknow-226019
CHANDIGARH Kothi No. 1307, Sector- 19-B Chadigarh-160019	VARANSI Room No. 16, 4- Floor, Kuber Complex Rathyatra, Varansi-221010

DEMATERIALIZATION OF THE SHARES AND LIQUIDITY

Trading in Company's shares is permitted only in dematerialized form with effect from December 23, 1999 as per notifications issued by Securities Exchange Board of India. The Company has entered into agreements with National Securities Depository Ltd. & Central Depository Services (India) Ltd., whereby the investors have the options to dematerialize their shares with either of the depositories. The status of Dematerialization as on 30th June 2011 is as under:

Segment	No. of Shareholders	Percentage	No. of Shares	Percentage
Physical	12564	53.47%	4924002	22.25%
Demat	10929	46.53%	17201052	77.75%
Total	23493	100%	22125054	100%

ANNEXURE 'A'**COMPOSITION OF BOARD OF DIRECTORS AS ON 30.06.2011**

S. No.	Name	Type	Date of Appointment	Directorships in other Public Limited Companies	Membership/ Chairmanship In Committees of Board of other Company
1	Sh. Arif Beg	Chairman	31.10.2001	-	-
2	Sh. Om Prakash Gupta	Director	13.02.1991	-	-
3	Sh. S. K. Sharma	Whole Time Director	30.12.2003	-	-

PARTICULARS OF DIRECTORS WHOSE TERM HAS ENDED DURING 2010-11

S.No.	Name	Type	Date of Cessation
1	-	-	-

COMPOSITION OF COMMITTEES OF THE BOARD OF THE COMPANY AS ON 30.06.2011

Committees	Chairman	Members
Audit Committee	Sh. Arif Beg	Sh. Om Prakash Gupta Sh. S. K. Sharma
Shareholder/Investor Grievance Committee	Sh. Arif Beg	Sh. Om Prakash Gupta Sh. S. K. Sharma
Remuneration Committee	Sh. Arif Beg	Sh. Om Prakash Gupta

ANNEXURE 'B'**DETAILS OF ATTENDANCE OF DIRECTORS (DURING THEIR TENURE)
AT BOARD / COMMITTEE MEETINGS / AGM**

S. No.	Name	Board Meeting Attended / Held	Audit Committee Meeting Attended/Held	Shareholder/ Investor Grievance Committee Attended/ Held	Remuneration Committee Meeting Attended/Held	Last AGM
1	Sh. Arif Beg	5/5	5/5	5/5	-	Yes
2	Sh. Om Prakash Gupta	4/5	4/5	4/5	-	Yes
3	Sh. S. K. Sharma	5/5	5/5	5/5	-	Yes
		Date of Meetings	Date of Meetings	Date of Meetings	Date of Meetings	Date of Meetings
		29.07.2010	29.07.2010	29.07.2010	-	31.12.2010
		28.10.2010	28.10.2010	28.10.2010		
		07.12.2010	07.12.2010	07.12.2010		
		31.01.2011	31.01.2011	31.01.2011		
		27.04.2011	27.04.2011	27.04.2011		

DETAILS OF ATTENDANCE OF DIRECTORS WHOSE TERM HAS ENDED DURING 2010-11

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CERTIFICATE BY CEO/CFO

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended June 30, 2011:

- (a) We have reviewed financial statements and cash flow statement for the year 2010-11 and that to best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations except to the extent qualified by the auditors in their audit report and which qualifications have been duly explained elsewhere in this report of Board of Directors.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) There were no significant changes in internal control and accounting policies during the year to be disclosed in the notes to the financial statements; and there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

On behalf of the Board of Directors

Place : New Delhi
Date: : 5th December, 2011

Sd/-
(S.K. Sharma)
Executive Director

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Directors and Senior management personnel of the Company affirm compliance with the Code of Conduct of the Company for the financial year ended on June 30, 2011 as envisaged in clause 49 of the listing agreement with stock exchanges.

On behalf of the Board of Directors

Place: New Delhi
Date: : 5th December, 2011

Sd/-
(Arif Beg)
Chairman

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

The Members of
DCM Financial Services Ltd.
New Delhi

We have examined the compliance of conditions of corporate governance by **DCM Financial Services Ltd.** as on 30th June 2011 as stipulated on Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

We state that no grievance of shareholders is pending for a period exceeding one month as on 30th June 2011 against the company as per the records maintained by the Shareholder's / Investor Grievance Committee. In respect to other investors of the company, the company has replied that the redressal of investor grievances related to non payment of principal and interest thereon, are being addressed through a new scheme of restructuring which has been filed before the Hon'ble Delhi High Court for its approval. Please refer *Annexure-1* containing note on said non-payment of principle & interest & about filing of petition before Hon'ble Delhi High Court.

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

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

Sd/-
(Manish Mohan)
Partner
Membership No. 091607

Place: New Delhi
Dated: December 5th, 2011

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

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

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

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

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

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

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

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

AUDITORS' REPORT

To,
The Members,
DCM Financial Services Limited
New Delhi.

- (1) We have audited the attached balance sheet of ***DCM Financial Services Limited*** as at 30th June, 2011 and also the profit & loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, (the Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- (4) These accounts have been prepared using the going concern assumption based on an assumption & premises made by the management that fresh scheme would be approved by Hon'ble Delhi High Court, adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis and on the letter of financial support by the promoter group. These accounts do not include any adjustments that would result from discontinuance of the existing financial support by the promoter group.
- (5) Further to our comments in the Annexure referred to in paragraph 3 above we report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of the books.
 - (c) The company's balance sheet and profit & loss account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the balance sheet, profit & loss account and the cash flow statement of the company dealt with by this report comply with requirements of the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ***except for non-provision of interest and discounting charges on accrual basis as prescribed by Accounting Standard 1 and non-provision of doubtful receivables and other current assets as prescribed by Accounting Standard 28 on Impairment of Assets.***
 - (e) **Based on the representations made by all the Directors of the company and the information and explanations duly certified given to us by the company none of the Directors of the company are disqualified as on 30th June, 2011 from being appointed as a Director in terms of section 274 of the Companies Act, 1956 except sub clause (B) & clause (g) of sub section (1).**

However, due to defaults in repayment of Fixed Deposit listed in section 274(1)(g) of the Companies Act, 1956, the company has become a disqualifying company and consequently its directors are disqualified from being appointed or re-appointed as directors of any other company.

- (f) *In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit & loss account subject to recognition of Rental Income of Rs 105.68 Lacs during the financial year ended 30th June, 2011 & non provision of doubtful debts against Rental Receivable of Rs 280.69 lacs pertaining to previous years which have not yet been realized & are also doubtful of recovery, net profit for the year & current assets are overstated and cumulative net loss is understated to that extent, non provision of doubtful realization on stock in trade of Rs. 1.96 lacs, net profit for the year & Current Assets are overstated and cumulative net loss is understated to that extent along-with Notes 5 (c), 5(e) 6(B), (C), (D), 7(e), 8 on non-provision of interest on debentures, term loans and banks, fixed deposits, and inter corporate deposits, 5(d) on non-creation of debenture redemption reserve, Note 1 on application for acceptance of fresh scheme of arrangement which is pending before the Hon'ble Delhi High Court for approval & acceptance, Note 5(a) and 6(E) on security against debentures and banks and institutions respectively, Note 7(a) on defaults in repayment to depositors, Note 7(c) & 7(d) on un-reconciled differences in fixed deposit register, Note 7(f) on non-maintenance of statutory minimum liquid assets, Note 9 on non-provision of NPA's, Note 11 on non-reconciliation of stock in trade, Note 13 on assumption by the management that the company is a going concern, Note 14(a) on absence of balance confirmation, Note 14(b) on un-reconciled balances, Note -15 on payment of Director's Remuneration of Rs 3.54 Lacs without obtaining approval of Central Government under Section 309 of the Companies Act, 1956, Note 18 on contingent liabilities not ascertained and Para 6 of CARO relating to fixed deposits and the remaining notes appearing thereon read with the Accounting Policies give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-*

- i) In the case of the balance sheet of the state of affairs of the company as at 30th June, 2011; and
- ii) In the case of the profit & loss account of the company of the Profit for the year ended 30th June, 2011; and
- iii) In the case of the cash flow statement of the cash flows for the year ended on 30th June, 2011.

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

Sd/-
(Manish Mohan)
Partner
Membership No: 091607

Place : New Delhi
Dated: 05-Dec-2011

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph (3) of our report of even date)

1. (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets at the Head Office and branch office.
- (b) The fixed assets (other than the assets given on lease/hire purchase) have been physically verified by the management in a phased manner so that the entire assets lying at Head Office and branches are covered within a period of three years. There is a program of verification of such fixed assets which, in our opinion, is reasonable having regard to the size of the company in terms of number & nature of Assets & manpower available. As explained to us by the management, no material discrepancies were noticed on such verification.
- (c) There was no disposal of fixed assets except discharged of the contractual obligation during the year .
2. (a) According to the information and explanations given to us, physical verification of stock of shares and securities was conducted by the management at periodic intervals.
- (b) In our opinion, the procedures followed by the company for physical verification of stock of shares and securities are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining records of stock of shares and securities and there were no discrepancies noticed by them on their physical verification except in cases of bad deliveries where shares held as stock in trade were not in the name of the company. The same has been removed from records during the year. The Company has kept with itself few shares & securities as a security received from its customer against the recoverable amount of Rs. 164.96 Lacs, which are under reconciliation & confirmation. This has been explained in **Note No. - 11 of Notes to Accounts.**
3. The company has not during the year, granted/taken any loans to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act and therefore clause (iii) is not applicable and hence has not been commented upon.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventories and fixed assets and for the sale /realization of services and there was no continuing failure to correct major weakness in the internal control system.
5. In our opinion and according to the information and explanations given to us, there were no transactions during the year, which require to be entered in the register maintained under section 301.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year. ***The directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956, to the extent applicable, on deposits accepted in the earlier years and outstanding deposits at the end of the current year have not been complied with particularly relating to the register of depositors which does not agree with the general ledger, general provisions regarding default in repayment of deposits, default in payment of interest and maintenance of liquid assets. A notice has also been issued by the Reserve Bank of India for the company to show cause why penal action should not be taken against the company as prescribed under the RBI Act.***
7. In our opinion, the company has an internal audit system, which is commensurate with its size and nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Govt. under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the information and explanations given to us and on the basis of our

examination of the books of accounts, in our opinion the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty cess and any other statutory dues as applicable with the appropriate authorities. 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 30th June, 2011 for a period of more than six months from the date of their becoming payable.

- (b) There is a disputed statutory due that have not been deposited on account of matters pending before appropriate authorities, a demand of Rs152.12 Lakh for payment of income tax under the Income tax Act, 1961, which is disputed by the Company.
10. The company has accumulated losses of more than 50% of its net worth as at 30th June, 2011 but has not incurred cash losses during the preceding financial year as well as during the current year as per profit & loss account. **However after considering qualifications referred in Main Auditor's Report, there is loss in the said two financials years.**
 11. The company has defaulted in the repayment of dues to the debenture holders, financial institution, and banks as explained in **Note Nos. 5 & 6 of Notes to Accounts.**
 12. As explained to us by the management of the Company, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, the provisions of clause (xiii) of the Order are not applicable.
 14. According to the information and explanations given to us, during the year, the company has not entered into any transactions of dealing or trading in shares, securities, debentures and other investments for which proper records of the transactions. Shares, securities, debentures and other investments have been held by the company in its name except in cases of bad deliveries where shares held as stock in trade were not in the name of the company. The same has been removed from records during the year. The Company has kept with itself few shares & securities as a security received from its customer against the recoverable amount of Rs. 164.96 Lacs, which are under reconciliation & confirmation. This has been explained in **Note No. - 11 of Notes to Accounts.**
 15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
 16. According to the information and explanations given to us, no term loans were obtained by the company during the year.
 17. According to the information and explanations given to us, no short term loans/inter-corporate deposits were raised by the company during the year.
 18. During the year, the company has not made any preferential allotment of share to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the order is not applicable.
 19. The company has not issued any debentures during the year.
 20. The company has not raised any money by public issue during the year.
 21. During the course of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company advised or reported during the year nor have we been informed of such cases by the management.

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

Sd/-
(Manish Mohan)
Partner

Membership No: 091607

Place : New Delhi
Dated: 05-Dec-2011

BALANCESHEET AS ON 30th JUNE,2011

	Schedule	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SOURCES OF FUNDS			
Share Capital	1	2,212.51	2,212.51
Share Application Money		549.72	549.72
Reserves & Surplus	2	2,009.71	2,009.71
Secured Loans	3	3,973.95	3,975.19
Unsecured Loans	4	5,690.17	5,694.53
Total		14,436.06	14,441.66
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		3,759.94	3,760.72
Less: Depreciation		2,258.24	2,222.28
Net Block		<u>1,501.70</u>	<u>1,538.44</u>
Investments	6	112.07	112.07
Current Assets , Loans & Advances	7		
A) Current Assets		6,037.55	5,695.98
B) Loans & Advances		551.40	582.84
		<u>6,588.95</u>	<u>6,278.62</u>
Less: Current Liabilities & Provisions	8		
A) Current Liabilities		1,199.42	1,089.39
B) Provisions		1,562.39	1,561.35
		<u>2,761.81</u>	<u>2,650.74</u>
Net current Assets		<u>3,827.14</u>	<u>3,627.88</u>
Profit and Loss Account	2	8,995.14	9,163.26
Total		14,436.06	14,441.66
Significant Accounting Policies	13		
Notes to the Accounts	14		

As per our report of even date attached

For V Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Sd/-
(Arif Beg)
Chairman

Sd/-
(O. P. Gupta)
Director

Place : New Delhi
Dated : December 05, 2011

Sd/-
(S.K.Sharma)
Executive Director

Sd/-
(Sumit Agarwal)
Company Secretary

PROFIT AND LOSS FOR THE YEAR ENDED 30th JUNE,2011

	Schedule	for the year ended 30.06.2011	Rs. in Lacs for the year ended 30.06.2010
INCOME			
Income from Money Market Operations	9	215.35	206.51
Income from Capital Market Operation	10	(5.85)	0.09
Other Income	11	118.84	105.18
		<u>328.34</u>	<u>311.78</u>
EXPENDITURE			
Interest & Finance Charges		0.14	
Establishment, Administration & Other Expenses	12	121.73	128.31
		<u>121.87</u>	<u>128.31</u>
PROFIT BEFORE DEPRECIATION		206.47	183.46
Less :Depreciation		36.44	36.76
PROFIT BEFORE TAX		170.03	146.71
Less :Income tax for the Current Year		-	-
NET PROFIT / (LOSS) FOR THE YEAR BEFORE EXTRA ORDINARY ITEMS		170.03	146.71
Add(Less) : Prior Period Adjustment		(1.91)	0.15
Less : Provisions for NPA Assets		-	-
Less : Provision on Investments		-	-
PROFIT /(LOSS) FOR THE YEAR		168.12	146.86
Profit brought forward from previous year		(9163.26)	(9310.11)
Surplus(Loss) Carried to Balance Sheet		<u>(8995.14)</u>	<u>(9163.26)</u>
Significant Accounting Policies	13		
Notes to the Accounts	14		

As per our report of even date attached

For V Sahai Tripathi & Co.

Chartered Accountants
FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Place : New Delhi
Dated : December 05, 2011

Sd/-
(Arif Beg)
Chairman

Sd/-
(S.K.Sharma)
Executive Director

Sd/-
(O. P. Gupta)
Director

Sd/-
(Sumit Agarwal)
Company Secretary

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 1		

SHARE CAPITAL**Authorised**

6,50,00,000 Equity Shares of Rs.10 each

(Previous Year 6,50,00,000 Equity Shares of Rs.10 each) **6500.00** 6500.00**6500.00****6500.00****Issued, Subscribed & Paid up****2212.51**

2212.51

2,21,25,054 Equity Shares of Rs.10 each Fully paid up

(Previous Year 2,21,25,054 Equity Shares of Rs.10 each)

2212.51**2212.51**

Note : Of the above 7,91,392 Equity Shares of Rs.10/- each were allotted as fully paid up by way of Bonus Shares by capitalising the surplus in the Profit & Loss Account.

SCHEDULE 2**RESERVES & SURPLUS**

Share Premium	1650.86	1650.86
Debenture Redemption Reserve	8.75	8.75
Special Reserve	156.23	156.23
Capital Reserve	193.87	193.87
Total	2009.71	2009.71
Surplus/(Loss) as per Profit and Loss A/c	(8995.14)	(9163.26)
Total	(8995.14)	(9163.26)

SCHEDULE 3**SECURED LOANS**

Debentures	2557.25	2558.49
Term Loans from Institution	36.30	36.30
Due to Banks	1380.40	1380.40
Total	3973.95	3975.19

(a) Scheme "A" Series

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996. Subject to note 4(a) of these debentures are secured against mortgage / hypothecation / charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs.8.50 Lacs were overdue as on June 30,2011.

