

**TO
THE MEMBERS,
DCM REALTY INVESTMENT & CONSULTING LIMITED**

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

Cont....2




4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Notes appearing in Schedule "10", 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 Loss 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 3 of our report of even date on the accounts for the year ended March 31, 2010, of **DCM REALITY INVESTMENT & CONSULTING LIMITED**.

- i)
 - (a) As per the information and explanations provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the information and explanations provided to us, the fixed assets are physically verified by the management at reasonable intervals and no material discrepancy was noticed on such verification.
 - (c) Based on the procedures applied by us and according to the information and explanations provided to us, no fixed asset has been disposed off during the year.

- ii) The Company did not carry any inventory during the year; hence no comment is made on its physical verification, procedure of physical verification and on maintaining the proper records.

- iii)
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted the loans, the paragraphs (iii) (b), (c) and (d) of the Order are not applicable.

 - b) The Company has not taken any loans, secured or unsecured from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not taken the loans the paragraphs (iii)(f) and (g) of the Order are not applicable.

- iv) Based on the procedures applied by us, there is an internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. We further report that the Company has no inventory, goods and services for sale and we have not come across any major weakness in the internal control system.

- v) There has been no transaction of purchase of goods and materials and sale of goods, materials and services during the year aggregating to Rs. 5,00,000/- or more in value in respect of each party made in pursuance of contracts and arrangements entered in the register maintained u/s 301 of the Companies Act, 1956.

- VI. The Company has not accepted any deposit from the public under the provisions of section 58A and 58AA of the Companies Act, 1956.

- VII. Based on the procedures applied by us and according to the information and explanations provided by the management, in our opinion the company has an internal audit system commensurate with the size and nature of its business.

Cont..... 2



- VIII. As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of Companies Act, 1956.
- IX. a) According to the information and explanations given to us the company is regular in depositing statutory dues with respect to the Income Tax. We have been explained that the provisions of Employee State Insurance Act, Investor Education Fund, Custom Duty, Provident Fund, Sales Tax, Service Tax, Wealth Tax and Excise Duty are not applicable.
- b) Based on the audit procedures and on the basis of the information and explanations provided to us, there are no dues of sales tax, income tax, custom duty, excise duty, service tax, wealth tax and cess.
- X. Based on the audit procedures and on the basis of the information and explanations provided to us, the company does not have accumulated losses at the end of the financial year and it has incurred cash losses during the financial year and in the immediately preceding financial year also.
- XI. Based on the audit procedures and on the basis of the information and explanations given to us, the company has not taken any loans from financial institutions or banks or debenture holders, therefore no comment has been made thereon.
- XII. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund, nidhi or mutual benefit fund or society. Hence, the provisions of special statute are not applicable on the company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investment. Hence, no comment is made of the maintenance of record.
- XV. According to the information and explanations provided to us, the company has not given any guarantee for the loans by others from banks or financial institutions.
- XVI. The Company has not raised any term loan during the year.
- XVII. The Company has not raised any short term as well as long term loans during the year.
- XVIII. The Company has made allotment of equity shares pursuant to the scheme of demerger during the year to parties and companies covered in the registers maintained under section 301 of the Companies Act, 1956 during the year.
- XIX. The Company has not issued any debenture, hence no comment is made on creating the securities in respect of debentures issued.



- XXI. The Company has not raised any money by way of Public Issue.
- XXII. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by or on the company has been noticed or reported during the course of our audit.



PLACE : NEW DELHI
DATE : MAY 07, 2010

for **GREWAL & SINGH**
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Jaspal Singh Sahni'.

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

DCM REALTY INVESTMENT & CONSULTING LIMITED
NEW DELHI
BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010 (Rs)	As at March 31, 2009 (Rs)
SOURCES OF FUNDS			
Share capital	1	2,55,00,700	2,55,00,700
Reserves and surplus	2	56,38,689	64,39,374
		3,11,39,389	3,19,40,074
APPLICATION OF FUNDS			
<u>Fixed Assets</u>	3		
Gross Block		2,31,685	2,31,685
Less: Depreciation		2,29,771	2,29,014
Net Block		1,914	2,671
Housing loans and other loans	4	20,17,798	24,45,920
Current assets, loans and advances	5	2,97,09,284	3,03,15,094
Less: Current Liabilities and Provisions	6	5,89,607	8,23,611
Net current assets		2,91,19,677	2,94,91,483
		3,11,39,389	3,19,40,074

Schedules 1 to 6 and 10 annexed hereto form part of this Balance Sheet.

