



**DIL VIKAS FINANCE LIMITED**

**19TH  
ANNUAL  
REPORT  
1998-99.**

## BOARD OF DIRECTORS

R. P. Aiyer *Chairman*  
Bimal S. Gandhi  
Dilnavaz Shroff  
P. R. Krishnamoorthy  
Nihal Dalvi  
Dilip K. Vora  
M. V. Shah  
I. M. D'Souza



**DIL VIKAS FINANCE LIMITED**

*19th Annual Report*

*1998-99*

## BANKERS

Canara Bank  
Citibank N. A.  
GlobalTrust Bank  
Syndicate Bank  
Bank of India

## AUDITORS

Jagtiani & Naik  
*Chartered Accountants*

## REGISTERED OFFICE

317, Maker Chambers 'V',  
221, Nariman Point,  
Mumbai 400 021.

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday the 16th day of July, 1999 at 4.00 p.m. at 507, Vardhaman Chambers, 5th Floor, 17/G Cawasji Patel Street, Fort, Mumbai 400 023, to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1999 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To recommend dividend, if any.
3. To appoint a Director in place of Mr. Bimal S. Gandhi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. D. K. Vora, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s Jagtiani & Naik, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

1. To consider and if thought fit to pass the following resolution as an ordinary resolution.  
"RESOLVED THAT Mr. P. R. Krishnamoorthy, who was appointed as Additional Director by the Board of Directors at the Board Meeting held on 21st January 1999, and holds office until the date of the Annual General Meeting, be and is hereby appointed Director of the Company and shall be liable to retire by rotation."

### Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share transfer Books of the Company will be closed from 13th July, 1999 to 15th July, 1999 ( both days inclusive )
3. Members are requested to intimate change of address (if any) to the Company at its Registered office immediately.

By Order of the Board of Directors  
For DIL VIKAS FINANCE LIMITED

BIMAL S. GANDHI  
DIRECTOR

Registered Office  
317, Maker Chambers V  
221, Nariman Point  
Mumbai 400 021  
Date: 27<sup>th</sup> May, 1999.

### ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

Mr. P.R.Krishnamoorthy was appointed as additional Director at the meeting of the Board of Directors of the company held on 21st January 1999. According to Section 260 of the Companies Act, 1956, Mr. P. R. Krishnamoorthy holds office upto the date of this Annual General Meeting. The Company has received notice under section 257 of the said Act along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Mr. P.R. Krishnamoorthy for appointment as a Director of the Company.

Mr. P. R. Krishnamoorthy is 65 years of age and is Fellow Member of Institute of Company Secretaries of India and holds Master 's degree in Commerce. Since 1977 he has been with the Times of India Group. He was Advisor of Bennett, Coleman & Co. Ltd. At present he is the Vice-Chairman of the Board of Trustees of Shanmukhanda Music and Fine Arts Society. He is also a Director of many other Companies.

The Board of Directors is confident that his wide experience and vast knowledge will be of great value to the Company and hence commends the resolution for your approval.

None of the Directors other than Mr. P. R. Krishnamoorthy is in any way concerned or interested in the resolution.

By Order of the Board of Directors  
For DIL VIKAS FINANCE LIMITED

BIMAL S. GANDHI  
DIRECTOR

Place : Mumbai.  
Date : 27<sup>th</sup> May, 1999.

## DIRECTORS' REPORT

The Directors present herewith the 19th Annual Report together with the audited statement of accounts for the year ended March 31, 1999.

### 1. FINANCIAL RESULTS

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
Gross Profit / ( Loss) before depreciation and taxes	13,12,816	17,80,049
Less: Depreciation	11,58,609	12,43,129
Net Profit / ( Loss ) before Tax	1,54,207	5,36,920
Less : Provision for taxation	10,000	---
Profit / ( Loss ) after Tax	1,44,207	5,36,920
Add : Balance brought forward from previous year	28,44,936	23,08,016
Profit available for Appropriation	29,89,143	28,44,936
Transfer to General Reserve	---	---
Surplus carried to Balance Sheet	29,89,143	28,44,936

### 2. OPERATIONS

Our presence in the WDM and Capital Market Segments increased during the year under review. Our client base has also widened in areas of Mutual funds, Institutions and Banks. The research team is doing a commendable job by bringing out regular Research Reports. There is a increase in Commission and brokerage earned by the Company as compared to the previous financial year.

