

AUDITORS' REPORT

**TO
THE MEMBERS,
DCM FINANCE & LEASING LIMITED**

We have audited the attached Balance Sheet of **DCM FINANCE & LEASING LIMITED** as at March 31, 2010 and the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.

1. 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 misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government of India in terms of sub – section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that: -
 - i) 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;
 - ii) 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;
 - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub – section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub – section (1) of Section 274 of the Companies Act, 1956.



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4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes appearing in Schedule - 8, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010: and
 - ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Place : New Delhi
Date : MAY 07, 2010

for GREWAL & SINGH
Chartered Accountants

(JASPAL SINGH SAHNI)
PARTNER
M.NO. 501501
FIRM NO-NRO367

ANNEXURE TO THE AUDITORS' REPORT
[Referred to in Paragraph 2 of our report of even date to the Members of
DCM FINANCE & LEASING LIMITED]
2009-2010

1. The Company has not acquired any fixed assets so far. [Refer Clause (i) (a) of CARO]
2. The Company has not taken/given any loans, secured or unsecured, from/to companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.[Refer Clause (III) (a) & (b) of CARO]
3. In our opinion and according to the information and explanation given to us, there are reasonable internal control procedures commensurate with the size of the company and the nature of its business in respect of its operations. [Refer Clause (IV) of CARO]
4. There has been no purchase/ sale of goods and materials and services aggregating during the year to Rs. 5,00,000/- or more in value in respect of each party made in pursuance of contracts or agreements entered with the parties mentioned in the register maintained under section 301 of the Companies Act, 1956. [Refer Clause (V) of CARO]
5. The company has not accepted any deposits from the public within the meaning of Section 58- A of the Companies Act, 1956. [Refer Clause (VI) of CARO]
6. According to the information and explanations given to us and the books and records examined by us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding on March 31, 2010 for a period of more than six months from the date of becoming payable. [Refer Clause (IX) (b) of CARO]
7. The company is not required to comply with the provisions of any special statute applicable to Chit Fund, Nidhi or a Mutual Benefit Society. [Refer Clause (XIII) of CARO]
8. As Informed and explained to us and as per the records of the company there being no investments made by the company so far. [Refer Clause (XIV) of CARO].
9. The company has not given any guarantee for loans taken by others from banks and financial institutions. [Refer Clause (XV) of CARO]



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10. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. [Refer Clause (XVIII) of CARO]
11. No fraud on or by the company has been noticed or reported during the year. [Refer Clause (XXI) of CARO]
12. The Clauses (I) (b) & (c), (II) (a) to (c), (III) (c) & (d), (VII), (VIII), (IX) (a), (X), (XI), (XII), (XVI), (XVII), and (XIX) and (XX) of the said order being inapplicable so far have not been commented upon.



Place : New Delhi
Date : MAY 07, 2010

for GREWAL & SINGH
Chartered Accountants

(JASPAL SINGH SAHNI)
PARTNER
M.NO. 501501
FIRM NO-NRO367

DCM FINANCE & LEASING LIMITED

BALANCE SHEET AS AT : MARCH 31, 2010

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
I. SOURCES OF FUNDS			
1. Shareholder's Funds			
Share Capital	1	5,10,000	5,10,000
Reserve and Surplus	2	2,40,15,358	2,40,15,358
		<u>2,45,25,358</u>	<u>2,45,25,358</u>
II APPLICATION OF FUNDS			
1. Current Assets, Loans and Advances			
Cash and Bank Balances	3	8,07,063	7,93,060
Other Current Assets	4	34,690	36,000
Loans and Advances	5	45,347	1,53,790
		8,87,100	9,82,850
2. Less : Current Liabilities and Provisions			
Current Liabilities	6	19,979	20,051
Provisions	7	33,490	17,490
		53,469	37,541
Net Current Assets		8,33,631	9,45,309
3. Profit and Loss Account		2,36,91,727	2,35,80,049
		<u>2,45,25,358</u>	<u>2,45,25,358</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	8		

The schedules referred to above form an integral part of the Balance Sheet.