In terms of our separate report of even date attached.



B. PRADHAN
DIRECTOR


VINOD PAWAR
DIRECTOR

for **GREWAL & SINGH**
CHARTERED ACCOUNTANTS




MUKESH SHARMA
COMPANY SECRETARY


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

PLACE: NEW DELHI
DATE: MAY 07, 2010

**DCM REALTY INVESTMENT & CONSULTING LIMITED
NEW DELHI**

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

Particulars	Schedule	For the year ended	
		March 31,2010 (Rs)	March 31,2009 (Rs)
INCOME			
Interest from Housing Loan		2,31,927	5,38,284
Other Income	7	2,19,109	2,80,213
		4,51,036	8,18,497
EXPENDITURE AND CHARGES			
Staff Expenses	8	612,488	6,46,844
Rent		122,400	1,22,400
Other Expenses	9	44,830	76,247
Depreciation		757	1,092
		7,80,475	8,46,583
LOSS BEFORE TAX		(329,439)	(28,086)
Less: Provision for FBT		-	3,954
FBT adjustment for earlier year		-	4,406
Income Tax Adjustment for Earlier Years		(471,246)	-
LOSS AFTER TAX		(800,685)	(36,446)
Add: Opening Balance		33,23,446	33,59,892
Balance Profit Transferred to Balance Sheet		25,22,761	33,23,446
Basic and diluted earning per share (Rs. Per share of Rs. 10 each)		(.31)	(.01)

Schedules 7 to 10 annexed hereto form part of this profit and loss account




**B. PRADHAN
DIRECTOR**



**VINOD PAWAR
DIRECTOR**

for GREWAL & SINGH
CHARTERED ACCOUNTANTS




**MUKESH SHARMA
COMPANY SECRETARY**



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

PLACE: NEW DELHI
DATE: MAY 07, 2010

**DCM REALTY INVESTMENT & CONSULTING LIMITED
SCHEDULES**

ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 1

SHARE CAPITAL	For the year ended	
	March 31, 2010 (Rs)	March 31, 2009 (Rs)
AUTHORISED		
60,00,000 Equity shares of Rs. 10/- each	6,00,00,000	6,00,00,000
40,00,000 Preference share of Rs. 10/- each	4,00,00,000	4,00,00,000
	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
25,50,070 Equity shares of Rs. 10/- each fully paid up	2,55,00,700	2,55,00,700
	2,55,00,700	2,55,00,700

NOTE : 2550020 Shares are held by DCM LTD., Holding Company.

SCHEDULE - 2

RESERVES AND SURPLUS	For the year ended	
	March 31, 2010 (Rs)	March 31, 2009 (Rs)
Special Reserve (In terms of Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening Balance	31,15,928	31,15,928
Add: Transfer from Profit and Loss Account	-	-
	31,15,928	31,15,928
Balance profit transfer from P & L Account	25,22,761	33,23,446
	56,38,689	64,39,374



DCM REALTY INVESTMENT & CONSULTING LIMITED
 SCHEDULE-3

SCHEDULE OF FIXED ASSETS AS ON 31.03.2010

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01-APR-09 (RUPEES)	ADDITIONS (RUPEES)	DISPOSAL (RUPEES)	AS AT 31-MAR-10 (RUPEES)	AS AT 01-APR-09 (RUPEES)	ADDITIONS (RUPEES)	WRITTEN OFF (RUPEES)	AS AT 31-MAR-10 (RUPEES)	AS AT 31-MAR-10 (RUPEES)	AS AT 01-APR-09 (RUPEES)
OFFICE & ELECTRICAL EQUIPMENT	2,17,125	-	-	2,17,125	2,15,327	599	-	215926	1199	1798
FURNITURE & FIXTURE	14,560	-	-	14,560	13,687	158	-	13845	715	873
TOTAL RS.	2,31,685	-	-	2,31,685	2,29,014	757	-	229771	1914	2671



DCM REALTY INVESTMENT & CONSULTING LIMITED

SCHEDULE - 4

Housing Loans & Others	Detail	For the year ended March 31,2010 (Rs)	Detail	For the year ended March 31, 2009 (Rs)
Housing Loans		17,59,166		21,47,346
Other Loans		2,58,632		2,98,574
		20,17,798		24,45,920