### 3. PROSPECTS FOR THE YEAR 1999-2000

Market trend shows that there is recovery in the Industry after a period of recession. The Company has strengthened the Equity and Debt team by appointing experienced and qualified personnel. We have recently appointed Mr. Ramesh Kumar, who has over 14 years of experience in the financial sector, as CEO of the Company. The Company stands to gain by their wide experience in the financial market.

### 4. FIXED DEPOSIT

As on 31st March 1999, there were no fixed deposits with the Company.

### 5. DIRECTORS

During the year Mr. Pradhan resigned as Director. The Directors have placed on record their appreciation of the services rendered by Mr. Pradhan during his tenure as Director.

Mr. P.R. Krishnamoorthy was appointed as Additional Director at the meeting of the Board of Directors held on 21st January 1999.

Mr. P.R. Krishnamoorthy holds the office till the conclusion of this Annual General Meeting. A suitable resolution for his appointment has been proposed for your approval at the Annual General Meeting.

### 6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities of the Company, the provisions relating to conservation of energy and technology absorption are not applicable to the Company.

**7. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no foreign exchange earning during the year and the foreign exchange outgo was Rs. 2,83,785/- towards travelling expenses.

**8. PARTICULARS OF EMPLOYEES**

Information about the particulars of employees under Section 217(2A) of the Companies Act, 1956 is given as Annexure to the Directors' Report.

The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable to the Company.

**9. AUDITORS**

The Auditors of the Company, M/s. Jagtiani & Naik, Mumbai, shall retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate under Section 224(1B) of the Companies Act, 1956, has been received from the Auditors, confirming that the appointment if made, will be within the prescribed limits.

**10. Y2K COMPLIANCE**

The Company has ensured that all its business systems, control systems and communication systems are Year 2000 compliant. The cost implications in the process do not have any material impact on the Company's results.

By Order of the Board of Directors  
For **DIL VIKAS FINANCE LIMITED**

**R. P. AIYER**  
CHAIRMAN

**Place :** Mumbai

**Date :** 27<sup>th</sup> May, 1999.

**ANNEXURE OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF SECTION 217(2A) OF THE COMPANIES ACT, 1956.**

(A) Employed throughout the year under review and were in receipt of remuneration for the year in aggregate not less than Rs. 3,00,000/-

Name	Designation	Qualification	Remuneration	Age	Experience	Date of commencement of employment	Previous employment /designation
Mr.Vaidyanathan Iyer	Sr Vice President	DCT	5,96,775	32	10years	1.10.95	Premier Consolidated Capital Trust (I) Ltd.
Mr.N.Madhusudan	Vice-President	B.Com., ICWA	6,64,625	31	6 years	1.12.97	Peregrine Securities (I) Pvt.Ltd.
Mr.Ketan Dalal	Vice-President	B.Sc	3,47,500	32	9 years	1.10.95	Premier Consolidated Capital Trust (I) Ltd.
Mr.Manish Kara	Vice-President	B.Com	3,38,954	32	5 years	1.10.96	E'l Dorado Guarantee Ltd.

(B) Employed for part of the year under review and were in receipt of remuneration at a rate which in aggregate not less than Rs. 25,000/- per month.

Name	Designation	Qualification	Remuneration	Age	Experience	Date of commencement of employment	Previous employment /designation
Mr.R.Bala Krishnan	President	M.Com.CAIIB	9,17,263	44	25 years	1.11.96	DSP Merrill Lynch Ltd. Sr. Vice President
Mr.Aashish Ponda	Sr. Vice President	B.Com. LLB, ACA	3,17,129	32	7 years	1.10.96	E'l Dorado Guarantee Ltd. Head of Business & Strategic Planning.

**NOTES**

1. Remuneration includes salary, allowance and value of perquisites.
2. Other Terms & Conditions: The appointment of employees is terminable on notice on either side.
3. None of the employees is related to any of the directors.