P. VIJAYAN
DIRECTOR



N.K.GAUR
DIRECTOR

AUDITORS' REPORT

In terms of our separate report of even date.
for GREWAL & SINGH
Chartered Accountants



PLACE : NEW DELHI
DATE : MAY 07, 2010


(JASPAL SINGH SAHNI)
PARTNER
M. No. 501501
FIRM NO-NRO367

DCM FINANCE & LEASING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
INCOME			
Income from Real Estate Operation (TDS Rs.NIL/-, Previous Year Rs. 7,262/-)		-	70,500
Interest Received on Fixed Deposit (TDS Rs.5173/-, Previous Year Rs. 12,825/-)		51,735	56,599
		51,735	1,27,099
EXPENDITURE			
Filing Fees		1,000	1,500
Auditor's Remuneration			
- Audit Fees		8,273	7,500
- Certification Fees		1,103	1,000
- Out of Pocket Fees		1,103	1,000
Professional Charges		900	337
Printing & Stationary		1,231	-
Miscellaneous Expense		100	92
		13,710	11,429
Profit before Tax		38,025	1,15,670
Less : Provision for Tax		16,000	17,490
Less : Income tax adjustment for earlier years		1,33,703	55
Profit /(Loss) after Tax		(1,11,678)	98,125
Loss brought forward from previous year		(2,35,80,049)	(2,36,78,174)
Balance carried to Balance Sheet		(2,36,91,727)	(2,35,80,049)
Basic and Diluted Earning per Share (Rs. Per Share of Rs.10/- each)		(2.23)	1.96
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	8		

The schedule referred to above form an integral part of the profit and loss account.


P.VIJAYAN
DIRECTOR




PLACE : NEW DELHI
DATE : MAY 07, 2010


N.K.GAUR
DIRECTOR

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PARTNER
M. No. 501501
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DCM FINANCE & LEASING LIMITED

SCHEDULES ATTACHED TO ANNUAL ACCOUNTS : 2009 – 2010

SCHEDULE	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	SHARE CAPITAL AUTHORISED		
	2,49,000 (Previous year 2,49,000) Equity Shares of Rs. 10/- each	24,90,000	24,90,000
	100 (Previous Year 100) 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	10,000	10,000
		<u>25,00,000</u>	<u>25,00,000</u>
	ISSUED, SUBSCRIBED AND PAID UP		
	50,000 (Previous year 50,000) Equity Shares of Rs. 10/- each fully paid up	5,00,000	5,00,000
	* 100 (Previous year 100) 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	10,000	10,000
	(Equity and Preference Shares are held by DCM Limited the holding Company)		
		<u>5,10,000</u>	<u>5,10,000</u>
	* 100 13.50% Redeemable Cumulative Preference Shares of Rs.100/- each issued on September 04, 2000 would be redeemed at premium on September 03, 2020		
2	RESERVES AND SURPLUS		
	Capital Reserve	2,39,88,129	2,39,88,129
	Reserve Fund	27,229	27,229
		<u>2,40,15,358</u>	<u>2,40,15,358</u>
	CURRENT ASSETS, LOANS AND ADVANCES		
3	Cash and Bank Balances		
	Cash on hand	2,201	2,432
	Balance with Schedule Bank		
	- Current Account	1,54,862	1,40,628
	- Deposit Account	6,50,000	6,50,000
		<u>8,07,063</u>	<u>7,93,060</u>
4	Other Current Asset		
	Interest accrued on Fixed Deposit	34,690	36,000
5	Loans and Advances		
	Advances recoverable in cash or in kind or for value to be received		
	Advance Tax / Self Assessment Tax (Including TDS)	45,347	1,53,790
		<u>8,87,100</u>	<u>9,82,850</u>
	CURRENT LIABILITIES AND PROVISIONS		
6	Current Liabilities		
	Expenses Payable	19,979	20,051
7	Provisions		
	Provision for Income Tax	33,490	17,490
		<u>53,469</u>	<u>37,541</u>