SCHEDULE - 5

CURRENT ASSETS, LOANS AND ADVANCES	Detail	For the year ended March 31,2010 (Rs)	Detail	For the year ended March 31, 2009 (Rs)
A. CASH AND BANK BALANCES:				
Cash in hand	10,180		3,621	
with Scheduled Banks:				
On Current accounts	165,905		37,741	
On Deposit accounts	16,00,345	17,76,430	15,57,115	15,98,477
C. LOANS AND ADVANCES (Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received	1,81,614		3,04,222	
Advance tax/ TDS paid	2,89,775		9,37,416	
Advance for rights in flats	2,73,64,800		2,73,64,800	
Accrued Interest on Housing & Other Loans	9,619		21,022	
Accrued Interest on Term Deposit	87,046	2,79,32,854	89,157	2,87,16,617
		2,97,09,284		3,03,15,094

SCHEDULE - 6

CURRENT LIABILITIES AND PROVISIONS	Detail	For the year ended March 31,2010 (Rs)	Detail	For the year ended March 31, 2009 (Rs)
A. CURRENT LIABILITIES				
Sundry creditors	-		-	
Suspense A/c	1000		-	
Other Liabilities	23,812	24,812	26,810	26,810
B. PROVISIONS				
For Income Tax	2,56,360		4,46,360	
For Gratuity	30,949		18,159	
For NPA	2,77,486	5,64,795	3,32,282	7,96,801
		5,89,607		8,23,611



DCM REALTY INVESTMENT & CONSULTING LIMITED

SCHEDULE -7

OTHER INCOME	For the year ended	
	March 31,2010 (Rs)	March 31, 2009 (Rs)
Interest on fixed deposits with bank (TDS Rs.12,744/-, (Previous Year Rs. 25080)	1,25,503	1,21,748
Interest income on other loans	36,810	45,422
Misc. Receipts	2,000	84,037
Excess provision for NPA written back	54,796	29,006
	2,19,109	2,80,213

SCHEDULE -8

STAFF EXPENSES	For the year ended	
	March 31,2010 (Rs)	March 31, 2009 (Rs)
Salaries	5,99,698	6,44,098
Gratuity	12,790	2,746
	6,12,488	6,46,844

SCHEDULE - 9

OTHER EXPENSES	For the year ended	
	March 31,2010 (Rs)	March 31, 2009 (Rs)
Printing and Stationery	-	1,604
Postage & Telephone	19,424	21,428
Local Conveyance	8,261	12,636
Professional Fees	2,600	11,537
Filing Fees	2,000	3,000
Audit fees	11,030	10,000
Miscellaneous expenses	1,065	4,962
Bank Charges	450	570
Demat Charges	-	2,246
Amount written off	-	8,264
	44,830	76,247



DCM REALTY INVESTMENT & CONSULTING LIMITED

SCHEDULE – 10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. **Accounting convention:**

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956. Further those Accounting Standards which otherwise are not applicable to company has been complied with in these accounts to make such accounts fit for consolidation.

3. **System of Accounting:**

The company adopts the accrual concepts in the preparation of the accounts.

4. **Fixed Assets :**

Fixed Assets are capitalised at cost inclusive of legal and/or installation expenses.

5. **Depreciation:**

- a) The company follows the written down value method for providing depreciation on all fixed assets and the same is provided for the full year in respect of assets acquired during the year.
- b) The rates of depreciation charged on all fixed assets are in accordance with the rates specified in Schedule XIV to the Companies Act, 1956, except in the following case:
- c) Vehicles, office and electrical equipments including computers -33.33%

6. **Interest on housing Loans:**

Repayment of housing loan is by way of equated monthly installments (EMIs) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the borrower's financial year. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.

7. **Income Tax :**

The tax liability under Income Tax Act is computed and provided on assessable income.

8. Housing loans granted by the company are secured or partly secured by:

- a) Equitable mortgage of property and/or
- b) Pledge of shares, assignment of Life Insurance policies and/or
- c) Personal guarantees and/or
- d) Undertaking to create a security.

NOTES TO ACCOUNTS

(a) 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:

- a) DCM Limited
- b) DCM Finance & Leasing Limited
- c) DCM Engineering Limited
- d) DCM Textiles Limited
- e) DCM Tools & Dies Limited

2. Key management personal and / or Individuals having direct or indirect control or significant influence, and their relatives:- N. A.