**Auditor's Report****THE MEMBERS OF DIL VIKAS FINANCE LIMITED**

We have audited the attached Balance Sheet of DIL VIKAS FINANCE LIMITED as at 31st March, 1999 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that.

1. 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.
2. In our opinion proper Books of Account as required by law have been kept by Company so far as appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of Account.
4. No provision has been made for retirement benefit cost for the year in respect of leave encashment of employees as required under Accounting Standard No. 15 issued by the Institute of Chartered Accountants of India amount not ascertained [See Accounting Policy (h)]
5. Subject to the matter referred to in Paragraph 4 above, 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 Significant 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 case of Balance Sheet of the state of the Company's affairs as at 31st March, 1999.
  - and
  - ii) In case of the Profit and Loss Account of the Company for the year ended 31st March, 1999.
6. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate we further state that :
  - i) The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets. All the fixed assets have been physically verified by the management during the year. No discrepancy was noticed on such verification.
  - ii) None of the fixed assets have been revalued during the year.
  - iii) The stock in trade has been physically verified by the management at reasonable intervals and no discrepancies have been noticed on such verification. The procedures followed by the management for the Physical verification are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business. In our opinion, the basis of valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year. The Company deals in Shares and Securities wherein there is no question of any damaged stock or scrap.
  - iv) The Company has not taken any loan from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from Companies under same management as defined under Section 370 (1B) of the Companies Act, 1956.
  - v) The Company has not granted any loans to Companies, Firms or other Parties listed in

- the registers maintained under Section 301 and 370 (1-C) of the Companies Act, 1956.
- vi) The Company has given interest free loans to its employees who are repaying the principal amount as stipulated.
  - vii) 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 nature of its business for purchase of equipment and other assets.
  - viii) The transaction of purchase of goods and sale of goods and services made in pursuance of contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable, having regard to prevailing market prices for which such goods and services or the prices at which transactions for similar goods or services have been made with other parties.
  - ix) The Company has not accepted any deposit from the public.
  - x) The Company has an internal audit system which is Commensurate with the size of the Company and the nature of its business.
  - xi) According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities.
  - xii) According to the information and explanations given to us and the books of account and records examined by us there are no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Sales-Tax, Custom Duty and Excise Duty outstanding as at 31st March, 1999 for the period of more than six months from the day they became payable.
  - xiii) On the basis of our examination of the Books and according to the information and explanations given to us there are no personal expenses charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
  - xiv) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and any other similar securities
  - xv) The provisions of special statute applicable to Chit Fund Nidhi or Mutual Benefit Society do not apply to the Company.
  - xvi) The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and timely entries have been made therein. All shares and debentures have been held by the Company in its own name except to the extent of exemption if any granted U/s. 49 of the Companies Act, 1956.
  - xvii) Other Provisions of the Manufacturing and other Companies (Auditors' Report) Order, 1988 are not applicable during the year in the case of this Company.

For JAGTIANI & NAIK  
Chartered Accountants

J.G. NAIK  
PARTNER

PLACE : MUMBAI  
DATED : 27<sup>th</sup> May, 1999





# DIL VIKAS FINANCE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 1999

	SCHEDULE ANNEXED	AS AT 31ST MARCH 1999 RUPEES	AS AT 31ST MARCH 1998 RUPEES
<b>I. SOURCES OF FUNDS :</b>			
1) Shareholder's Funds :			
a) Share Capital	A	10,000,000	10,000,000
b) Reserves and Surplus	B	76,089,143	75,944,936
2) Loan Funds :			
a) Unsecured Loans	C	1,049,194	—
<b>TOTAL</b>		<b>87,138,337</b>	<b>85,944,936</b>
<b>II. APPLICATION OF FUNDS :</b>			
1) Fixed Assets :	D		
a) Gross Block		8,010,926	6,904,008
b) Less : Depreciation		3,752,488	2,940,622
c) Net Block		4,258,438	3,963,386
2) Investments	E	53,114,100	26,909,700
3) Current Assets, Loans and Advances:	F		
a) Stock in Trade	F-1	2,456,524	25,695,448
b) Sundry Debtors	F-2	16,135,436	14,011,170
c) Cash and Bank Balances	F-3	1,495,599	934,034
d) Other Current Assets	F-4	15,748	—
e) Loans and Advances	F-5	29,332,338	47,489,686
		49,435,645	68,130,338
Less: Current Liabilities and Provisions:	G		
a) Liabilities	G-1	19,556,689	32,955,331
b) Provisions	G-2	113,157	103,157
		19,669,846	33,058,488
Net Current Assets		29,765,799	55,071,850
<b>TOTAL</b>		<b>87,138,337</b>	<b>85,944,936</b>