DCM FINANCE & LEASING LIMITED

ANNUAL ACCOUNTS : 2009-2010

8. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

- a) The financial statements are prepared under the historical cost convention in accordance with the applicable mandatory Accounting Standards and presentational requirements of the Companies Act, 1956.
- b) The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

NOTES TO ACCOUNTS

- a) Dividend payable on 13.5% Redeemable Cumulative Preference Shares as at 31.03.2010 is Rs.24, 300/- (Rs.22,950/- as at 31.03.2009).
- b) Disclosures as per Accounting Standard (AS) – 18 “ Related Party Disclosures ” issued by the Institute of Chartered Accountants of India:

1. Related Parties where Control exists:-

1. DCM LIMITED
2. DCM TOOLS & DIES LIMITED
3. DCM TEXTILES LIMITED
4. DCM ENGINEERING LIMITED
5. DCM REALTY INVESTMENT & CONSULTING LIMITED

Key Management personnel and / or Individuals having direct or indirect control or significant influence, and their relatives: -

1. Mr. SUMANT BHARAT RAM

2. Disclosure of Transactions between the Company and Related Parties:

Nature of Transaction	(Rs.)
	NIL



Status of Outstanding Balances between the Company and the Related Parties as on March 31, 2010.

Particulars	Holding Company
1. 49,996 Equity Shares of Rs.10/- each	4,99,960/-
2. 100 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	10,000/-

- c) The Deferred Tax Assets relating to accumulated business loss have not been created due to uncertainty in earning of taxable income in coming years and there is no timing difference in the Accounting and taxable Profit. Therefore, the same has not been accounted for.
- d) The business operations of the company mainly comprise to carry on the business of Finance & Leasing and as such there are no separate reportable segments as per Accounting Standard (AS) – 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India.
- e) The company has not taken any leased assets and therefore disclosure requirement of Accounting Standard (AS) – 19 “Leases” issued by the Institute of Chartered Accountants of India are not applicable.
- f) Figures have been rounded off to the nearest rupee.
- g) The figures for the previous year have been regrouped / rearranged wherever necessary.
- h) Quantitative details pursuant to Part II of Schedule VI to the Companies Act, 1956 are either nil or not applicable so far.



P.VIJAYAN
DIRECTOR



Place : New Delhi
Date : MAY 07, 2010



N.K.GAUR
DIRECTOR

AUDITORS' REPORT

In terms of our separate report of even date.
for GREWAL & SINGH
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(JASPAL SINGH SAHNI)
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DCM FINANCE & LEASING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	CUURRENT YEAR	PREVIOUS YEAR
A. CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	38,025	1,15,670
Adjustments for: -		
Interest income	(51,735)	(56,599)
Operating profit/(loss) before working capital changes	(13,710)	59,071
Adjustments for changes in: -		
Trade and other receivables	1,310	(33,246)
Trade payables	(72)	(2,175)
Cash generated from operations	(12,472)	23,650
Direct taxes (Paid) / Refund (Net)	(25,260)	(23,420)
Net Cash Outflow from Operating Activities - A	(37,732)	230
B. CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		
Interest received	51,735	56,599
Net Cash Inflow from Investing Activities - B	51,735	56,599
C. CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		
Net Cash Flow from Financing Activities - C	-	-
Net Changes in Cash and Cash Equivalentents (A+B+C)	14,003	56,829
Cash and Cash equivalentents (Opening Balance)	7,93,060	7,36,231
Cash and Cash equivalentents (Closing Balance)	8,07,063	7,93,060

Previous year figures, wherever necessary, have been regrouped to make them comparable with current period.



P.VIJAYAN
DIRECTOR



PLACE : NEW DELHI
DATE : MAY 07, 2010



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