(b) Scheme "B" Series

Debenture 'B' Series were allotted on 5th November, 1996. and subject to Note 4(a) are secured against hypothecation / charge on land and premises situated at Mouje Pirangut, Taluka Mulshi, Distt Pune in the State of Maharashtra alongwith all buildings, structures thereon and all plant and machinery, spares, tools, accessories and other movables of the Company, both present and future, whether installed or not. The total amount of debentures allotted were Rs 2818.04 lacs and matured for redemption on 5th may 1998. Out of total debentures allotted amounting to Rs 2818.04 lacs, debentures of Rs 269.29 lacs have been redeemed upto June 30,2011.

The remaining debentures as at June 30, 2011 in the "B" series amounting to Rs 2548.75 lacs consist of the following:-

Particulars	Amount/Lacs,
19.5% Regular	1185.19
19.5% Cumulative	1060.80
Deep Discount Bonds	<u>302.76</u>
Total	<u>2548.75</u>

The company proposes to vary the terms of debentures through the scheme of arrangement for reorganisation of share capital of the company and for compromise with its secured and unsecured creditors.

	Amount/Lacs. outstanding	Security
(c) Institution		
Small Industries Development Bank of India	36.30	Hypothecation / charge on assets financed out of the said loan.
Total	<u>36.30</u>	

The aforesaid amount outstanding Rs. 36.30 lacs is overdue for payment.

(d) Amount due with banks are secured against the assets financed out of the said facilities and hypothecated to the bank.

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits from Public	5638.00	5642.36
Term Loan	25.00	25.00
Inter-Corporate Deposits	27.17	27.17
Total	<u>5690.17</u>	<u>5694.53</u>

SCHEDULE 5

FIXED ASSETS

Rs. in Lacs

S. No.	Particulars	Gross Block		Depreciation / Adjustment			Net Block	
		As at 01.07.2010	Additions	Deletions / Adjustment	As at 30.06.2011	For the year Adjustment	As at 30.06.2011	As at 30.06.2010
A	Own Assets							
1	Land	3.06	-	-	3.06	-	3.06	3.06
2	Plant & Machinery	84.40	-	0.35	84.05	0.20	0.32	0.78
3	Buildings	1855.17	-	-	1855.17	30.24	-	1475.01
4	Vehicles	9.92	-	-	9.92	0.14	-	0.52
5	Furniture & Fixtures	60.24	-	-	60.24	3.52	-	34.96
6	Office Equipment & Appliances	53.67	0.10	0.52	53.23	2.35	0.16	24.13
	Total (A)	2066.46	0.10	0.87	2065.68	36.44	0.48	1538.44
B	Leased Assets							
1	Plant & Machinery	1158.17	-	-	1158.17	-	-	-
2	Vehicles	409.91	-	-	409.91	-	-	-
3	Office Equipment & Appliances	126.18	-	-	126.18	-	-	-
	Total (B)	1694.26	-	-	1694.26	-	-	-
	Total (A+B)	3760.72	0.10	0.87	3759.94	36.44	0.48	1538.44
	Grand Total	3760.72	0.10	0.87	3759.94	36.44	0.48	1538.44
	Previous year	3741.38	20.48	1.14	3780.07	36.75	0.50	1557.79

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 6		
LONGTERM INVESTMENTS		
Shares-Trade		
Punj Llyod Ltd.(Market Value Rs.1,51,70,000/- of 2,00,000 Equity Shares of Rs. 2.00 each) (Previous Year Rs.2,72,20,000/- of 2,00,000 Equity Shares of Rs. 2.00 each)	45.48	45.48
Shares-Non Trade		
Global IT Options Ltd 900,000 Equity Share (Previous Year 900,000 Equity Share)	90.00	90.00
Profit Money Market Ltd 25,000 Equity Share (Previous Year 25,000 Equity Share)	2.50	2.50
RFB Latex Ltd 2,20,000 Equity Share(Previous Year 2,20,000 Equity Share)	40.10	40.10
World Tex Ltd 4,37,500 Equity Share (Previous Year 4,37,500 Equity Share)	119.53	119.53
Cephram Milk Specialities Ltd. Nil Equity Share (Previous Year 30,000 Equity Share)	0.00	0.00
Cebon India Ltd. 30,000 Equity Share (Previous Year 30,000 Equity Share)	0.00	0.00
Rajasthan Antibiotics Ltd. 30,000 Equity Share (Previous Year 30,000 Equity Share)	0.00	0.00
	297.61	297.61
Less : Provision for diminution in the value of Investments	185.54	185.54
	112.07	112.07

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Current Assets:		
(Unsecured, considered good)		
Securities held as Stock in Trade	7.86	13.71
Sundry Debtors*		
Outstanding for more than six months	2603.22	2606.02
Others	0.00	0.00
Subtotal	2603.22	2606.02
Fixed Deposits with Bank	3408.47	3028.81
Balance with Scheduled Banks	17.54	45.11
Cash in Hand	0.46	2.33
Sub Total (a)	6037.55	5695.98
Loans & Advances:		
(unsecured, considered good)		
Bills Receivable	109.51	109.51
Advances recoverable in cash or in kind	309.98	297.35
Advance Tax & TDS **	52.33	96.20
Deposits Placed with Companies	79.58	79.58
Sub Total (b)	551.40	582.64
TOTAL (a+b)	6588.95	6278.62

* Net of Rs. 6,01,93,479 received from the customers as a security deposits.

** During the year, income tax refund of Rs. 52,73,063.

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES:

Tax Deducted at Source	0.50	0.39
Expenses Payable	61.13	66.87
Others Current Liabilities	1137.79	1022.13
Sub Total (a)	1199.42	1089.39

PROVISIONS:

Provision for Non Performing Assets	1556.79	1556.79
Provision for Gratuity	5.60	4.56
Sub Total (b)	1562.39	1561.35
TOTAL (a+b)	2761.80	2650.74

	for the year ended 30.06.2011	Rs. in Lacs for the year ended 30.06.2010
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SCHEDULE 9**INCOME FROM MONEY MARKET OPERATIONS**

Interest on Fixed Deposits	215.35	206.51
Total	<u>215.35</u>	<u>206.51</u>

Tax Deducted at source from Interest Income is Rs.6.26 Lacs, Previous year Rs. 2.77 Lacs.

SCHEDULE 10**Profit/Loss on Sale of Shares & Debentures**

Sale of Shares /Shares Tendered on Buy Back		
Add : Closing Stock	7.86	13.71
Less : Purchases/Transfer	-	-
Opening Stock	13.71	13.62
Profit /(Loss)	(5.85)	0.09
Total	<u>(5.85)</u>	<u>0.09</u>

SCHEDULE 11**OTHER INCOME**

Dividend Income	0.63	0.68
Rent Income	105.68	102.96
Income on Settlement with Debtors	5.93	1.54
Interest on Income Tax refund	6.19	-
Miscellaneous Income	0.41	-
Total	<u>118.84</u>	<u>105.18</u>

	for the year ended 30.06.2011	Rs. in Lacs for the year ended 30.06.2010
SCHEDULE 12		
ESTABLISHMENT, ADMINISTRATIVE & OTHER EXPENSES		
Salaries & Allowances	35.57	38.35
Travelling & Conveyance	6.38	6.34
Staff Welfare	0.14	0.29
Postage & Telegram	0.18	0.19
Repairs - Building	8.23	8.68
- Others	0.16	0.08
Electricity & Water	1.89	2.27
Legal & Consultancy Charges	21.75	31.57
Printing & Stationery	0.66	1.69
Fees to Auditors for —Statutory Audit	1.93	1.75
—Tax Audit	0.83	0.75
—Certification work	0.52	0.17
Insurance Charges	0.01	0.08
Rent	18.28	14.23
Telephone Expenses	1.90	1.95
Watch And Security Expenses	-	0.53
Bank Charges	0.08	0.05
Advertisement & Publicity	0.85	0.55
Loss on Sale of Fixed assets	0.35	0.33
Share Transfer Expenses	1.47	1.30
AGM Expenses	7.48	7.60
Receivable Written Off	-	5.16
Internal Audit Fees	0.20	0.20
Office Expenses	0.19	0.47
Lisiting Fees	1.90	1.85
House Tax Paid	1.80	1.39
Other Expenses	8.98	0.49
Total	<u>121.73</u>	<u>128.31</u>

Schedule 13

SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) & prescribed in the Companies (Accounting Standards) Rules, 2006. These Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted by the company. The management evaluates the effect of accounting standards issued on a going basis and ensures that they are adopted as mandated by the ICAI.

2. REVENUE RECOGNITION

- (a) Revenue is being recognised in accordance with the Guidance Note on accrual basis of accounting issued by the Institute of Chartered Accountants of India. Accordingly, if there are any uncertainties in realization, income is not accounted for.
- (b) Dividend on shares is accounted for as and when received.
- (c) In respect of other heads of income, the company follows the accrual basis of accounting.
- (d) Overdue Interest on debtors has been accounted for at the time of settlement with Debtors in accordance with the principle of virtual certainty.

3. INVESTMENTS

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

4. FIXED ASSETS

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

5. INVENTORY

Securities held as stock in trade are valued at lower of estimated cost or market value.

6. EARNING PER SHARE

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

7. DEPRECIATION

Depreciation is computed at the following rates: -

- (a) On its own fixed assets on a pro-rata basis on the straight line method at rates specified in Schedule XIV to the Companies Act, 1956.
- (b) For assets given out on financial lease at rates specified in Schedule XIV to the Companies Act, 1956 or the amounts to be written off evenly over the period of lease, whichever is higher. The amount to be written off is determined after deducting the security deposit received from the cost of the asset.
- (c) On assets given out on operating lease, on a pro-rata basis, on the straight-line method at rates specified in Schedule XIV to the Companies Act, 1956.
- (d) On assets purchased for less than equal to Rs. 5,000, company charges depreciation @100% on a pro-rata basis.

- (e) In respect of additions made during the year, depreciation is computed from the beginning of the month of acquisition and in respect of assets sold/discarded during the year the depreciation is charged up to the end of the month in which sale/discard takes place.

8. REPOSSESSED STOCK

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

9. RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Short Term Employee Benefits

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

(b) Post-Employment Benefits

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

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

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

(c) Long Term Employee Benefits

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

10. PROVISIONS AND CONTINGENCIES

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

11. USE OF ESTIMATES

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

Schedule 14

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th JUNE 20111. **RESTRUCTURING SCHEME**

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

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

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

The company has filed a fresh Scheme of Arrangement for the reorganization of the Share Capital of the Company and for compromise with the Secured and Unsecured Creditors of the company, hereinafter referred to as the "fresh scheme" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

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

The promoter company has undertaken subject to sanction of the scheme by the Hon'ble Delhi High Court to contribute to Rs. 19.50 Crores of which Rs. 15.60 crores was deposited with the Hon'ble High Court Registrar, as per Court order by promoter group.

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

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

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

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

The fresh scheme is pending before the Hon'ble Delhi High Court as at 30th June, 2011 & there is no change in the status at the time of adoption of the financials for the period ended 30th June, 2011 by the Board of Directors.

2. DEPOSIT OF RS 15.60 CRORE BY DCM SERVICES LIMITED

DCM Services Ltd as a promoter has committed to bring in Rs 19.50 Cr as a promoter contribution upon sanction of their restructuring scheme u/s 391 of the Indian Companies Act, which is presently pending for sanction before the Hon'able Delhi High Court.

The Court vide order dated 15.2.2010 has asked the promoters to deposit Rs 15.60 Crore with the court with a condition that in case the scheme is not approved due to any reason the amount will be given back to the promoters .

Pursuant to the court order, DCM Services Limited has deposited Rs 5.00 Cr on 16.07.2010, Rs 6.70 Cr on 18.11.2010 & Rs. 3.90 Cr. on 21.04.2011 with the Registrar, Delhi High Court. No financial impact of same has been recorded in the financials of the Company during the year ended 30th June, 2011.

3. SHARE APPLICATION MONEY

As per consent letters received, expenditure incurred/repayment made by the company amounting to Rs. 549.72 lacs funded by the group companies till June.2007, have been credited to the Share Application account.

4. CAPITAL RESERVES

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

5. DEBENTURES

- a) 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.
- b) 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.
- c) Provision of interest on debentures up to June 30, 2011 calculated @ 10% p.a. of simple interest as per renewal offer letter of 1998 on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series amounting to approximately Rs. 3,353.86 lacs has not been provided since a fresh restructuring scheme that is subject to the approval of the Hon'ble High Court of Delhi has been submitted which does not envisage payment of any interest. To the extent of the non-provision of interest calculated as per renewal offer letter of 1998, the current year profits are overstated to the extent of Rs. 255.78 lacs. And cumulative net losses are understated to the extent of Rs. 3,353.86 lacs. The difference between the original contracted interest @ 19.5% and as per offer letter @ 10% has also not been ascertained and provided for pending approval of the fresh scheme. To the extent of interest not provided cumulative net loss is understated.
- d) Debenture Redemption Reserve for series "B" has not been created during the year in view of the carry forward losses suffered by the company in the past.
- e) The Central Bank of India, Mumbai, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs. 4,423.86 lacs on 14th October, 1999 before the Hon'ble Mumbai High Court. As against the claim of Rs. 4,423.86 lakhs by The Central Bank of India, Mumbai, Trustees for The Non-Convertible Debentures "B" Series, Rs. 2548.75 lacs on account of principal and interest is reflected in the books as on date. In

view of the fresh scheme seeking waiver of interest payable to debenture holders, no provision has been made for the difference between the claim made by the Central Bank of India and the liability as per the books to this extent the cumulative net losses of Rs. 1,875.11 lacs. is understated.

The Hon'ble Mumbai High Court vide its interim order dated 24th December, 1999 has passed an order that all receipts from hypothecated assets shall be deposited with the trustees in a separate bank account except for amounts utilized as per orders of The Reserve Bank of India and the Company Law Board.

The suits filed by the Central Bank of India before the Hon'ble Mumbai High Court has been stayed by Hon'ble High Court of Delhi vide order dated 14 September 2005 on application made by the company and there is no change in the status as at 30th June, 2011.

6. LOANS FROM INSTITUTIONS/ BANKS

(A) SBI HOME FINANCE LTD.(SBIHF): -

The company has already paid Rs. 2.90 crores under the old scheme and proposes to allot shares worth Rs. 25 lakhs for the balance as per the fresh scheme in the first year from the effective date (Effective date means the date of filing of the certified copy of the order sanctioning the scheme of the Honorable High Court of Delhi at New Delhi with the Registrar of Companies of Delhi & Haryana). SBIHF has removed a charge on its assets and therefore the loan is now categorized as unsecured loan.

(B) SIDBI: The amounts due has been quantified at Rs. 45.38 lacs as per the "old scheme under review". However, under the fresh scheme the interest payable amounting to Rs. 9.08 lacs is sought to be waived and has already been written back in the earlier year. The principal amount due as on 30th June, 2004 amounting to Rs. 36.30 lacs is proposed to be repaid in 3 equal installments of Rs. 12.10 lacs from the 2nd year of the effective date.

SIDBI has filed a petition for winding up on alleged non-payment of Rs. 54.40 lacs before the Hon'ble Delhi High Court on which stay has been granted by the Hon'ble Delhi High Court. Provision for liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided for due to waiver of interest sought under the "fresh scheme".

(C) PUNJAB & SIND BANK (PSB): As per the fresh scheme the total amount payable to PSB remains quantified at Rs. 901.80 lakhs 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. Out of this 60% of Rs.901.80 lacs i.e. Rs.541.08 lacs. shall be payable in 6 equal yearly installments after one year from the date of approval of the scheme on or 1st April,2006 whichever is earlier. The balance 40% shall be discharged by issuing equity shares at any time within 3 years of the effective date or 1st April, 2006 which ever is earlier. The company has till date paid/ adjusted Rs. 98.40 lacs and the balance of Rs. 803.40 lacs as on 30th June 2008 is payable as per the fresh scheme pending before the Hon'ble Delhi High Court. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs. 395.97 lakhs, 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 the event of default in the payment of interest and principal, the concessions made by PSB shall stand withdrawn and their claim settled before the Debt Recovery Tribunal of Rs. 1217.52 lakhs will become payable with immediate effect. Interest payable from 01.04.2005 to 30.06.2011 is also not provided since a fresh restructuring scheme, which is subject to the approval of Hon'ble High Court of Delhi, has been submitted which does not envisage payment of any interest. In view of the claim of Rs 1217.52 filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided, net profit for the year is overstated and cumulative net loss is understated to that extent.

- (D) **INDUSIND BANK:** The amount payable to Indusind Bank after calculating interest up to March 31, 2000 had been quantified at Rs. 916.64 lakhs in accordance with the "old scheme under review". The company has till date paid/adjusted Rs. 339.64 lakhs and the balance of Rs.577.00 lacs as on 30th June 2008 is also payable as per the fresh scheme. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs. 300.20 lakhs, 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 the event that the company fails to pay the interest or principal, the concessions made by Indusind Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs. 1042.42 lakhs would be payable with immediate effect. Interest payable from 01.04.2005 to 30.06.2011 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. The net profit for the year is overstated and cumulative net loss is understated to that extent.