For Notes forming Part of Accounts refer Schedule "L" Annexed.

Schedules A to L form an integral part of these accounts.  
This is the Balance Sheet referred to in our Report of even date.  
For JAGTIANI & NAIK  
Chartered Accountants

J. G. NAIK  
PARTNER  
Place : MUMBAI  
Dated : 27<sup>th</sup> May, 1999.

For and on behalf of the Board

BIMAL S. GANDHI }  
DILNAVAZ SHROFF } DIRECTORS  
Place : MUMBAI  
Dated : 27<sup>th</sup> May, 1999.



# ANNUAL REPORT

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	SCHEDULE ANNEXED	1998-99 RUPEES	1997-98 RUPEES
<b>INCOME</b>			
Capital and Money Market operations	H	18,493,252	21,383,653
Other Income	I	1,401,841	2,307,049
<b>TOTAL</b>		<b>19,895,093</b>	<b>23,690,702</b>
<b>EXPENDITURE :</b>			
Hedging in Shares		—	1,501,283
Administrative and Other Expenses	J	18,582,277	15,346,900
Bad Debts/Irrecoverable Loan written off		—	5,062,470
Depreciation	D	1,158,609	1,243,129
		<b>19,740,886</b>	<b>23,153,782</b>
Profit for the year		154,207	536,920
Less : Provision for Taxation		10,000	—
Add : Balance Brought Forward from Previous Year		2,844,936	2,308,016
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS:</b>		<b>2,989,143</b>	<b>2,844,936</b>
<b>APPROPRIATIONS :</b>			
Surplus Carried to Balance Sheet		2,989,143	2,844,936
		<b>2,989,143</b>	<b>2,844,936</b>

For Notes forming Part of Accounts refer Schedule "L" Annexed.

Schedules A to L form an integral part of these accounts.

This is the Profit & Loss Account referred to in our Report of even date.

For JAGTIANI & NAIK

Chartered Accountants

J. G. NAIK

PARTNER

Place : MUMBAI

Dated : 27<sup>th</sup> May, 1999.

For and on behalf of the Board

BIMAL S. GANDHI

DILNAVAZ SHROFF

Place : MUMBAI

Dated : 27<sup>th</sup> May, 1999.

} DIRECTORS



# DIL VIKAS FINANCE LIMITED

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 1999

AS AT  
31ST MARCH 1999 31ST MARCH 1998  
RUPEES RUPEES

### SCHEDULE - A

#### SHARE CAPITAL

Authorised 50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
Issued, Subscribed and Paid-up 10,00,000 Equity Shares of Rs. 10/- each fully paid up	10,000,000	10,000,000

### SCHEDULE - B

#### RESERVES AND SURPLUS

General Reserve As Per Last Balance Sheet	73,100,000	73,100,000
Profit and Loss Account Surplus As Per Profit and Loss Account Annexed	2,989,143	2,844,936
	76,089,143	75,944,936

### SCHEDULE - C

#### UNSECURED LOANS

Short Term Loans and Advances a) From a Bank (Temporary Overdraft)	1,049,194	—
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### SCHEDULE - D