3. Related parties with whom the company had transactions:
 Nature of Transaction NIL
- A. Transactions during the year
Expenses Sharing:
 Rent (1, 22,400.00)
 Hospitalisation Insurance (1,142.00)
- B. Closing Balance
 Equity Investment by holding Co. 2, 55, 00,200.00
 Current Account Balance 1, 20,444.47
4. 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.
5. The income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961 and after complying with the provisions of Accounting Standard 22 regarding 'Accounting for Taxes on Income'. There is no deferred tax assets/liability due uncertainty in earning of taxable income in coming years
6. Quantitative details pursuant to Part II of Schedule VI to the Companies Act, 1956 are either nil or not applicable to the company so far. Expenditure in Foreign Currency – Rs. Nil (Previous year Rs. Nil)
7. Additional information pursuant to the provisions of schedule VI of the Companies Act, 1956.
 a) CIF value of imports in respect of Capital goods Rs. Nil (Previous year Rs. Nil).
 b) Quantitative and statistical information Pursuant to part II of Schedule VI of The Companies Act, 1956.
 Not Applicable
8. Figures of previous year have been regrouped and rearranged wherever necessary.
9. Schedule One to Ten forms an integral part of Balance Sheet and Profit and Loss Account.

In terms of our separate report of even date attached.


 DIRECTOR
 VINOD PAWAR


 DIRECTOR
 B.PRADHAN



PLACE: NEW DELHI
 DATE : MAY 07, 2010


 (MUKESH SHARMA)
 COMPANY SECRETARY

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


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

DCM REALTY INVESTMENT & CONSULTING LIMITED

Balance Sheet Abstract and Company's General Business Profile
[Refer Schedule VI Part IV]

I. Registration Details

Registration No. U 6 5 9 9 2 D L 1 9 9 2 P L C 0 4 7 0 1 8

Balance Sheet date 3 1 0 3 2 0 1 0 State Code 5 5
Date Month Year

II. Capital raised during the Year : (Amount in Rs. Thousands)

Public Issue Right Issue
N I L N I L
Right Issue Private Placement
N I L N I L

III. Position of Mobilization and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities Total assets
3 1 1 3 9 3 1 1 3 9

Sources of Funds

Paid-up Capital Reserve and Surplus
2 5 5 0 1 5 6 3 9
Secured Loans Unsecured Loans
N I L N I L

Application of Funds

Net Fixed Assets Investments
2 N I L
Net Current Assets Misc. Expenditure
2 9 1 2 0 N I L
Accumulated Losses
N I L

IV. Performance of the company : (Amount in Rs. Thousands)

Turnover Total expenditure
4 5 1 7 8 0
+ - Profit/Loss before Tax + - Profit/Loss after tax
✓ 3 2 9 ✓ 8 0 1

(Please tick the appropriate box + for profit, --- for loss)

Earning per Share in Rs. Dividend Rate %
. 3 1 N I L

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

Item Code No. N . A .
(ITC Code)
Product Description N . A .

In terms of our separate report of even date


B. PRADHAN
DIRECTOR


VINOD PAWAR
DIRECTOR

for GREWAL & SINGH
Chartered Accountants




MUKESH SHARMA
COMPANY SECRETARY


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

DCM REALTY INVESTMENT & CONSULTING LIMITED

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

Particulars	CURRENT YEAR	PREVIOUS YEAR
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(329,439)	(28,086)
<u>Adjustments for: -</u>		
Depreciation	757	1,092
Provision for NPA	(54,796)	(29,006)
Provision for Gratuity	12,790	2,746
Interest on fixed deposit with bank	(125,503)	(121,748)
Operating profit/(loss) before working capital changes	(496,191)	(175,002)
<u>Adjustments for changes in: -</u>		
Refund of Housing Loans/Loans against property	428,122	97,049
Trade and other receivables	136,122	68,582
Trade payables	(1,998)	(3,737)
CASH GENERATED/(USED) FROM OPERATIONS	66,055	(13,108)
Direct Taxes (Paid) /Refund (Net)	(13,605)	(29,188)
Net cash Outflow from Operating Activities-A	52,450	(42,296)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	125,503	121,748
NET CASH GENERATED/(USED) FROM INVESTING ACTIVITIES (B)	125,503	121,748
C. CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH GENERATED/(USED) FROM FINANCING ACTIVITIES (C)	-	-
Net Changes in Cash and Cash Equivalents (A+B+C)	177,953	79,452
Cash and Cash Equivalents at the beginning of the year	15,98,477	15,19,025
Cash and Cash Equivalents at the close of the year	17,76,430	15,98,477

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

In terms of our separate report of even date attached.




B. PRADHAN
DIRECTOR



VINOD PAWAR
DIRECTOR

for **GREWAL & SINGH**
Chartered Accountants

MUKESH SHARMA
COMPANY SECRETARY



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

PLACE: NEW DELHI
DATE: MAY 07, 2010