(E) VALUE OF SECURITY AGAINST SECURED LOANS FROM BANKS/ INSTITUTIONS:

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

7. FIXED DEPOSITS ACCEPTED

- a) 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 problem, the company has not fully followed the schedule of repayment ordered by the Company Law Board. However, a fresh scheme of arrangement for re-organization of the share capital of the company and for compromise with its creditors including fixed depositors has been made in which interest dues will be waived and accordingly provision of interest payable amounting to Rs. 827.06 lacs has been written back in earlier years.
- b) The Company has also moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule to fixed depositors of the Company before the fresh scheme is filed before the Hon'ble Delhi High Court.
- c) Fixed deposits and bills payable as per information retained on the computer is Rs.5648.70 lacs whereas fixed deposits, which also includes bills payable, as per books, amounts to Rs.5638.00 lacs and the difference of Rs. 10.70 lacs is un-reconciled. The company, in accordance with a subsequently confirmed order of the Hon'ble Company Law Board dated July 17, 1998 had given an option to the creditors of overdue bills rediscounted to convert their dues into fixed deposits on due dates retrospectively. Bills rediscounted, including those converted into fixed deposits, have been reflected under fixed deposits.
- d) Liability on account of Fixed Deposits received contain certain deposits which appear prima-facie to be suspect due to either lack of identification of depositors or no claim or confirmation having been received by the company.
Payment of those deposits that are under a suspicious category will be made under the proposed scheme of arrangement only after the evidence of receipt of money is established.
- e) Provision for interest on fixed deposit up to June 30, 2011 calculated at simple interest @ 10% p.a. in accordance with the order of The Hon'ble Company Law Board amounting to approx. Rs.8,297.92 lacs (including approximately Rs. 7,732.88 lacs for the earlier years) has not been made in view of the "fresh scheme" pending before the Hon'ble Delhi High Court wherein the company does not envisage payment of any interest. To the extent of non-provision of interest @10% as per the previous CLB order, the current year profits are overstated to the extent of approximately Rs.565.04 lacs and cumulative net losses are understated to the extent of approximately Rs.8,297.92 lacs. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.

- f) Due to a liquidity crises in the past the minimum liquid assets @15% of fixed deposits as per RBI directives has not been maintained by the company. The company has applied to the Reserve Bank of India and the Company Law Board for exemption from maintaining minimum liquid assets and payment of penal interest but the disposal of the application is still pending.

8. **INTER - CORPORATE DEPOSITS**

Provision for interest on inter corporate deposits up to June 30, 2011 amounting to approximately Rs.89.86 lacs which includes approximately Rs.83.54 lacs for the earlier years, has not been made in view of the "fresh scheme" pending before the Hon'ble High Court of Delhi wherein the company does not envisage payment of any interest. To the extent of non-provision of interest, the current year's profits are overstated to the extent of approximately Rs.6.32 lacs and cumulative net losses are understated to the extent of approximately Rs 89.86 lacs.

9. **NON-PROVISION ON NON-PERFORMING ASSETS AS PER RBI NORMS**

As per Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 assets and receivables are required to be classified as NPA and provision for non-performing assets as prescribed is required to be made. The provision for non-performing assets as per these Directions on hire purchase and lease receivables, inter-corporate deposits given, bills receivable, advances recoverable in cash or in kind and other receivables required to be provided amounted to approx. Rs.2685.99 lacs (Net of Security received of Rs 601.93) but only provision of Rs.1,556.79 lacs has been made. To the extent of non-provision of approximately Rs.1129.20 lacs the cumulative net loss reflected is understated.

Current assets, loans & advances other than mentioned above are good for recovery..

10. **INCOME TAX**

(a) **Deferred Tax Assets**

In accordance with Accounting Standard-22 issued by The Institute of Chartered Accountants of India, Deferred tax assets on accumulated depreciation and losses has not been accounted for since as per certain operational restrictions imposed, the Company is unable to conduct any new business and therefore it is uncertain whether there will be sufficient future taxable income against which such deferred tax assets can be realized. Accordingly in view of absence of virtual certainty of sufficient taxable income, no provision for deferred tax has been made.

(b) **Tax Provision**

The Company has not made/retained any provision for income tax during the year since the company has substantial accumulated brought forward losses from the earlier years.

11. **INVESTMENTS/SECURITIES HELD AS STOCK-IN-TRADE**

During the year there were no transactions relating to sale/purchase of stocks/ investment in shares. In the absence of a complete reconciliation/confirmation of the share division customer account Rs. 164.96 Lacs has been shown as current assets, the recoverability of which is uncertain. During the year ended 30th June 2011, those shares which were held as bad deliveries have been removed from the schedule of stock in trade. The same will be shown when such shares/stock which are termed as bad deliveries are actually transferred in the name of company. The Company has kept with itself few shares & securities as a security received from its customer against the recoverable amount of Rs 164.96 Lacs, which are under reconciliation & confirmation.

12. **EMPLOYEE BENEFITS**

(a) **Defined Contribution Plans:**

The Company has recognized the contribution/liability in the Profit & Loss Account for the financial year 2010-11.

(b) **Defined Benefit Plans & Other Long Term Benefits:**

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans and Other Long Term Benefits:

PARTICULARS	Rs. in Lakhs	
	Gratuity (Non Funded Plan)	Leave Encashment (Non Funded Plan)
Amount recognized in Balance Sheet		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	5.60	2.46
Unrecognized past service cost	-	-
Net Liability/(Assets)	5.60	2.46
Amount in Balance Sheet		
Liability	5.60	2.46
Assets	-	-
Net Liability/(Assets)	5.60	2.46
Expenses recognized in the Profit & Loss Account		
Opening defined benefit obligation less benefits paid	-	-
Current service cost	0.47	0.20
Interest on defined benefit obligation	0.38	0.20
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized in the year	0.19	(0.37)
Past service cost	-	-
Losses/(gains) on "Curtailments and Settlements"	-	-
Total, included in "Employee Benefit Expense"	1.04	0.03
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period	-	-
Change in defined benefit obligation	-	-
Opening defined benefit obligation	4.56	2.43
Current service cost	0.47	0.20
Interest cost	0.38	0.20
Actuarial losses/(gains)	0.19	(0.37)
Liabilities extinguished on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	5.60	2.46
Change in fair value of assets	-	-
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial gain/(Losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-
Assets information		
Category of assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Equity shares of listed companies	-	-
Property	-	-
Insurer Managed Funds	-	-
Others	-	-
Grand Total	-	-
Summary of the actuarial assumptions		
Discount rate	8.25%	8.25%
Expected rate of return on assets	N.A.	N.A.
Future salary increase	6%	6%

Notes:

- (a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors;
- (b) The liability towards gratuity & the earned leave for the year ended 30th June, 2011, based on actuarial valuation amounting to Rs 1.04 lacs. & Rs. 0.03 lacs. have been recognized in the profit & loss account.

13. GOING CONCERN BASIS

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

- (a) fresh scheme would be approved by Hon'ble Delhi High Court,
- (b) adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis and
- (c) the promoters of the Company have provided letter of support.

14. BALANCE CONFIRMATION

- (a) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management, as good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, the financial impact cannot be ascertained.
- (b) To overcome past deficiencies a new accounting software package was introduced in an earlier year on the basis of which accounts have been drawn. However, the aggregate of un-reconciled opening balances of various sub-ledgers with general ledger and subsequently other rectification entries/ unidentified balances requiring further analysis had been transferred to a separate account which at the end of the year is Rs.197.09 lacs debit and Rs. 363.66 lacs credit and the net balance of Rs. 166.57 lacs has been shown as a current liability.
- (c) Bank Balance of Rs. 1.26 lacs appearing in the books from 10 Banks were yet to be confirmed by the Banks as at 30th June, 2011.

15. PAYMENT TO DIRECTORS

	Rs./Lacs.	Rs./Lacs.
	30.06.2011	30.06.2010
Remuneration including all perquisites	3.54	3.52

The Company has paid Rs 3.54 Lacs remuneration to its Director during the year ended 30th June, 2011. Company has got the approval of Central Government for the payment of Director's Remuneration under Section 309 of the Companies Act, 1956, which was effective and valid up to 30th November 2009. Out of managerial remuneration of Rs 3.52 Lacs paid by the company, Rs 1.66 Lacs pertain to till November, 2009. During the month of November, 2011, Company has submitted an application with Central Government seeking approval for re-appointment of Whole Time Director and for approving the payment of managerial remuneration of Rs 1.86 for the year 2009-2010 & Rs 3.54 for the year 2010-2011. Pending approval, Company has paid the remuneration to director & the same has been shown as managerial remuneration in financials.

16. RELATED PARTY DISCLOSURE

As required by Accounting Standard – AS 18 "Related Party Disclosure" issued by The Institute of Chartered Accountants of India are as follows:

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

A. Associate Companies	--DCM Services Limited
B. Subsidiary Companies	--Global IT Options Ltd.
C. Key Management - Personnel	--Arif Beg, Chairman
	--O. P. Gupta, Director
	--S. K. Sharma, Executive Director

Details of Transactions are as follows:

	Rs. in Lakhs Year ended 30.06.2011	Rs. in Lakhs Year ended 30.06.2010
A. Remuneration to key management personnel		
- Executive Directors	3.54	3.52
B. Advances Received		
- Associates Company	97.99	70.53
C- Services recieved		
-Subsidiary Company	0.25	0.25
D. Share Application Money Received		
- Associate Company	0.00	0.00
E. Outstanding Balances		
- Associate Company (Cr. Balance) (Refer Note-2)	386.62	288.63
Subsidiary Company (Cr. Balance)	0.16	0.16

17. EARNINGS PER SHARE (EPS)

	Year ended June 30, 2011	Rs./Lacs Year ended June30, 2010
a) Profit/(Loss) after taxation as per profit and Loss Account	168.12	146.87
b) Basic number of Equity shares	2,21,25,054	2,21,25,054
c) Nominal value of Equity Shares (Rs.)	10	10
Basic/ Diluted Earnings per share (Rs.)(a/b)	0.76	0.66

18. CONTINGENT LIABILITIES

- Claims lodged and contingent liability arising out of suits and winding up petitions filed against the company not acknowledged as debts amounts to Rs. 868.18 lacs. There are also other cases filed in consumer and other courts against the company for which the company is contingently liable but for which the amount has not been ascertained.
- Punjab & Sind bank has filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1217.52 lacs against which the amount payable to them, as per books is Rs. 803.40 lacs. The company contends that the dues of the Bank will be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 414.12 lacs has been made. Since the Company has not made payment of interest & principal in accordance with the Fresh Restructuring Scheme filed with the Hon'ble High Court, Rs 1217.52 became payable to PSB. No provision for the difference of Rs. 414.12 lacs has been made by the Company.
- IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 lacs against which the amount payable to them as per books is Rs. 577.00 lacs. The company contends that the dues of the Bank will be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 465.42 lacs has been made.
- During the year ended 30th June, 2009, the Company had received Rs. 100.00 lacs from one of the Debtors and reduced the balance recoverable from the debtors account. Subsequently the Hon'ble Punjab and Haryana Court deemed that payment to be an out of turn payment and asked the company to deposit the amount. The Company had filed a SLP with the Hon'ble Supreme Court of India which has been dismissed by them. The Company is liable to deposit the amount mentioned above which has yet to be deposited.

- (e) During the preceding financial year ended 30th June, 2011 the company's tenant has filed a claim of Rs 100.00 lacs against the company due to damages suffered by the tenant.
- (f) There is a disputed statutory due that have not been deposited on account of matters pending before appropriate authorities a demand of Rs152.12 Lakh for payment of income tax under the Income tax Act, 1961.
19. Company application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI. The company had made an appeal to the Appellate Authority which directed the RBI to keep its order of rejection of CoR in abeyance for a period of six months during which the Company shall file a revised scheme for restructuring. RBI has preferred an appeal before Hon'ble Delhi High Court against the order of the Appellate Authority, which is still pending.

20. PREVIOUS YEARS FIGURES

Previous years figures have been regrouped and recast wherever necessary to make them comparable with the figures for the current year.

As per our report of even date attached.

For V. Sahai Tripathi & Co.

Chartered Accountants

Firm Registration No.00262N

Sd/-
(Manish Mohan)
Partner
M.No. 091607

Sd/-
(Arif Beg)
Chairman

Sd/-
(S.K. Sharma)
Executive Director

Sd/-
(O.P.Gupta)
Director

Place: New Delhi
Dated: 05th December, 2011

Sd/-
(Sumit Agarwal)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE,2011

	Rs/Lacs			
	For the year ended 30.06.2011		For the year ended 30.06.2010	
A. Cash Flow of Operating Activities				
Net Profit (Loss) for the Year		168.12		146.86
Add: Adjustments for				
Depreciation	36.44		36.76	
Loss on sale of Fixed Assets	0.35		0.33	
Interest paid	0.14			
Prior Period Adjustment	(1.91)	35.03	0.15	37.24
Operating Profit (Loss) before Working Capital changes		203.16		184.10
Adjustments for :				
Decrease in Trade & other receivables	34.03		(31.49)	
Decrease in Inventories	5.85		(0.09)	
Increase in Trade Payables	111.05	150.94	104.48	72.90
Cash generated from operations		354.10		257.00
Cash In Flow (Out Flow) before extraordinary items		354.10		257.00
Interest paid		(0.14)		-
Prior Period Adjustment		1.91		(0.15)
Net Cash In Flow(Out Flow) from Operations		355.86		256.85
B. Cash Flow from Investing Activities				
Fixed Assets purchased	(0.10)		(20.48)	
Sale of Fixed Assets	0.04			
Decrease in Investments			0.31	
Subtotal	(0.06)		(20.17)	
Net Cash In flow(Out Flow) in investing activity		(0.06)		(20.17)
C. Cash In Flow (Out Flow) from Financing Activities				
Proceeds from issue of share capital including share premium				
Proceeds (Re-paid) - Long Term borrowing	(5.60)		(0.17)	
Net cash available(Paid) from financing activities	(5.60)	(5.60)	(0.17)	(0.17)
Net Increase in Cash and Cash Equivalents(A+B+C)		350.21		236.51
Cash & cash equivalents as at July 01, 2010	3076.25		2839.74	
Cash & cash equivalents as at June 30, 2011	3426.46		3076.25	
Net Increase / (Decrease) in cash & cash equivalents	350.21		236.51	

As per our report of even date attached

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

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Place : New Delhi
Dated : December 05, 2011

Sd/-
(Arif Beg)
Chairman

Sd/-
(S.K.Sharma)
Executive Director

Sd/-
(O. P. Gupta)
Director

Sd/-
(Sumit Agarwal)
Company Secretary

Schedule to the Balance Sheet of a Non-Banking Financial Company

(As required in terms of paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding)

Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. In lakhs)

Particulars**Liabilities side:**Amount
OutstandingAmount
Overdue**1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**

(a) Debentures : Secured#	2,557.25	2,557.25
: Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	1,441.70	1,441.70
(d) Inter-corporate loans and borrowing#	27.17	27.17
(e) Commercial Paper	-	-
(f) Public Deposits* #	5,638.00	5,638.00
(g) Other Loans (specify nature)	-	-

* Please see Note 1 below

Refer point no. 5 (c), 7 (e), 8 of Notes to accounts

2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures ie. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	5,638.00	5,638.00

* Please see Note 1 below

Assets side:

Amount outstanding

3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below :-

(a) Secured	
(b) Unsecured	551.40

4) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities

(i) Lease assets including lease rentals under sundry debtors:-

(a) Financial lease	509.35
(b) Operating lease	-

(ii) Stock on hire including hire charges under sundry debtors:-

(a) Assets on hire	1,707.50
(b) Repossessed Assets	-

(iii) Other loans counting towards AFC activities

(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	386.37

5) Break-up of Investments:Current Investments :1. Quoted:

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Other (please specify)	-

2. Unquoted:

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Other (please specify)	-

Long Term Investments:1. Quoted:

(i) Shares : (a) Equity	45.48
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Other (please specify)	-

2. Unquoted:

(i) Shares : (a) Equity	66.59
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Other (Please Specify)	-

6) Borrower group-wise classification of assets financed as in (3) and (4) above

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related Parties	-	2,603.22	2,603.22
Total	-	2,603.22	2,603.22

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

Please see Note 3 below

Category	Market Value / Break up or fair value Or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	26.49	26.49
(b) Companies in the same group		
(c) Other related parties		
2. Other than related parties	191.80	85.58
Total	218.29	112.07

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

8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	0
(b) Other than related parties (Refer point no. 9 of Notes to Account)	2685.99
(ii) Net Non-Performing Assets	
(a) Related parties	0
(b) Other than related parties (Refer point no. 9 of Notes to Account)	1129.19
(iii) Assets acquired in satisfaction of debt	-

Notes:

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

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
OF THE COMPANIES ACT, 1956
Balance Sheet Abstract and Company's General Business Profile**

I. Registration details

Registration no.

0	4	3	0	8	7
---	---	---	---	---	---

 State Code

5	5
---	---

Balance Sheet Date

3	0
---	---

0	6
---	---

1	1
---	---

Date Month Year

II Capital Raised during the year (Rs. Thousands)

Public Issue									
--	--	--	--	--	--	--	--	--	--
Bonus Issue									
--	--	--	--	--	--	--	--	--	--

Right issue									
--	--	--	--	--	--	--	--	--	--
Private Placement									
--	--	--	--	--	--	--	--	--	--

III Position of Mobilisation and Deployment of Fund (Rs Thousand)

Total Liabilities									
--	--	1	4	4	3	6	0	6	

Total Assets									
--	--	1	4	4	3	6	0	6	

Sources of fund

Paid-Up Capital									
--	--	--	2	2	1	2	5	1	
Secured Loan									
--	--	--	3	9	7	3	9	5	

Reserve & surplus									
--	--	--	2	0	0	9	7	1	
Unsecured Loan									
--	--	--	5	6	9	0	1	7	

Application of Funds

Net Fixed assets									
--	--	--	1	5	0	1	7	0	
Net Current Assets									
--	--	--	3	8	2	7	1	4	
Accumulated Losses									
--	--	--	8	9	9	5	1	4	

Investments									
--	--	--	--	1	1	2	0	7	
Miscellaneous expenditure									
-	-	-	-	-	-	-	-	-	

IV Performance of Company (Amount in Rs thousand)

Turnover									
--	--	--	--	3	2	8	3	4	
Profit / Loss before Tax									
--	--	--	--	1	6	8	1	2	

Total Expenses									
-	-	-	-	1	6	0	2	2	
Profit / Loss after Tax									
-	-	-	-	1	6	8	1	2	

(PLEASE TICK APPROPRIATE BOX +FOR PROFIT, -- for Loss)

Earning (Loss) Per Share in Rs.									
--	0	.	7	6	--	--	--	--	

Dividend Rate %									
--	--	--	N	I	L	--	--	--	

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

NOT APPLICABLE

Item Code No.(ITC Code)									
N	O	T		A	P	P	L	I	C
Product Description									
H	I	R	E		P	U	R	C	H
&		L	E	A	S	I	N	G	

A									
B	L	E							

For V. Sahai Tripathi & Co.

Chartered Accountants

Firm Registration No.00262N

Sd/-
(Manish Mohan)
Partner
M.No. 091607

Sd/- Sd/- Sd/- Sd/-
(Arif Beg) (S.K. Sharma) (O.P.Gupta)
Chairman Executive Director Director

Place: New Delhi
Dated: 05th December, 2011

Sd/-
(Sumit Agarwal)
Company Secretary

DETAIL OF STOCK IN TRADE/SECURITIES AS ON 30.06.2011

Sl. No.	Scrip Description	Opening Stock 01.07.2010	Bonus/ Split/ Adjust. Quantity Nos.	Sale/ buy-back Bad Deliveries Quantity Nos.	Closing Stock Quantity Nos	Opening Cost Value Rs.	Market Value Rs.	Cost/Mkt Value whichever is less Rs.
Stock in Trade:- (as per Schedule 7)								
1	ACE Integrated Ltd	200		200	0	200	-	0
2	Adhunik Synthetics Ltd	100			100	100	100	100
3	Agro Board Ltd	300		300	0	300	-	0
4	Ahlcon Parenterals Ltd	200		200	0	800	-	0
5	Ansal Housing & Constructions Ltd	300		300	0	300	-	0
6	Arihant Industries Ltd	1000		1000	0	1000	-	0
7	Arvind Mills Ltd	50		50	0	50	-	0
8	Asahi India (Float Glass) Pref.shares	50		50	0	316	-	0
9	Asian Alloys Ltd	100		100	0	400	-	0
10	Asian Coffee Ltd (Consolidated Coffee Ltd)	100		100	0	1980	-	0
11	Banaras Beads Ltd	110			110	380	110	110
12	Bank of Punjab Ltd	200		200	0	200	-	0
13	Bharati Telecom Ltd	100			100	100	39595	100
14	Bhiwani Synthetics Ltd	400			400	400	400	400
15	Bindal Agro Ltd	50		50	0	50	-	0
16	Birla Ericson Ltd	100		100	0	1000	-	0
17	BLB Mutual Services Ltd	300			300	300	300	300
18	BLB Share & Financial Services Ltd	50			50	50	50	50
19	Calcom Vision Ltd	5600			5600	11200	22176	11200
20	Cepharm Organics Ltd	250			250	250	250	250
21	Chambal Fertilisers Ltd	500		500	0	500	-	0
22	Chirau Finance Invest. & Leasing	4600		700	3900	4600	3900	3900
23	City Lifts Ltd	2800			2800	2800	2800	2800
24	Clutch Auto Limited	98050			98050	323565	4951525	323565
25	Compact Dist Ltd	100		100	0	100	-	0
26	Consolidated Fibers Ltd	100		100	0	100	-	0
27	CRB Capital Ltd	100		100	0	100	-	0
28	Crest Paper Mills Ltd	1700			1700	1700	1700	1700
29	Daewoo Motors India Ltd	9900		9900	0	36630	-	0
30	Datapro Information Technology Ltd	1000			1000	850	1000	850
31	Decora Tubes Ltd	200			200	130	-	0
32	DFM Foods Ltd	200		200	0	1200	-	0
33	DSJ Finance Ltd	300		300	0	300	-	0
34	East India Syntex Ltd	200			200	200	200	200
35	Electrolux Kelvinator (Intron)	825			825	825	825	825
36	Elite Appliances Ltd	1700		1700	0	1700	-	0
37	Escorts Tractors Ltd	100		100	0	100	-	0
38	ESSAR Ports Ltd.		66		66		6514	66
39	ESSAR Shipping Ltd.		33		33		33	33
40	Essar Steel Ltd(Essar Gujarat Ltd.)	1100		1100	0	3520	-	0
41	Financial Eyes India Ltd	3600		3600	0	27720	-	0
42	Flex Foods Ltd	100			100	350	2795	350
43	Flex Industries Ltd	50		50	0	641	-	0
44	Gagan Polycot Ltd	1200		400	800	96	13680	96
45	Galaxy Indo Fab Ltd	200			200	200	200	200
46	Garg Forgings & Castings Ltd	500			500	500	500	500

47	GE Shipping Ltd	65		65	1654	18681	1654
48	Girnar Fibres Ltd	4100		4100	1435	4100	1435
49	Goetze India Ltd	50	50	0	900	-	0
50	Goldwon Textiles Ltd	100		100	50	100	50
51	Good Value Marketing Ltd	200		200	500	200	200
52	Gorden Herbert Ltd	100		100	100	100	100
53	Grand Foundry Ltd	600		600	540	600	540
54	Greaves Ltd (Rajasthan Polymers)	2	2	0	2	-	0
55	Greenfield Corporation Ltd(Rs.5.00 pd)	127000		127000	127000	127000	127000
56	Gujarat Meditech Ltd	200		200	200	8780	200
57	Hamco Mining & Smelting Ltd	100	100	0	180	-	0
58	Harig Crank Shaft Ltd	100	100	0	100	-	0
59	Haryana Sheet Glass Ltd	200		200	200	200	200
60	HEG Ltd	450	450	0	8100	-	0
61	Himchal Futuristic Com. Ltd	500	500	0	5605	-	0
62	Hindustan Development Corpn. Ltd	54650	33600	21050	54650	21050	21050
63	Hindustan Motors Ltd	100	100	0	505	-	0
64	HPM Industries Ltd	5000		5000	5000	5000	5000
65	IFCI Ltd	200	200	0	840	-	0
66	Indian Maize Ltd	100	100	0	100	-	0
67	Indian Petrochemicals Corpn Ltd	100	100	0	100	-	0
68	Indo Biotech Foods Ltd	300		300	300	300	300
69	Indo Britain Agro Farms Ltd	500	500	0	500	-	0
70	Indo Gulf Fertilisers Ltd(Indo Gulf Corp Ltd.)	20	20	0	160	-	0
71	Infar India Ltd	30	30	0	30	-	0
72	Innovative Printforms Ltd	200	200	0	600	-	0
73	Innovative Tech Pack Ltd	100		100	100	8510	100
74	Intron Ltd	1000	1000	0	2550	-	0
75	Ispat Industries Ltd.	80		80	80	1532	80
76	Jaimata Rolled Glass Ltd	100		100	286	158	158
77	Jainpur Straw Products Ltd	1200		1200	1200	1200	1200
78	Jamna Auto Ind. Ltd. (Jaiparabolic Springs Ltd)	100		100	100	12005	100
79	Jay Vinyls Ltd	100		100	95	100	95
80	JCT Electronics Ltd	2300	2300	0	2300	-	0
81	Jiwan Flora Ltd	400		400	400	400	400
82	JK Lakshmi Cement Ltd.(JK Corporation Ltd)	100	100	0	1000	0	0
83	Karishma Floriculture Ltd	5400	3700	1700	5400	1700	1700
84	Kashipur Holdings Ltd(Bonus)	50		50	0	50	0
85	Kesar Terminal Infrastructure Ltd. (Kesar Enterprises Ltd)	600	530	70	2640	5950	2640
86	Kinetic Trust Ltd.	400	300	100	720	100	100
87	Kitti Steels Ltd	300	200	100	300	100	100
88	Krishna Colled Rolled Ltd(Rs.2.50 pd)	25000		25000	25000	25000	25000
89	Krishna Engineering Works Ltd	300		300	300	1185	300
90	L & T Ltd	150	150	0	27113	0	0
91	LML Ltd	100	100	0	1099	0	0
92	Mac Industries Ltd	200	200	0	200	0	0
93	Madhu Refoils Ltd	200	200	0	200	0	0
94	Makan Agro Ltd	300	100	200	300	200	200
95	Mangalore Ref. & Petrochem	200	200	0	626	0	0
96	Mardia Industries Ltd	100		100	80	100	80
97	Maruti Syntex Ltd	100	100	0	100	0	0
98	Mathew Escow Ltd	900	900	0	900	0	0

99 Mid India Spinning Ltd	100		100	90	479	90
100 Millenium Beer (Inertia Industries Ltd)	100		100	820	3250	820
101 Minerva Holdings Ltd	20		20	20	20	20
102 Modern Threads Ltd	100		100	80	100	80
103 Modi Cement Ltd	200	200	0	200	0	0
104 Modi Olivette Ltd	50	50	0	50	0	0
105 Moon Beam Industries Ltd	400		400	640	400	400
106 Nakoda Textiles Ltd	100	100	0	100	0	0
107 NIIT Ltd	50	50	0	3245	0	0
108 Orkay Industries Ltd	400	400	0	400	0	0
109 Orton Synthetics Ltd	100	100	0	100	0	0
110 Overseas Sunmar Finance Ltd	200	200	0	200	0	0
111 Paam Pharma Ltd	300	300	0	300	0	0
112 Padmini Polymers Ltd	500		500	500	500	500
113 Pan Asia Industries Ltd	5400		5400	5400	5400	5400
114 Pearl Engineering Polymers Ltd	100	100	0	100	0	0
115 Pioneer Leasing Ltd	100		100	90	4025	90
116 Profin Capital Services Ltd	27000	7700	19300	27000	535575	27000
117 Radhika Spinning Mills Ltd	300		300	723	300	300
118 Raghunath International Ltd	100	100	0	325	0	0
119 Ramavision Ltd	150	150	0	233	0	0
120 Rampur Distillery Ltd	600	600	0	600	0	0
121 Rasik Plast Ltd	4500		4500	6750	4500	4500
122 Reliance Capital Ltd	91	91	0	4768	0	0
123 Reliance Capital Ventures Ltd.	190	190	0	0	0	0
124 Reliance Energy. Ventures Ltd.	176	176	0	0	0	0
125 Reliance Industries Ltd	75	75	0	9300	0	0
126 Reliance Petroleum Ltd	200	200	0	3683	0	0
127 Reliance Petroleum Ltd (TOCD)	400	400	0	400	0	0
128 Religare Technologies Ltd.	10		10	20	10	10
129 Religare Technova	40		40	80	40	40
130 S.M. Dychem Ltd	200	196	4	140	4	4
131 S.V. Electricals Ltd	5000		5000	4250	313500	4250
132 Sagar Soya Products Ltd	100	100	0	100	0	0
133 Sahas Agro Ltd	1500	1500	0	1500	0	0
134 Sai Industries Ltd	100	100	0	100	0	0
135 Sajjan Textiles Ltd	100		100	30	100	30
136 Seimens Ltd.	50		50		44500	50
137 Shiva Paper Mills Ltd	100	100	0	140	0	0
138 Shree Nicosect Ltd	5000	5000	0	2500	0	0
139 Shree Pommani Metals & Alloys Ltd	19500	100	19400	19500	19400	19400
140 Shree Rajasthan Syntex Ltd	500		500	1650	8700	1650
141 Shree Rayalaseema Hi Strength Hypo Ltd	33420	25165	8255	36762	30708	30709
142 Siddarth Spinfab Ltd	5000	1500	3500	5000	3500	3500
143 Sirmour Sudburg Ltd	200	200	0	200	0	0
144 Skyline NEPC Ltd	500	500	0	250	0	0
145 Skypack Courier Ltd	100		100	100	100	100
146 Soni Medicare Ltd (Rs.5.00 pd)	95600		95600	95600	95600	95600
147 South Asian Enterprises Ltd	100	100	0	400	0	0
148 SREI International Ltd	100	100	0	100	0	0
149 Star Electronics Ltd	200	200	0	200	0	0
150 Starspin & Twist Ltd	100		100	100	100	100
151 State Bank of India	1450	1450	0	290362	0	0

152 Sturdy Polymers Ltd	200		200	200	910	200
153 Sujana Industries Ltd	1100		1100	1100	6457	1100
154 Sujana Steel Ltd	1300		1300	1300	12922	1300
155 Sunstar Lubricants Ltd	3100		3100	3100	3100	3100
156 Superforging & Steels Ltd	12600	3000	9600	12600	9600	9600
157 Suryachakra Seafoods Ltd	13400		13400	8710	153698	8710
158 Svam Software Ltd	200		200	470	542	470
159 Swarnima Oils Ltd	200		200	200	200	200
160 Tata Chemicals Ltd	50	50	0	1902	0	0
161 Tata Iron & Steel Co Ltd	40	40	0	3906	0	0
162 Tata Motors Ltd., (Tata Engg. & Loco Co. Ltd.)	20	20	0	1301	0	0
163 Tata Power Ltd	200	200	0	4700	0	0
164 Thomas Cook Ltd.	660		660	0	31944	0
165 Timex Watches Ltd	2000	2000	0	19200	0	0
166 Titan Alloys Ltd	5000	5000	0	4000	0	0
167 Transpower Engineering Ltd	2500		2500	5000	2500	2500
168 Travancore Chemicals Ltd	100	100	0	100	0	0
169 Tribology India Ltd	400		400	400	400	400
170 Triveni Engineering Works Ltd	100	100	0	1000	0	0
171 Tulip Finance Ltd	1000		1000	1000	1000	1000
172 Tungabhadra Pulp & Board Ltd	100	100	0	100	0	0
173 U.P. Lime Chem Limited	500		500	725	500	500
174 Uniworth India Ltd. (Bonus)	100		100	0	100	0
175 Usha India Ltd	100	100	0	100	0	0
176 UTI MasterGain 92	900	900	0	900	0	0
177 Valpus Biotech Ltd	700		700	805	700	700
178 Vibros Organics Ltd	100	100	0	350	0	0
179 Vikram Projects Ltd	1600		1600	960	1600	960
180 Virtualsoft System Limited (Suri Capital Leasing Ltd)	13400		13400	51590	13400	13400
181 Vishal Lakco Ltd	9700		9700	9700	9700	9700
182 VXL India Ltd	500	500	0	500	0	0
183 Weldflux India Ltd	100	100	0	100	0	0
TOTAL	656324	149	127435	529038	1371464	6613139
						786060

STATEMENT PERSUANT TO SECTION 212 OF THE COMPANIES ACT,1956 RELATING TO SUSIDIARY COMPANY

1	NAME OF THE SUBSIDAIRY	GLOBAL IT OPTIONS LTD
2	FINANANCIAL YEAR OF THE SUBSIDIARY	30 th June,2011
3	HOLDING COMPANY'S INTEREST	Holding of 9,00,000 equity shares of Rs 10/- each out of the total issued and subscribed equity.
4	Net aggregate amount of subsidiary's profit(loss) So far as they concern members of holding company had not detail with the holding company's account	
(I)	For subsidiary financial year ended 30.6.2011	NIL
(ii)	For subsidiary's previous financial year's since it It become subsidiary.	NIL

Net aggregate amount of the subsidiary's profit/loss so far as
As they concern members of the holding company and debit
with in holding company's account.

(i)	For subsidiary's financial year ended 30.6.2011	4.66 lacs
(ii)	For subsidiary's previous financial year's since it It become subsidiary	(60.46) lacs

GLOBAL IT OPTIONS LIMITED DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Sixteenth Annual Report together with the audited accounts of the Company for the 12 months period ended on June 30, 2011.

FINANCIAL RESULTS/DIVIDEND

The accounts for the year ended 30th June 2011 show a profit of Rs.5.18 lacs. Accordingly in view of the accumulated losses, the Directors regret their inability to recommend dividend for the period under review.

OPERATIONS

During the period under review, your Company's operations remained very dormant. However some development work has been done, The Company plans to explore further opportunities particularly in the area of Training in near future.

DIRECTORS

Mr. Sandeep Bhardwaj retires by rotation and being eligible offers himself for re-appointment.

STATUTORY AUDITORS

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any

retire at the ensuing Annual General Meeting. They have furnished Certificate to the effect that their re-appointment, if made will be within the limits specified in Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the said financial statements, the Company has followed the applicable Accounting Standards, referred to in section 211(3C) of the Companies Act, 1956.
- (ii) That the Company has followed the said Accounting Standards and has been applying them consistently and has made judgments and estimates that are reasonable, prudent and are in the interest of the Company's business, so as to give a true and fair view of the state of affairs of the Company as at June 30, 2011 and of the Profit of the Company for that period.
- (iii) That the Directors have taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the financial statements on a going concern basis.

FIXED DEPOSITS

The Company has not invited any fixed deposits from the public during the year under review.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is not engaged in any manufacturing activity, hence furnishing of details pertaining to conservation of energy and technology absorption are not applicable.

FOREIGN EXCHANGE EARNING AND OUTGO

The Company has not any earning and outgo during the year.

PARTICULARS OF EMPLOYEES

Since none of the employees, whether employed for full year or any part thereof, was drawing remuneration in excess of limit prescribed under section 217 (2A) of the Companies Act, 1956, no details are required to be furnished.

ACKNOWLEDGEMENT

The Directors acknowledge the active co-operation and help received from the Banks and place on record their deep appreciation for the contributions made by the employees at all levels to the operations of the Company.

For and on behalf of the Board

Place: New Delhi
Dated: 01 December, 2011

Sd/-
(S. N. SHARMA)
DIRECTOR

AUDITORS' REPORT

**The Members of
Global IT Options Limited,
New Delhi.**

1. We have audited the attached balance sheet of Global IT Options Limited as at 30th June 2011 and also the profit & loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (c) The company's balance sheet and profit & loss account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the balance sheet and profit & loss account dealt with by this report comply with the requirements of the accounting standards referred to in sub-section (3C) of section 211 of the Act, 1956.
 - (e) Based on the representations made by all the Directors of the company and the information and explanations duly certified given to us by the company none of the Directors of the company are disqualified as on 30th June, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) to section 274 of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us the said balance sheet and profit & loss account read with the Statement of Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - (i) in the case of the balance sheet of the state of affairs of the company as at June 30, 2011, and
 - (ii) in the case of the profit & loss account of the Profit for the year ended on June 30, 2011.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
FRN -00262N

**Place: New Delhi
Date: 01 December 2011**

Sd/-
(Manish Mohan)
Partner
M.No.091607

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph (3) 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.
- (a) We have been informed by the management that physical verification of assets has been carried out during the year and no material discrepancies were noticed on such verification.
- (b) During the year ended 30th June, 2011, Company has disposed off Land & Building. As explained to us by the management, Company is still a going concern as Assets sold by it does not affect the nature of its operations carried on by it. Land & Building was not being used for operational activity. The same was held as Investment purpose. As explained to us, the proceeds out of sale of Land & Building would be used for streamlining the business.
2. In respect of Inventories:
 - (a) During the financial year ending 30-June-11, there were no Inventories maintained by the Company. Accordingly, clause 4(ii) of the Companies (Auditor's Report) Order, 2003 ('the Order') in respect of Inventories is not applicable during the reporting year ending 30-June-11.
 - (b) The clause regarding physical verification of Inventory is not applicable on the Company during the reporting year ended 30-June-11.
3. In respect of loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956: -
 - a) To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any unsecured loan from the Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, during the financial year ending 30-June-11.
 - (b) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any unsecured loan(s) to any party, firms or Companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the financial year ending 30-June-11.
 - © Accordingly, the rest of the sub-clauses are not applicable to the Company during the reporting period ending 30-June-11.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets, purchase of Inventory & sale of services. The activities of the Company do not involve sale of goods. Further, on the basis of our examination of the books and the records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed about any continuing failure on the part of the management to correct major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanations given to us, the company has not entered into any transactions that require to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act aggregating during the year to Rs.5,00,000/- or more in respect of any party.
6. The company has not accepted any deposits from the public.

7. The company has an internal control system which is commensurate with the size and nature of its business. However, considering the limited volume of transactions, company has not appointed any internal auditor.
8. Maintenance of cost records has not been prescribed by the Central Govt. under clause (d) of sub section (1) of section 209 of the Act.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion the company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and any other material statutory dues as applicable with the appropriate authorities. 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 30th June, 2011 for a period of more than six months from the date of becoming payable.
- (b) There are no disputed dues that have not been deposited on account of matters pending before appropriate authorities including income tax, and other statutory dues.
10. The company has accumulated losses at the end of the financial year amount Rs. 67.18 Lacs and in our opinion the Company has not incurred any cash loss during the financial year covered by our audit. However during the company has incurred cash loss in the preceding financial year.
11. The company has not taken any loans from financial institutions, banks or debenture holders.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
14. In our opinion and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities have been held by the Company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. According to the information and explanations given to us, no term loans obtained by the company during the year.
17. According to the information and explanations given to us, no short-term loans/inter-corporate deposits were raised by the company during the year.
18. The company has not made any preferential allotment of equity shares during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company and according to the information & explanations given to us, we have neither come across any instance of material fraud on or by the Company, advised nor reported during the year nor have we been informed of such cases by the management.

For V SAHAI TRIPATHI & CO.
Chartered Accountants
FRN -00262N

Sd/-
(Manish Mohan)
Partner
M.No.091607

Place: New Delhi
Date: 01 December 2011

BALANCE SHEET AS AT 30TH JUNE, 2011

	SCHEDULE	AS AT June 30 ,2011	AS AT June 30.2010
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share capital	A	10,000,200	10000200
	TOTAL	10,000,200	10000200
APPLICATION OF FUNDS			
FIXED ASSETS			
	F		
Gross block (at cost)		1,924,779	3444134
Less : Depreciation		1,729,035	1948554
Net block		195,744	1495580
INVESTMENT			
	B	158,702	158702
		158,702	158702
CURRENT ASSETS, LOANS & ADVANCES			
	C		
Sundry debtors		-	-
Cash and bank balances		3,037,204	966031
Loans & advances		476,759	531727
		3,513,963	1497758
LESS:			
CURRENT LIABILITIES AND PROVISIONS			
	D		
Current liabilities		326,752	326752
Provisions		259,725	61555
		586,477	388307
NET CURRENT ASSETS			
		2,927,486	1109451
PROFIT & LOSS ACCOUNT			
		6,718,268	7236467
	TOTAL	10,000,200	10000200
SIGNIFICANT ACCOUNTING POLICY			
NOTES TO THE ACCOUNTS			
	G		
	G		

This is the Balance Sheet referred to in our report of even date

for V. Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Sd/-
(S.N.Sharma)
Director

Sd/-
(Vikram Dogra)
Director

Sd/-
(Sandeep Bhardwaj)
Director

Place : New Delhi
Date 01 December 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011

	SCHEDULE	YEAR ENDED June 30 ,2011 (Rs.)	YEAR ENDED June 30 ,2010 (Rs.)
INCOME			
Interest income (During the year TDS deducted Rs.15,234, Previous Year Rs. 4,841)		152,335	68639
Interest on Income Tax Refund		384	0
Profit on Sale of Fixed Assets		718,590	0
Other income		25,000	25000
Dividend Income		3,000	110
	TOTAL	899,309	93749
EXPENDITURE			
Administrative, general & other expenses	E	104,824	115996
Depreciation		18,426	48434
Bank charges		3,048	743
Provision for Doubtful debts		-	107215
	TOTAL	126,298	272388
NET PROFIT/(LOSS)			
Profit/(Loss) before tax		773,011	(178639)
Tax Provision		254,812	-
Profit/(Loss) after tax		518,199	(178639)
Profit/(Loss) brought forward from previous year		(7,236,467)	(7057828)
Profit/(Loss) carried to the balance sheet		(6,718,268)	(7236467)

This is the Profit & Loss A/c referred to in our report of even date

for V. Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Sd/-
(S.N.Sharma)
Director

Sd/-
(Vikram Dogra)
Director

Sd/-
(Sandeep Bhardwaj)
Director

Place : New Delhi

Date 01 December 2011

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT June 30 ,2011 (RS.)	AS AT June 30 ,2010 (RS.)
SCHEDULE A		
AUTHORISED SHARE CAPITAL		
3,500,000 equity shares of Rs. 10/- each	35,000,000	35000000
TOTAL	35,000,000	35000000
ISSUED, SUBSCRIBED & PAID-UP		
1,000,020 equity shares of Rs. 10/- each fully paid up *	10,000,200	10000200
TOTAL	10,000,200	10000200
* Of the issued, subscribed & paid-up share capital, 900,000 equity shares of Rs. 10 each are held by DCM Financial Services Limited, the holding company.		

SCHEDULE B**LONG TERM INVESTMENT - Non Trade - Quoted**

Hindalco Industries Limited	7,872	7872
(82 shares of Rs. 1 each fully paid up)		
Mkt. Value Rs. 14,842 (Previous year Rs. 11,849)		
Digjam Limited	580	580
(Formal name Birla VXL Limited)		
(58 shares of Rs. 10 each fully paid up)		
Mkt. Value Rs. 658.30 (Previous year Rs. 730.80)		
Federal Bank Ltd.	150,000	150000
(600 Shares of Rs. 10 each fully paid up)		
Mkt. Value Rs.2,71,080 (Previous year Rs. 1,90,830)		
Relig Tech. Ltd.	-	250
(25 Shares of Rs. 10 each fully paid up)		
Mkt. Value Previous year Rs. 1,782.50		
Religare Technova Ltd.*	200	0
(Formal name Relig Tech. Ltd.)		
(20 Shares of Rs. 10 each fully paid up)		
Religare Technologies Ltd.*	50	0
(Formal name Relig Tech. Ltd.)		
(5 Shares of Rs. 10 each fully paid up)		

TOTAL	158,702	158702
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* Market Value is not available as on 30 June 2011.

SCHEDULE C**CURRENT ASSETS, LOANS & ADVANCES****Sundry debtors**

Unsecured considered doubtful

More than six months

1,007,215 1007215

1,007,215 1007215

Less: Provision for doubtful Debts

(1,007,215) (1007215)

TOTAL	-	-
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Cash & bank balances

Cash In hand

2,229 12718

Balance with scheduled banks on

Current accounts

85,995 29232

Fixed deposits

2,948,980 924081

TOTAL	3,037,204	966031
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Loans & advances

Unsecured, Considered good

Advances recoverable in cash or

kind or for value to be received #

470,759 470759

Tax deducted at source

- 54968

Security deposits

6,000 6000

476,759 531727

TOTAL	3,513,963	1497758
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Includes Rs 15,759 (previous year Rs 15,759/-) due from the holding company.

SCHEDULES FORMING PART OF THE ACCOUNTS CONTINUED

	AS AT June 30 ,2011 (RS.)	AS AT June 30 ,2010 (RS.)
SCHEDULE D		
CURRENT LIABILITIES		
Other liabilities*	326,752	326752
TOTAL	326,752	326752

PROVISIONS

Provision for Expenses	67,879	61555
Provision for Taxation (Net of TDS of Rs 62,966) #	191,846	0
	259,725	61555
TOTAL	586,477	388307

* Includes Rs Nil (previous year Nil) due to SSI units.

During the year Income tax Refund of Rs 7736.

	Year Ended June 30 ,2011 (RS.)	Year Ended June 30 ,2010 (RS.)
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SCHEDULE E**ADMINISTRATIVE, GENERAL & OTHER EXPENSES**

Auditor's remuneration		
Audit fee	8,824	8824
Legal & professional expenses	1,000	12000
Miscellaneous expenses	718	91
Travelling & conveyance	76,727	5714
Telephone, fax & courier expenses	250	780
Advertisement & Publicity Exps.	-	11209
Printing & Stationery Exps.	6,055	0
Staff Welfare Exps.	350	0
Water, Gas & Electricity Exps.	-	500
Repair & Maintenance Expenses	-	56531
R O C Fees	8,500	4000
Rates & taxes	-	2972
Office Expenses	2,400	13375
TOTAL	104,824	115996

SCHEDULE F

FIXED ASSETS

Amount in Rs.

S. No.	Particulars	Gross Block			As at 01.07.2010	Depreciation / Adjustment			Net Block	
		As at 01.07.2010	Additions	Deletions / Adjustment		As at 30.06.2011	For the year	Transfer/ Adjustment	As at 30.06.2011	As at 30.06.2010
1	Land	196624	0	196624	0	0	0	0	0	196624
2	Buildings	1298951	0	1298951	0	220363	5335	225698	0	1078588
3	Office & electrical equipments	299000	0	23780	275220	128797	13091	12247	129641	170203
4	Computers	1435735	0	0	1435735	1396261	0	0	1396261	39474
5	Vehicles	213824	0	0	213824	203133	0	0	203133	10691
	Total	3444134	0	1519355	1924779	1948554	18426	237945	1729035	1495580
	Previous year	3444134	0	0	3444134	1900120	48434	0	1948554	1495580

GLOBAL IT OPTIONS LIMITED**SCHEDULE G****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****(a) SIGNIFICANT ACCOUNTING POLICIES:****1. Accounting Convention:-**

The Financial statements have been prepared in accordance with Indian generally Accepted Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) & prescribed in the Companies (Accounting Standards) Rules, 2006. These Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted by the company. Management evaluates the effect of accounting standards issued on a going basis and ensures that they are adopted as mandated by the ICAI.

2. Use of Estimates:-

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

3. Investments:-

Long term investments are valued at cost, after providing for any diminution in value, if such diminution is of permanent nature. Shares, debentures, units and securities which the management intends to hold on a long term basis are classified as 'Investment.' A provision for decline in value of Investments is made only when the extent of loss is determinable and diminution in value, in the opinion of the Directors, is permanent. Current investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

4. Revenue recognition:-

- (i) Dividend income is recognized if the right to receive the payment is established by the Balance Sheet date.
- (ii) Interest income has been recognized on accrual basis and proportionate.

5. Fixed assets:-

Fixed assets are stated at cost of acquisition inclusive of inward freight, duties and taxes (excluding of recoverable tax and duties) and other incidental expenses related to their acquisition.

6. Depreciation:-

- a) Depreciation has been provided on the straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- b) On assets purchased for less than Rs. 5000 the company charges @ 100% depreciation on a pro-rata basis.

7. Employees Benefits:-

There were no employees in the company during the previous year. Accordingly, no provision for Short Term Employee Benefits & Post-Employment Benefits such as provident fund, gratuity, superannuation schemes, leave encashment has been made during the reporting period.

The aforesaid staff benefit schemes will be provided according to respective laws as and when these will be applicable on company.

8. Taxation:-

The current charge for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax act, 1961. Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an Asset if there is convincing evidence that company will pay normal tax. MAT Credit entitlement can be carried forward and utilized for a period of 10 years or as amended from time to time, from the year in which the same is availed. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between taxable profits and accounting profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax Assets on timing difference are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

9. Provisions and Contingencies:-

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate Asset, only when such reimbursement is virtually certain. Contingent Liabilities are disclosed after an evaluation of the facts and legal aspects of the matters involved. Contingent Assets are neither recognized, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet.

10. Earning Per Share:-

The basic and diluted earnings per share (EPS) are computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

(b) Notes to the Accounts

1. In the opinion of the management, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet.
2. The company had no outstanding dues to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at June 30, 2011.
3. There are no employees in the company in the year ending 30-June-11. No Employee Benefits Schemes such as Gratuity, Provident Fund & other staff welfare schemes are applicable on the Company during the reporting period. Accordingly no provision has been made during the reporting period as mandated by "Accounting Standard-15 on Employees Benefits", issued by Institute of Chartered Accountants of India.
4. In accordance with the Accounting Standards 22 issued by Institute of Chartered Accountants of India, Deferred tax assets on accumulated depreciation and losses has not been accounted for since it is uncertain whether there will be sufficient future taxable income against which such deferred tax assets can be realized.

5. Earnings per Share (EPS) :

		Year Ended 30.06.2011	Year ended 30.06.2010
(a)	Net Profit/ (Loss) for the year attributable to Equity Shares (In Rs.)	518,199	(178,639)
(b)	Number of Shares at the beginning of the year	1000020	1000020
	Number of Shares at the close of the period	1000020	1000020
	Weighted average number of shares outstanding during the year	1000020	1000020
(c)	Nominal value of each equity shares	10	10
(d)	Earning per share - Basic (Rs.)	0.52	(0.18)

6. Related party transaction :-**a. List of Related Parties:**

1	Key Managerial Persons	S.N Sharma Vikram Dogra Sandeep Bhardwaj
2	Holding Company	DCM Financial Services Ltd.

b. Transactions with related parties during the period in the ordinary course of business :

Particulars	Key Managerial Persons	Holding Company	Associate Companies	Total
	For the 12 months period ended 30.06.11 (Rupees)	For the 12 months period ended 30.06.11 (Rupees)	For the 12 months period ended 30.06.11 (Rupees)	For the 12 months period ended 30.06.11 (Rupees)
Other Income	-	25,000	-	25,000

C. Outstanding Balances with Related parties as on 30-June-11 :

Particulars	Key Managerial Persons	Holding Company	Associate Companies	Total
	As on 30-Jun-11 (Rupees)	As on 30-Jun-11 (Rupees)	As on 30-Jun-11 (Rupees)	As on 30-Jun-11 (Rupees)
Unsecured Loan / Advances	-	15,759	-	15,759

7. Company is engaged into the business of Information Technology. The operations conducted by Company during the financial year ending 30 June, 2011 are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details of sales and certain information as required under the paragraph 3, 4C, and 4D of Part-II of Schedule V to the Companies Act, 1956.

8. Comparative Figures:-

The figures of previous period have been regrouped/ reclassified, wherever necessary, to conform to the current year's classification.

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

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Sd/-
(S.N.Sharma)
Director

Sd/-
(Vikram Dogra)
Director

Sd/-
(Sandeep Bhardwaj)
Director

Place : New Delhi
Date 01 December 2011

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration details

 Registration no.

0	6	9	2	2	3
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 State Code

5	5
---	---

 Balance Sheet Date

3	0
---	---

 Date

0	6
---	---

 Month

1	1
---	---

 Year

II Capital Raised during the year (Amount in Rs. Thousands)

 Public Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

 Right issue

			N	I	L			
--	--	--	---	---	---	--	--	--

 Bonus Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

 Private Placement

			N	I	L			
--	--	--	---	---	---	--	--	--

III Position of Mobilisation and Deployment of Fund (Amount in Rs Thousand)

 Total Liabilities

-	-	-	-	1	0	0	0	0
---	---	---	---	---	---	---	---	---

 Total Assets

-	-	-	-	1	0	0	0	0
---	---	---	---	---	---	---	---	---

Sources of fund

 Paid-Up Capital

-	-	-	-	1	0	0	0	0
---	---	---	---	---	---	---	---	---

 Reserve & surplus

			N	I	L			
--	--	--	---	---	---	--	--	--

 Secured Loan

			N	I	L			
--	--	--	---	---	---	--	--	--

 Unsecured Loan

			N	I	L			
--	--	--	---	---	---	--	--	--

Application of Funds

 Net Fixed assets

-	-	-	-	-	-	1	9	6
---	---	---	---	---	---	---	---	---

 Investments

-	-	-	-	-	-	1	5	9
---	---	---	---	---	---	---	---	---

 Net Current Assets

-	-	-	-	-	2	9	2	7
---	---	---	---	---	---	---	---	---

 Miscellaneous expenditure

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

 Accumulated Losses

-	-	-	-	-	6	7	1	8
---	---	---	---	---	---	---	---	---

IV Performance of Company (Amount in Rs thousand)

 Turnover

-	-	-	-	-	-	8	9	9
---	---	---	---	---	---	---	---	---

 Total Expenses

-	-	-	-	-	-	1	2	6
---	---	---	---	---	---	---	---	---

 Profit / Loss before Tax

-	-	-	-	-	-	7	7	3
---	---	---	---	---	---	---	---	---

 Profit / Loss after Tax

-	-	-	-	-	-	5	1	8
---	---	---	---	---	---	---	---	---

(PLEASE TICK APPROPRIATE BOX +FOR PROFIT, - for Loss)

 Earning Per Share in Rs.

-	0	.	5	2	-	-	-	-
---	---	---	---	---	---	---	---	---

 Dividend Rate %

			N	I	L			
--	--	--	---	---	---	--	--	--

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

 Item Code No.(ITC Code)

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

 Product Description

I	N	F	O	R	M	A	T	I	O	N
T	E	C	H	N	O	L	O	G	Y	

for V. Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

 Sd/-
(Manish Mohan)
Partner
M. No. 091607

 Sd/-
(S.N.Sharma)
Director

 Sd/-
(Vikram Dogra)
Director

 Sd/-
(Sandeep Bhardwaj)
Director

 Place : New Delhi
Date 01 December 2011

CONSOLIDATED AUDITORS' REPORT

To,
The Members,
DCM Financial Services Limited
New Delhi.

- (1) We have audited the attached consolidated balance sheet of **DCM Financial Services Limited** as at 30th June, 2011 and also the consolidated profit & loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, (the Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- (4) These accounts have been prepared using the going concern assumption based on an assumption & premises made by the management that fresh scheme would be approved by Hon'ble Delhi High Court, adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis and on the letter of financial support by the promoter group. These accounts do not include any adjustments that would result from discontinuance of the existing financial support by the promoter group.
- (5) Further to our comments in the Annexure referred to in paragraph 3 above we report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of the books.
 - (c) The company's balance sheet and profit & loss account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the balance sheet, profit & loss account and the cash flow statement of the company dealt with by this report comply with requirements of the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 **except for non-provision of interest and discounting charges on accrual basis as prescribed by Accounting Standard 1 and non-provision of doubtful receivables and other current assets as prescribed by Accounting Standard 28 on Impairment of Assets.**
 - (e) Based on the representations made by all the Directors of the company and the information and explanations duly certified given to us by the company none of the Directors of the company are disqualified as on 30th June, 2011 from being appointed as a Director in terms of section 274 of the Companies Act, 1956 except sub clause (B) & clause (g) of sub section (1).

However, due to defaults in repayment of Fixed Deposit listed in section 274(1)(g) of the Companies Act, 1956, the company has become a disqualifying company and consequently its directors are disqualified from being appointed or re-appointed as directors of any other company.

- (f) *In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit & loss account subject to recognition of Rental Income of Rs 105.68 Lacs during the financial year ended 30th June, 2011 & non provision of doubtful debts against Rental Receivable of Rs 280.69 lacs pertaining to previous years which have not yet been realized & are also doubtful of recovery, net profit for the year & current assets are overstated and cumulative net loss is understated to that extent, non provision of doubtful realization on stock in trade of Rs. 1.96 lacs, net profit for the year & Current Assets are overstated and cumulative net loss is understated to that extent along-with Notes 5 (c), 5(e) 6(B), (C), (D), 7(e), 8 on non-provision of interest on debentures, term loans and banks, fixed deposits, and inter corporate deposits, 5(d) on non-creation of debenture redemption reserve, Note 1 on application for acceptance of fresh scheme of arrangement which is pending before the Hon'ble Delhi High Court for approval & acceptance, Note 5(a) and 6(E) on security against debentures and banks and institutions respectively, Note 7(a) on defaults in repayment to depositors, Note 7(c) & 7(d) on un-reconciled differences in fixed deposit register, Note 7(f) on non-maintenance of statutory minimum liquid assets, Note 9 on non-provision of NPA's, Note 11 on non-reconciliation of stock in trade, Note 13 on assumption by the management that the company is a going concern, Note 14(a) on absence of balance confirmation, Note 14(b) on un-reconciled balances, Note -15 on payment of Director's Remuneration of Rs 3.54 Lacs without obtaining approval of Central Government under Section 309 of the Companies Act, 1956, Note 18 on contingent liabilities not ascertained and Para 6 of CARO relating to fixed deposits and the remaining notes appearing thereon read with the Accounting Policies give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-*

- i) In the case of the consolidated balance sheet of the state of affairs of the company as at 30th June, 2011; and
- ii) In the case of the consolidated profit & loss account of the company of the Profit for the year ended 30th June, 2011; and
- iii) In the case of the consolidated cash flow statement of the cash flows for the year ended on 30th June, 2011.

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

Place : New Delhi
Dated : 05- Dec-2011

Sd/-
(Manish Mohan)
Partner
Membership No: 091607

CONSOLIDATED BALANCESHEET AS ON 30th JUNE,2011

	Schedule	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SOURCES OF FUNDS			
Share Capital	1	2,212.51	2,212.51
Share Application Money		549.72	549.72
Minority Interest		3.28	2.76
Reserves & Surplus	2	2,009.71	2,009.71
Secured Loans	3	3,973.95	3,975.19
Unsecured Loans	4	5,690.17	5,694.54
Total		14,439.34	14,441.43
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		3,779.20	3,795.16
Less: Depreciation		2,275.55	2,241.76
Net Block		1,503.65	1,553.40
		<u>1,503.65</u>	<u>1,553.40</u>
Investments	6	87.17	87.17
Current Assets , Loans & Advances	7		
A) Current Assets		6,077.99	5,715.71
B) Loans & Advances		556.01	587.80
		<u>6,634.00</u>	<u>6,303.51</u>
Less: Current Liabilities & Provisions	8		
A) Current Liabilities		1,203.21	1,093.12
B) Provisions		1,574.38	1,571.42
		<u>2,777.59</u>	<u>2,664.54</u>
Net current Assets		<u>3,856.41</u>	<u>3,638.97</u>
Profit and Loss Account	2	8992.11	9,164.88
Total		14,439.34	14,444.43
Significant Accounting Policies	13		
Notes to the Accounts	14		

As per our report of even date attached

For V Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Sd/-
(Arif Beg)
Chairman

Sd/-
(O. P. Gupta)
Director

Place : New Delhi
Dated : December 05, 2011

Sd/-
(S.K.Sharma)
Executive Director

Sd/-
(Sumit Agarwal)
Company Secretary

CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 30th JUNE,2011

	Schedule	for the year ended 30.06.2011	Rs. in Lacs for the year ended 30.06.2010
INCOME			
Income from Money Market Operations	9	216.87	207.20
Income from Capital Market Operation	10	(5.85)	0.09
Profit on sale of Fixed Assets		7.19	-
Other Income	11	118.87	105.18
		<u>337.08</u>	<u>312.47</u>
EXPENDITURE			
Interest and Finance charges		0.14	-
Establishment, Administration & Other Expenses	12	<u>122.57</u>	<u>129.24</u>
		122.71	129.24
PROFIT BEFORE DEPRECIATION		<u>214.37</u>	<u>183.23</u>
Less :Depreciation	5	<u>36.63</u>	<u>37.24</u>
PROFIT BEFORE TAX		177.74	145.99
Less :Income tax for the Current Year		2.55	
NET PROFIT / (LOSS) FOR THE YEAR BEFORE EXTRA ORDINARY ITEMS		175.19	145.99
Add(Less) : Prior Period Adjustment		(1.91)	0.15
Less : Provision for NPA		0.00	1.07
PROFIT /(LOSS) FOR THE YEAR		173.28	145.07
Profit brought forward from previous year		(9,172.11)	(9,317.18)
Surplus(Loss) Carried to Schedule 2		<u>(8,998.83)</u>	<u>(9,172.11)</u>
Significant Accounting Policies	13		
Notes to the Accounts	14		

As per our report of even date attached

For V Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Sd/-
(Arif Beg)
Chairman

Sd/-
(O. P. Gupta)
Director

Place : New Delhi
Dated : December 05, 2011

Sd/-
(S.K.Sharma)
Executive Director

Sd/-
(Sumit Agarwal)
Company Secretary

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 1		

SHARE CAPITAL**Authorised**

6,50,00,000 Equity Shares of Rs.10 each

(Previous Year 6,50,00,000 Equity Shares of Rs.10 each)	6500.00	6500.00
	<u>6500.00</u>	<u>6500.00</u>

Issued, Subscribed & Paid up

2,21,25,054 Equity Shares of Rs.10 each Fully paid up

(Previous Year 2,21,25,054 Equity Shares of Rs.10 each)	2212.51	2212.51
	<u>2212.51</u>	<u>2212.51</u>

Note : Of the above 7,91,392 Equity Shares of Rs.10/- each were allotted as fully paid up by way of Bonus Shares by capitalising the surplus in the Profit & Loss Account.

SCHEDULE 2**RESERVES & SURPLUS**

Share Premium	1,650.86	1,650.86
Debenture Redemption Reserve	8.75	8.75
Special Reserve	156.23	156.23
Capital Reserve	193.87	193.87
Total	<u>2,009.71</u>	<u>2,009.71</u>
Surplus/(Loss) as per Profit and Loss A/c	(8,998.83)	(9,172.11)
Less : Minority Share	(6.72)	7.24
Total	<u>(8992.11)</u>	<u>(9,164.88)</u>

SCHEDULE 3**SECURED LOANS**

Debentures	2,557.25	2,558.49
Term Loans from Institution	36.30	36.30
Due to Banks	1,380.40	1,380.40
Total	<u>3,973.95</u>	<u>3,975.19</u>

(a) Scheme "A" Series

The company had allotted the Debenture 'A' series on 28th February, 1996 and 23rd September 1996. Subject to note 4(a) of these debentures are secured against mortgage / hypothecation / charge on assets financed out of the proceeds of these debentures. The outstanding debentures of Rs.8.50 Lacs were overdue as on June 30,2011.

(b) Scheme "B" Series

Debenture 'B' Series were allotted on 5th November, 1996. and subject to Note 4(a) are secured against hypothecation / charge on land and premises situated at Mouje Pirangut, Taluka Mulshi, Distt Pune in the State of Maharashtra alongwith all buildings, structures thereon and all plant and machinery, spares, tools, accessories and other movables of the Company, both present and future, whether installed or not. The total amount of debentures allotted were Rs 2818.04 lacs and matured for redemption on 5th may 1998. Out of total debentures allotted amounting to Rs 2818.04 lacs, debentures of Rs 269.29 lacs have been redeemed upto June 30,2011.

The remaining debentures as at June 30, 2011 in the "B" series amounting to Rs 2548.75 lacs consist of the following:-

Particulars	Amount/Lacs,
19.5% Regular	1185.19
19.5% Cumulative	1060.80
Deep Discount Bonds	302.76
Total	<u>2548.75</u>

The company proposes to vary the terms of debentures through the scheme of arrangement for reorganisation of share capital of the company and for compromise with its secured and unsecured creditors.

(c) Institution	Amount/Lacs. outstanding	Security
Small Industries Development Bank of India	36.30	Hypothecation / charge on assets financed out of the said loan.
Total	<u>36.30</u>	

The aforesaid amount outstanding Rs. 36.30 lacs is overdue for payment.

(d) Amount due with banks are secured against the assets financed out of the said facilities and hypothecated to the bank.

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
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SCHEDULE 4**UNSECURED LOANS**

Fixed Deposits from Public	5,638.00	5,642.36
Term Loan	25.00	25.00
Inter-Corporate Deposits	27.17	27.17
Total	<u>5,690.17</u>	<u>5,694.53</u>

SCHEDULE 5

FIXED ASSETS

Rs. in Lacs

S. No.	Particulars	Gross Block			Depreciation / Adjustment			Net Block		
		As at 01.07.2010	Additions	Deletions / Adjustment	As at 30.06.2011	As at 01.07.2010	For the year	Transfer/ Adjustment	As at 30.06.2011	As at 30.06.2010
A	Own Assets									
1	Land	5.03	0	1.97	3.06	0.00	0.00	0.00	3.06	5.03
2	Plant & Machinery	98.77	0	0.35	98.42	0.20	0.29	97.49	0.93	1.19
3	Buildings	1,868.16	0	12.99	1,855.17	30.29	2.24	410.43	1,444.74	1,485.78
4	Vehicles	12.06	0	0.00	12.06	0.14	0.00	11.59	0.47	0.62
5	Furniture & Fixtures	60.24	0	0.00	60.24	3.52	0.00	28.71	31.54	34.96
6	Office Equipment & Appliances	56.65	0.1	0.76	55.99	30.83	2.48	33.06	22.93	25.82
	Total (A)	2,100.91	0.1	16.07	2,084.94	547.52	36.63	581.28	1,503.66	1,553.39
B	Leased Assets									
1	Plant & Machinery	1,158.17	0	0.00	1,158.17	0.00	0.00	1,158.17	0.00	0.00
2	Vehicles	409.91	0	0.00	409.91	0.00	0.00	409.91	0.00	0.00
3	Office Equipment & Appliances	126.18	0	0.00	126.18	0.00	0.00	126.18	0.00	0.00
	Total (B)	1,694.26	0	0.00	1,694.26	0.00	0.00	1,694.26	0.00	0.00
	Total (A+B)	3,795.17	0.1	16.07	3,779.20	2,241.78	36.63	2,275.55	1,503.66	1,553.39
	Previous year	3,775.84	20.48	1.14	3,795.17	2,205.04	37.23	2,241.75	1,553.40	1,570.79

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 6		
LONGTERM INVESTMENTS		
Shares-Trade	45.48	45.48
Punj Llyod Ltd.(Market Value Rs.1,51,70,000/- of 2,00,000 Equity Shares of Rs. 2.00 each) (Previous Year Rs.2,72,20,000/- of 2,00,000 Equity Shares of Rs. 2.00 each)		
Shares-Non Trade		
Qouted		
Hindalco Industries Limited (82 shares of Rs. 1 each fully paid up) Mkt. Value Rs. 14,842 (Previous year Rs. 11,849)	0.08	0.08
Digjam Limited (Formal name Birla VXL Limited) (58 shares of Rs. 10 each fully paid up) Mkt. Value Rs. 658.30 (Previous year Rs. 730.80)	0.01	0.01
Federal Bank Ltd. (600 Shares of Rs. 10 each fully paid up) Mkt. Value Rs.2,71,080 (Previous year Rs. 1,90,830)	1.50	1.50
Relig Tech. Ltd. (25 Shares of Rs. 10 each fully paid up) Mkt. Value Previous year Rs. 1,782.50	0.00	0.00
Religare Technova Ltd.* (Formal name Relig Tech. Ltd.) (20 Shares of Rs. 10 each fully paid up)	0.00	0.00
Religare Technologies Ltd.* (Formal name Relig Tech. Ltd.) (5 Shares of Rs. 10 each fully paid up)	0.00	0.00
Un qouted		
Profit Money Market Ltd 25,000 Equity Share (Previous Year 25,000 Equity Share)	2.50	2.50
RFB Latex Ltd 2,20,000 Equity Share(Previous Year 2,20,000 Equity Share)	40.10	40.10
World Tex Ltd 4,37,500 Equity Share (Previous Year 4,37,500 Equity Share)	119.53	119.53
Cepharm Milk Specialities Ltd. Nil Equity Share (Previous Year 30,000 Equity Share)	0.00	0.00
Cebon India Ltd. 30,000 Equity Share (Previous Year 30,000 Equity Share)	0.00	0.00
Rajasthan Antibiotics Ltd. 30,000 Equity Share (Previous Year 30,000 Equity Share)	0.00	0.00
	209.20	209.20
Less : Provision for diminution in the value of Investments	122.03	122.03
	87.17	87.17

* Market value is not available as on 30 June 2011.

	As at 30.06.2011	Rs. in Lacs As at 30.06.2010
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Current Assets:		
(Unsecured, considered good)		
Securities held as Stock in Trade	7.86	13.71
Sundry Debtors*		
Outstanding for more than six months	2613.29	2,616.09
Others	-	-
Subtotal	2,613.29	2,616.09
Fixed Deposits with Bank	3,437.96	3,038.05
Balance with Scheduled Banks	18.40	45.40
Cash in Hand	0.48	2.46
Sub Total (a)	6,077.99	5,715.71

Loans & Advances:**(unsecured, considered good)**

Bills Receivable	109.51	109.51
Advances recoverable in cash or in kind	314.53	301.90
Security deposits receivable	0.06	0.06
Advance Tax & TDS ** (Net of Provision of Tax Rs 2,54,812)	52.33	96.75
Deposits Placed with Companies	79.58	79.58
Sub Total (b)	556.01	587.80
TOTAL (a+b)	6,634.00	6,303.51

* Net of Rs. 6,01,93,479 received from the customers as a security deposits.

** During the year, income tax refund of Rs. 52,80,799.

SCHEDULE 8**CURRENT LIABILITIES AND PROVISIONS****CURRENT LIABILITIES:**

Tax Deducted at Source	0.50	0.39
Expenses Payable	61.81	67.49
Others Current Liabilities	1,140.90	1,025.23
Sub Total (a)	1,203.21	1,093.12

PROVISIONS:

Provision for Non Performing Assets	1,566.86	1,566.86
Provision for Gratuity	5.60	4.56
Provision for Income Tax	1.92	-
Sub Total (b)	1,574.38	1,571.42
TOTAL (a+b)	2,777.59	2,664.54

	For the year ended 30.06.2011	Rs. in Lacs For the year ended 30.06.2010
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SCHEDULE 9**INCOME FROM MONEY MARKET OPERATIONS**

Interest on Fixed Deposits	216.87	207.20
Total	216.87	207.20

Tax Deducted at source from Interest Income is Rs.6.41 Lacs, Previous year Rs. 2.82 Lacs.

SCHEDULE 10**Profit/Loss on Sale of Shares & Debentures**

Sale of Shares /Shares Tendered on Buy Back	0.00	0.00
Add : Closing Stock	7.86	13.71
Less : Purchases/Transfer	0.00	0.00
Opening Stock	13.71	13.62
Profit /(Loss)	(5.85)	0.09

SCHEDULE 11**OTHER INCOME**

Dividend Income	0.66	0.68
Rent Income	105.68	102.96
Income on Settlement with Debtors	5.93	1.54
Interest on Income Tax refund	6.19	-
Miscellaneous Income	0.41	0.00
Total	118.87	105.18

SCHEDULE 12**ESTABLISHMENT, ADMINISTRATIVE
& OTHER EXPENSES**

Salaries & Allowances	35.57	38.35
Travelling & Conveyance	7.15	6.40
Staff Welfare	0.15	0.29
Postage & Telegram	0.18	0.19
Repairs - Building	8.23	9.25
- Others	0.16	0.08
Electricity & Water	1.89	2.27
Legal & Consultancy Charges	21.76	31.69
Printing & Stationery	0.72	1.69
Fees to Auditors for —Statutory Audit	2.02	1.84
—Tax Audit	0.83	0.75
—Certification work	0.52	0.17
— Others	0.00	0.00
Insurance Charges	0.01	0.08
Rent	18.28	14.23
Telephone Expenses	1.90	1.95
Watch And Security Expenses	0.00	0.53
Bank Charges	0.11	0.06
Advertisement & Publicity	0.85	0.66
Loss on Sale of Fixed assets	0.35	0.33
Share Transfer Expenses	1.47	1.30
AGM Expenses	7.23	7.35
Receivable Written Off	0.00	5.16
Internal Audit Fees	0.20	0.20
Office Expenses	0.21	0.61
Lisiting Fees	1.90	1.85
House Tax Paid	1.80	1.39
Other Expenses	9.08	0.57
Total	122.57	129.24

Schedule 13

SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) & prescribed in the Companies (Accounting Standards) Rules, 2006. These Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted by the company. The management evaluates the effect of accounting standards issued on a going basis and ensures that they are adopted as mandated by the ICAI.

2. REVENUE RECOGNITION

- (a) Revenue is being recognised in accordance with the Guidance Note on accrual basis of accounting issued by the Institute of Chartered Accountants of India. Accordingly, if there are any uncertainties in realization, income is not accounted for.
- (b) Dividend on shares is accounted for as and when received.
- (c) In respect of other heads of income, the company follows the accrual basis of accounting.
- (d) Overdue Interest on debtors has been accounted for at the time of settlement with Debtors in accordance with the principle of virtual certainty.

3. INVESTMENTS

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

4. FIXED ASSETS

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

5. INVENTORY

Securities held as stock in trade are valued at lower of estimated cost or market value.

6. EARNING PER SHARE

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

7. DEPRECIATION

Depreciation is computed at the following rates: -

- (a) On its own fixed assets on a pro-rata basis on the straight line method at rates specified in Schedule XIV to the Companies Act, 1956.
- (b) For assets given out on financial lease at rates specified in Schedule XIV to the Companies Act, 1956 or the amounts to be written off evenly over the period of lease, whichever is higher. The amount to be written off is determined after deducting the security deposit received from the cost of the asset.
- (c) On assets given out on operating lease, on a pro-rata basis, on the straight-line method at rates specified in Schedule XIV to the Companies Act, 1956.
- (d) On assets purchased for less than equal to Rs. 5,000, company charges depreciation @100% on a pro-rata basis.

- (e) In respect of additions made during the year, depreciation is computed from the beginning of the month of acquisition and in respect of assets sold/discarded during the year the depreciation is charged up to the end of the month in which sale/discard takes place.

8. REPOSSESSED STOCK

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

9. RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Short Term Employee Benefits

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

(b) Post-Employment Benefits

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

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

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

(c) Long Term Employee Benefits

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

10. PROVISIONS AND CONTINGENCIES

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

11. USE OF ESTIMATES

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

Schedule 14**CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th JUNE 2011****1. RESTRUCTURING SCHEME**

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

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

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

The company has filed a fresh Scheme of Arrangement for the reorganization of the Share Capital of the Company and for compromise with the Secured and Unsecured Creditors of the company, hereinafter referred to as the "fresh scheme" before the Hon'ble Delhi High Court at New Delhi on 24th September 2004.

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

The promoter company has undertaken subject to sanction of the scheme by the Hon'ble Delhi High Court to contribute to Rs. 19.50 Crores of which Rs. 15.60 crores was deposited with the Hon'ble High Court Registrar, as per Court order by promoter group.

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

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

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

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

The fresh scheme is pending before the Hon'ble Delhi High Court as at 30th June, 2011 & there is no change in the status at the time of adoption of the financials for the period ended 30th June, 2011 by the Board of Directors.

2. DEPOSIT OF RS 15.60 CRORE BY DCM SERVICES LIMITED

DCM Services Ltd as a promoter has committed to bring in Rs 19.50 Cr as a promoter contribution upon sanction of their restructuring scheme u/s 391 of the Indian Companies Act, which is presently pending for sanction before the Hon'able Delhi High Court.

The Court vide order dated 15.2.2010 has asked the promoters to deposit Rs 15.60 Crore with the court with a condition that in case the scheme is not approved due to any reason the amount will be given back to the promoters .

Pursuant to the court order, DCM Services Limited has deposited Rs 5.00 Cr on 16.07.2010, Rs 6.70 Cr on 18.11.2010 & Rs. 3.90 Cr. on 21.04.2011 with the Registrar, Delhi High Court. No financial impact of same has been recorded in the financials of the Company during the year ended 30th June, 2011.

3. SHARE APPLICATION MONEY

As per consent letters received, expenditure incurred/repayment made by the company amounting to Rs. 549.72 lacs funded by the group companies till June.2007, have been credited to the Share Application account.

4. CAPITAL RESERVES

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

5. DEBENTURES

- a) 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.
- b) 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.
- c) Provision of interest on debentures up to June 30, 2011 calculated @ 10% p.a. of simple interest as per renewal offer letter of 1998 on 19.5% Debenture "B" Series and regular interest on Debenture "A" Series amounting to approximately Rs. 3,353.86 lacs has not been provided since a fresh restructuring scheme that is subject to the approval of the Hon'ble High Court of Delhi has been submitted which does not envisage payment of any interest. To the extent of the non-provision of interest calculated as per renewal offer letter of 1998, the current year profits are overstated to the extent of Rs. 255.78 lacs. And cumulative net losses are understated to the extent of Rs. 3,353.86 lacs. The difference between the original contracted interest @ 19.5% and as per offer letter @ 10% has also not been ascertained and provided for pending approval of the fresh scheme. To the extent of interest not provided cumulative net loss is understated.
- d) Debenture Redemption Reserve for series "B" has not been created during the year in view of the carry forward losses suffered by the company in the past.

- e) The Central Bank of India, Mumbai, Trustees for the Non-Convertible Debentures B-Series have filed a suit for recovery of Rs. 4,423.86 lacs on 14th October, 1999 before the Hon'ble Mumbai High Court. As against the claim of Rs. 4,423.86 lakhs by The Central Bank of India, Mumbai, Trustees for The Non-Convertible Debentures "B" Series, Rs. 2548.75 lacs on account of principal and interest is reflected in the books as on date. In view of the fresh scheme seeking waiver of interest payable to debenture holders, no provision has been made for the difference between the claim made by the Central Bank of India and the liability as per the books to this extent the cumulative net losses of Rs. 1,875.11 lacs. is understated.

The Hon'ble Mumbai High Court vide its interim order dated 24th December, 1999 has passed an order that all receipts from hypothecated assets shall be deposited with the trustees in a separate bank account except for amounts utilized as per orders of The Reserve Bank of India and the Company Law Board.

The suits filed by the Central Bank of India before the Hon'ble Mumbai High Court has been stayed by Hon'ble High Court of Delhi vide order dated 14 September 2005 on application made by the company and there is no change in the status as at 30th June, 2011.

6. LOANS FROM INSTITUTIONS/BANKS

(A) **SBI HOME FINANCE LTD.(SBIHF): -**

The company has already paid Rs. 2.90 crores under the old scheme and proposes to allot shares worth Rs. 25 lakhs for the balance as per the fresh scheme in the first year from the effective date (Effective date means the date of filing of the certified copy of the order sanctioning the scheme of the Honorable High Court of Delhi at New Delhi with the Registrar of Companies of Delhi & Haryana). SBIHF has removed a charge on its assets and therefore the loan is now categorized as unsecured loan.

- (B) **SIDBI:** The amounts due has been quantified at Rs. 45.38 lacs as per the "old scheme under review". However, under the fresh scheme the interest payable amounting to Rs. 9.08 lacs is sought to be waived and has already been written back in the earlier year. The principal amount due as on 30th June, 2004 amounting to Rs. 36.30 lacs is proposed to be repaid in 3 equal installments of Rs. 12.10 lacs from the 2nd year of the effective date.

SIDBI has filed a petition for winding up on alleged non-payment of Rs. 54.40 lacs before the Hon'ble Delhi High Court on which stay has been granted by the Hon'ble Delhi High Court. Provision for liability on account of interest, overdue interest, and other charges claimed and claimable by SIDBI has not been ascertained and provided for due to waiver of interest sought under the "fresh scheme".

- (C) **PUNJAB & SIND BANK (PSB):** As per the fresh scheme the total amount payable to PSB remains quantified at Rs. 901.80 lakhs 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. Out of this 60% of Rs.901.80 lacs i.e. Rs.541.08 lacs. shall be payable in 6 equal yearly installments after one year from the date of approval of the scheme on or 1st April,2006 whichever is earlier. The balance 40% shall be discharged by issuing equity shares at any time within 3 years of the effective date or 1st April, 2006 which ever is earlier. The company has till date paid/ adjusted Rs. 98.40 lacs and the balance of Rs. 803.40 lacs as on 30th June 2008 is payable as per the fresh scheme pending before the Hon'ble Delhi High Court. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs. 395.97 lakhs, 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 the event of default in the payment of interest and principal, the concessions made by PSB shall stand withdrawn and their claim settled before the Debt Recovery Tribunal of Rs. 1217.52 lakhs will become payable with immediate effect. Interest payable from 01.04.2005 to 30.06.2011 is also not provided since a fresh restructuring scheme, which is subject to the approval of Hon'ble High Court of Delhi, has been submitted which does not envisage payment of any interest. In view of the claim of Rs 1217.52 filed before the Debt Recovery Tribunal and to the extent of interest, overdue interest, default charges not provided, net profit for the year is overstated and cumulative net loss is understated to that extent.

- (D) **INDUSIND BANK:** The amount payable to Indusind Bank after calculating interest up to March 31, 2000 had been quantified at Rs. 916.64 lakhs in accordance with the "old scheme under review". The company has till date paid/adjusted Rs. 339.64 lakhs and the balance of Rs.577.00 lacs as on 30th June 2008 is also payable as per the fresh scheme. Pursuant to an earlier agreement with the bank, from April 1, 2000 till 31st March 2005, interest at a compounded half yearly rate of 10% p.a. has been computed at Rs. 300.20 lakhs, 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 the event that the company fails to pay the interest or principal, the concessions made by Indusind Bank will be withdrawn and the amount claimed in the Debt Recovery Tribunal amounting to Rs. 1042.42 lakhs would be payable with immediate effect. Interest payable from 01.04.2005 to 30.06.2011 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**. The net profit for the year is overstated and cumulative net loss is understated to that extent.

(E) VALUE OF SECURITY AGAINST SECURED LOANS FROM BANKS/ INSTITUTIONS:

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

7. FIXED DEPOSITS ACCEPTED

- a) 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 problem, the company has not fully followed the schedule of repayment ordered by the Company Law Board. However, a fresh scheme of arrangement for re-organization of the share capital of the company and for compromise with its creditors including fixed depositors has been made in which interest dues will be waived and accordingly provision of interest payable amounting to Rs. 827.06 lacs has been written back in earlier years.
- b) The Company has also moved an application before the Hon'ble Company Law Board, New Delhi on 22nd July 2004 under Regulation 44 of the Company Law Regulations 1991 proposing a fresh repayment schedule to fixed depositors of the Company before the fresh scheme is filed before the Hon'ble Delhi High Court.
- c) Fixed deposits and bills payable as per information retained on the computer is Rs.5648.70 lacs whereas fixed deposits, which also includes bills payable, as per books, amounts to Rs.5638.00 lacs and the difference of Rs. 10.70 lacs is un-reconciled. The company, in accordance with a subsequently confirmed order of the Hon'ble Company Law Board dated July 17, 1998 had given an option to the creditors of overdue bills rediscounted to convert their dues into fixed deposits on due dates retrospectively. Bills rediscounted, including those converted into fixed deposits, have been reflected under fixed deposits.
- d) Liability on account of Fixed Deposits received contain certain deposits which appear prima-facie to be suspect due to either lack of identification of depositors or no claim or confirmation having been received by the company.

Payment of those deposits that are under a suspicious category will be made under the proposed scheme of arrangement only after the evidence of receipt of money is established.
- e) Provision for interest on fixed deposit up to June 30, 2011 calculated at simple interest @ 10% p.a. in accordance with the order of The Hon'ble Company Law Board amounting to approx. Rs.8,297.92 lacs (including approximately Rs. 7,732.88 lacs for the earlier years) has not been made in view of the "fresh scheme" pending before the Hon'ble Delhi High Court wherein the company does not envisage payment of any interest. To the extent of non-provision of interest @10% as per the previous CLB order, the current year profits are overstated to the extent of approximately Rs.565.04 lacs and cumulative net losses are understated to the extent of approximately Rs.8,297.92 lacs. The difference between the contracted rate of interest and rate of interest @ 10% has also not been ascertained and provided for.

- f) Due to a liquidity crises in the past the minimum liquid assets @15% of fixed deposits as per RBI directives has not been maintained by the company. The company has applied to the Reserve Bank of India and the Company Law Board for exemption from maintaining minimum liquid assets and payment of penal interest but the disposal of the application is still pending.

8. **INTER - CORPORATE DEPOSITS**

Provision for interest on inter corporate deposits up to June 30, 2011 amounting to approximately Rs.89.86 lacs which includes approximately Rs.83.54 lacs for the earlier years, has not been made in view of the "fresh scheme" pending before the Hon'ble High Court of Delhi wherein the company does not envisage payment of any interest. To the extent of non-provision of interest, the current year's profits are overstated to the extent of approximately Rs.6.32 lacs and cumulative net losses are understated to the extent of approximately Rs 89.86 lacs.

9. **NON-PROVISION ON NON-PERFORMING ASSETS AS PER RBI NORMS**

As per Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 assets and receivables are required to be classified as NPA and provision for non-performing assets as prescribed is required to be made. The provision for non-performing assets as per these Directions on hire purchase and lease receivables, inter-corporate deposits given, bills receivable, advances recoverable in cash or in kind and other receivables required to be provided amounted to approx. Rs.2685.99 lacs (Net of Security received of Rs 601.93) but only provision of Rs.1,556.79 lacs has been made. To the extent of non-provision of approximately Rs.1129.20 lacs the cumulative net loss reflected is understated.

Current assets, loans & advances other than mentioned above are good for recovery..

10. **INCOME TAX**

(a) **Deferred Tax Assets**

In accordance with Accounting Standard-22 issued by The Institute of Chartered Accountants of India, Deferred tax assets on accumulated depreciation and losses has not been accounted for since as per certain operational restrictions imposed, the Company is unable to conduct any new business and therefore it is uncertain whether there will be sufficient future taxable income against which such deferred tax assets can be realized. Accordingly in view of absence of virtual certainty of sufficient taxable income, no provision for deferred tax has been made.

(b) **Tax Provision**

The Company has not made/retained any provision for income tax during the year since the company has substantial accumulated brought forward losses from the earlier years.

11. **INVESTMENTS/SECURITIES HELD AS STOCK-IN-TRADE**

During the year there were no transactions relating to sale/purchase of stocks/ investment in shares. In the absence of a complete reconciliation/confirmation of the share division customer account Rs. 164.96 Lacs has been shown as current assets, the recoverability of which is uncertain. During the year ended 30th June 2011, those shares which were held as bad deliveries have been removed from the schedule of stock in trade. The same will be shown when such shares/stock which are termed as bad deliveries are actually transferred in the name of company. The Company has kept with itself few shares & securities as a security received from its customer against the recoverable amount of Rs 164.96 Lacs, which are under reconciliation & confirmation.

12. **EMPLOYEE BENEFITS**

(a) **Defined Contribution Plans:**

The Company has recognized the contribution/liability in the Profit & Loss Account for the financial year 2010-11.

(b) **Defined Benefit Plans & Other Long Term Benefits:**

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans and Other Long Term Benefits:

Rs. in Lacs

PARTICULARS	Gratuity (Non Funded Plan)	Leave Encashment (Non Funded Plan)
Amount recognized in Balance Sheet		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	5.60	2.46
Unrecognized past service cost	-	-
Net Liability/(Assets)	5.60	2.46
Amount in Balance Sheet		
Liability	5.60	2.46
Assets	-	-
Net Liability/(Assets)	5.60	2.46
Expenses recognized in the Profit & Loss Account		
Opening defined benefit obligation less benefits paid	-	-
Current service cost	0.47	0.20
Interest on defined benefit obligation	0.38	0.20
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized in the year	0.19	(0.37)
Past service cost	-	-
Losses/(gains) on "Curtailments and Settlements"	-	-
Total, included in "Employee Benefit Expense"	1.04	0.03
Actual return on plan assets	-	-
Reconciliation of benefit obligations and plan assets for the period	-	-
Change in defined benefit obligation	-	-
Opening defined benefit obligation	4.56	2.43
Current service cost	0.47	0.20
Interest cost	0.38	0.20
Actuarial losses/(gains)	0.19	(0.37)
Liabilities extinguished on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	5.60	2.46
Change in fair value of assets	-	-
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial gain/(Losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-
Assets information		
Category of assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Equity shares of listed companies	-	-
Property	-	-
Insurer Managed Funds	-	-
Others	-	-
Grand Total	-	-
Summary of the actuarial assumptions		
Discount rate	8.25%	8.25%
Expected rate of return on assets	N.A.	N.A.
Future salary increase	6%	6%

Notes:

- (a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors;
- (b) The liability towards gratuity & the earned leave for the year ended 30th June, 2011, based on actuarial valuation amounting to Rs 1.04 lacs. & Rs. 0.03 lacs. have been recognized in the profit & loss account.

13. GOING CONCERN BASIS

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

- (a) fresh scheme would be approved by Hon'ble Delhi High Court,
- (b) adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis and
- (c) the promoters of the Company have provided letter of support.

14. BALANCE CONFIRMATION

- (a) Balance confirmation of bills receivable and payable, advances recoverable in cash or in kind, receivables and payables relating to lease and hire purchase, lease security deposit of which party wise details are not available. Balance confirmation of inter-corporate deposits, balance of ex-employees, margin against L/C, loans from institutions, banks, and other receivables and payables have not been received from the parties/persons concerned. In the absence of balance confirmation the closing balances as per books of accounts have been incorporated in the final accounts and have been shown, unless otherwise stated by the management, as good for recovery/payment. Time barred debts under the Limitations Act have not been separately ascertained and written off or provided for. In the absence of such confirmation & corresponding reconciliation, the financial impact cannot be ascertained.
- (b) To overcome past deficiencies a new accounting software package was introduced in an earlier year on the basis of which accounts have been drawn. However, the aggregate of un-reconciled opening balances of various sub-ledgers with general ledger and subsequently other rectification entries/unidentified balances requiring further analysis had been transferred to a separate account which at the end of the year is Rs.197.09 lacs debit and Rs. 363.66 lacs credit and the net balance of Rs. 166.57 lacs has been shown as a current liability.
- (c) Bank Balance of Rs. 1.26 lacs appearing in the books from 10 Banks were yet to be confirmed by the Banks as at 30th June, 2011.

15. PAYMENT TO DIRECTORS

	Rs. in Lacs 30.06.2011	Rs. in Lacs 30.06.2010
Remuneration including all perquisites	3.54	3.52

The Company has paid Rs 3.54 Lacs remuneration to its Director during the year ended 30th June, 2011. Company has got the approval of Central Government for the payment of Director's Remuneration under Section 309 of the Companies Act, 1956, which was effective and valid up to 30th November 2009. Out of managerial remuneration of Rs 3.52 Lacs paid by the company, Rs 1.66 Lacs pertain to till November, 2009. During the month of November, 2011, Company has submitted an application with Central Government seeking approval for re-appointment of Whole Time Director and for approving the payment of managerial remuneration of Rs 1.86 for the year 2009-2010 & Rs 3.54 for the year 2010-2011. Pending approval, Company has paid the remuneration to director & the same has been shown as managerial remuneration in financials.

16. RELATED PARTY DISCLOSURE

As required by Accounting Standard – **AS 18 “Related Party Disclosure”** issued by The Institute of Chartered Accountants of India are as follows:
List of related parties with whom transactions have taken place during the year:

A. Associate Companies	--DCM Services Limited
B. Subsidiary Companies	-- Global IT Options Ltd.
C. Key Management - Personnel	--Arif Beg, Chairman
	--O. P. Gupta, Director
	--S. K. Sharma, Executive Director

Details of Transactions are as follows:

	(Rs. in lacs) Year ended 30.06.2011	(Rs. in Lacs) Year ended 30.06.2010
A. Remuneration to key management personnel		
- Executive Directors	3.54	3.52
B. Advances Received		
- Associates Company	97.99	70.53
C. Share Application Money Received		
- Associate Company	0.00	0.00
D. Outstanding Balances		
- Associate Company (Cr. Balance) (Refer Note-2)	386.62	288.63

17. EARNINGS PER SHARE (EPS)

	Rs in Lacs Year ended June 30, 2011	Rs. in Lacs Year ended June 30, 2010
a) Profit/(Loss) after taxation as per profit and Loss Account	173.28	145.07
b) Basic number of Equity shares	2,21,25,054	2,21,25,054
c) Nominal value of Equity Shares (Rs.)	10	10
Basic/ Diluted Earnings per share (Rs.)(a/b)	0.78	0.66

18. CONTINGENT LIABILITIES

- Claims lodged and contingent liability arising out of suits and winding up petitions filed against the company not acknowledged as debts amounts to Rs. 868.18 lacs. There are also other cases filed in consumer and other courts against the company for which the company is contingently liable but for which the amount has not been ascertained.
- Punjab & Sind bank has filed a recovery suit before the Debt Recovery Tribunal (DRT) for recovery of Rs. 1217.52 lacs against which the amount payable to them, as per books is Rs. 803.40 lacs. The company contends that the dues of the Bank will be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 414.12 lacs has been made. Since the Company has not made payment of interest & principal in accordance with the Fresh Restructuring Scheme filed with the Hon'ble High Court, Rs 1217.52 became payable to PSB. No provision for the difference of Rs. 414.12 lacs has been made by the Company.
- IndusInd Bank has filed a recovery suit before the Debt Recovery Tribunal (DRT), of Rs. 1042.42 lacs against which the amount payable to them as per books is Rs. 577.00 lacs. The company contends that the dues of the Bank will be settled as per the fresh restructuring scheme and consequently no provision for the difference of Rs. 465.42 lacs has been made.
- During the year ended 30th June, 2009, the Company had received Rs. 100.00 lacs from one of the Debtors and reduced the balance recoverable from the debtors account. Subsequently the Hon'ble Punjab and Haryana Court deemed that payment to be an out of turn payment and asked the company to deposit the amount. The Company had filed a SLP with the Hon'ble Supreme Court of India which has been dismissed by them. The Company is liable to deposit the amount mentioned above which has yet to be deposited.

- (e) During the preceding financial year ended 30th June, 2011 the company's tenant has filed a claim of Rs 100.00 lacs against the company due to damages suffered by the tenant.
- (f) There is a disputed statutory due that have not been deposited on account of matters pending before appropriate authorities a demand of Rs152.12 Lakh for payment of income tax under the Income tax Act, 1961.

19. Company application to RBI for certificate of registration (CoR) as a NBFC had been rejected by the RBI. The company had made an appeal to the Appellate Authority which directed the RBI to keep its order of rejection of CoR in abeyance for a period of six months during which the Company shall file a revised scheme for restructuring. RBI has preferred an appeal before Hon'ble Delhi High Court against the order of the Appellate Authority, which is still pending.

20. PREVIOUS YEARS FIGURES

Previous years figures have been regrouped and recast wherever necessary to make them comparable with the figures for the current year.

As per our report of even date attached

For V Sahai Tripathi & Co.

Chartered Accountants

FRN-00262N

Sd/-
(Manish Mohan)
Partner
M. No. 091607

Place : New Delhi
Dated : December 05, 2011

Sd/-
(Arif Beg)
Chairman

Sd/-
(S.K.Sharma)
Executive Director

Sd/-
(O. P. Gupta)
Director

Sd/-
(Sumit Agarwal)
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE,2011

Rs/Lacs

A. Cash Flow of Operating Activities

	For the year ended 30.06.2011		For the year ended 30.06.2010	
Net Profit (Loss) for the Year		173.28		145.07
Add: Adjustments for				
Depreciation	36.63		37.24	
Loss on sale of Fixed Assets	0.35		0.33	
Profit on sale of Fixed Assets	(7.19)		-	
Interest Paid	0.14		-	
Minority Interest(Share in Loss)	-		0.18	
Income Tax Paid	2.55		-	
Provision for Investments	-		-	
Prior Period Adjustment	(1.91)	30.59	0.15	37.90
Operating Profit (Loss) before Working Capital changes		203.87		182.96

Adjustments for :

Decrease in Trade & other receivables	34.58		(31.54)	
Decrease in Inventories	5.85		(0.09)	
Increase in Trade Payables	113.05	153.49	106.06	74.43
Cash generated from operations		357.36		257.39
Interest paid	(0.14)		-	
Income Tax Paid	(2.55)			
	(2.69)	(2.69)	-	-
Cash In Flow (Out Flow) before extraordinary items				

Prior Period Adjustment		354.67		257.39
		1.91		(0.15)
Net Cash In Flow(Out Flow) from Operations		356.59		257.24

B. Cash Flow from Investing Activities

Decrease in Investment	0.00		-	
Fixed Assets purchased	(0.10)		(20.48)	
Sale of Fixed Assets	20.04		0.31	
Subtotal	19.94		(20.17)	
Net Cash In flow(Out Flow) in investing activity		19.94		(20.17)

C. Cash In Flow (Out Flow) from Financing Activities

Proceeds from issue of share capital including share premium			-	
Proceeds from issue of share capital including share premium	(0.00)		-	
Proceeds (Re-paid) - Long Term borrowing	(5.61)		(0.18)	
Net cash available(Paid) from financing activities	(5.61)	(5.61)	(0.18)	(0.18)
Net Increase in Cash and Cash Equivalents(A+B+C)		370.91		236.89
Cash & cash equivalents as at July 01, 2010	3,085.91		2,849.02	
Cash & cash equivalents as at June 30, 2011	3,456.85		3,085.91	
Net Increase / (Decrease) in cash & cash equivalents	370.91		236.89	

As per our report of even date attached**For V Sahai Tripathi & Co.**Chartered Accountants
FRN-00262NSd/-
(Manish Mohan)
Partner
M. No. 091607Sd/-
(Arif Beg)
ChairmanSd/-
(O. P. Gupta)
DirectorPlace : New Delhi
Dated : December 05, 2011Sd/-
(S.K.Sharma)
Executive DirectorSd/-
(Sumit Agarwal)
Company Secretary

ATTENDANCE FORM



Regd. Office, D 7/3 Okhla Industrial Area-II, New Delhi -110 020

Folio No./DP & Client ID :

No. of Shares:

Name:

Father's Name:

Address:

I hereby record my presence at the **Twentieth Annual General Meeting** of the Company to be held on **Friday, the 30th day of December, 2011** at **9:30 a.m.** at **The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030.**

Signature of Shareholder /Proxy holder

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Registrar & Transfer Agent. Such duly completed and signed attendance slips should be handed over at the venue against which R&TA will provide admission card.
2. Shareholder(s) present in person or through registered proxy shall only be entertained.
3. Mobile, bag, eatables, helmets and other belongings **will not be allowed** to be taken inside the venue of the meeting for security purposes.
4. **No gifts** will be distributed at the Annual General Meeting.

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PROXY FORM



Regd. Office, D 7/3 Okhla Industrial Area-II, New Delhi -110 020

I/We.....of.....being a member of DCM Financial Services Limited hereby appoint..... of.....or failing himor failing him of.....as my/our proxy, in my absence to attend and vote for me/us and on my/our behalf at the **Twentieth Annual General Meeting** of the Company to be held on **Friday, the 30th day of December, 2011** at **9:30 a.m.** at **The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030** or at any adjournment thereof.

Folio No./DP & Client ID :

No. of Shares:

Name:

Father's Name:

Address:

Signed this.....day of2011

Affix Re 1/-
Revenue
stamp

NOTES:

1. The proxy in order to be effective must be deposited at the Registered Office of the Company duly completed, stamped and signed, not less than 48 hours before the scheduled time of the Annual General Meeting.

Signature

Book Post

If undelivered please return to



D7/3, Okhla Industrial Area-II,
Mezzanine Floor, New Delhi-110020