#### FIXED ASSETS

ASSETS	COST				DEPRECIATION				NET BLOCK	
	As Per last Balance Sheet	Additions during the year	Deductions during the year	Balance of Cost	Written off Upto Last year	Written off during the year	Deducted on Account of Sale/ Transfer	Total written off	As At 31-03-99 Rupees	As At 31-03-98 Rupees
Transfer Cost Paid to National Stock Exchange	—	1,000,000	—	1,000,000	—	—	—	—	1,000,000	—
Computers	2,731,622	99,300	—	2,830,922	1,618,622	472,649	—	2,091,271	739,651	1,113,000
Office Equipment and Electrical Installation	890,967	19,750	—	910,717	222,294	95,929	—	318,223	592,194	668,373
Furniture and Fixtures	738,356	—	—	738,356	315,273	76,578	—	391,851	346,505	423,083
Vehicles	2,543,363	433,027	445,159	2,531,231	784,433	513,453	346,743	961,143	1,590,069	1,758,930
<b>TOTAL</b>	<b>6,904,008</b>	<b>1,552,077</b>	<b>445,159</b>	<b>8,010,926</b>	<b>2,940,623</b>	<b>1,158,609</b>	<b>346,743</b>	<b>3,752,488</b>	<b>4,258,438</b>	<b>3,963,366</b>
PREVIOUS YEAR	5,320,921	1,856,437	173,350	6,904,008	1,856,071	1,243,129	158,578	2,940,622	3,963,386	3,464,850



# ANNUAL REPORT

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 1999

	Face Value	As At 31 <sup>st</sup> March 1999 Rupees	As At 31 <sup>st</sup> March 1998 Rupees
<b>SCHEDULE -E</b>			
<b>INVESTMENTS (AT COST)</b>			
<b>Long Term - Non Trade</b>			
<b>Unquoted Equity Shares</b>			
<b>In Other Companies</b>			
1) — (80000) Ace Garments Exports Limited 800000	—	—	810000
2) 1989990 (869980) E'L Dorado Guarantee Limited 19899900	53114100	26099700	
	<u>53114100</u>	<u>26909700</u>	
Aggregate Value of Quoted Investments	—	—	
Aggregate Value of Unquoted Investments	53114100	26909700	
Market Value of Quoted Investments	—	—	
<b>SCHEDULE -F</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>F-1 Stock in Trade :</b>			
<b>(As taken Valued and Certified by the Management)</b>			
<b>(Valued At Cost or realisable Value whichever is less)</b>			
a) Quoted Equity Shares	2,402,854	4,240,077	
b) Unquoted Equity Shares	—	7,219,220	
c) Quoted Government Securities	53,670	14,236,151	
	<u>2,456,524</u>	<u>25,695,448</u>	
<b>F-2 Sundry Debtors</b>			
<b>(Unsecured, Considered Good)</b>			
a) Due for period exceeding six months	660,196	84,676	
b) Other Debts	15,475,240	13,926,494	
	<u>16,135,436</u>	<u>14,011,170</u>	
<b>F-3 Cash and Bank Balances</b>			
<b>Cash and Stamps in hand</b>			
Balances with Scheduled Banks in	36,897	41,036	
a) Current Accounts	805,515	892,998	
b) Deposit Accounts (Receipts pledged with Bank)	653,187	—	
	<u>1,495,599</u>	<u>934,034</u>	
<b>F-4 Other Current Assets</b>			
<b>Interest Accrued on Deposit with Banks</b>			
	15,748	—	
<b>F-5 Loans and Advances</b>			
<b>(Unsecured, Considered Good)</b>			
a) Loans to Company	—	100,000	
Staff	233,000	131,500	
b) Deposit with National Stock Exchange of India Limited	20,285,292	15,535,000	
c) Other Deposits	7,552,884	30,444,684	
d) Advance against Capital Expenditure	44,500	—	
e) Advance Recoverable in Cash or in Kind or for value to be received	45,591	39,128	
f) Prepaid Expenses	121,350	197,240	
g) Advance Tax and Tax Deducted At Source	1,069,721	1,042,134	
	<u>29,332,338</u>	<u>47,489,686</u>	



# DIL VIKAS FINANCE LIMITED

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedule Annexed	As At 31 <sup>st</sup> March 1999 Rupees	As At 31 <sup>st</sup> March 1998 Rupees
<b>SCHEDULE -G.</b>			
<b>CURRENT LIABILITIES AND PROVISIONS :</b>			
G-1 Liabilities :			
Hire Purchase Creditors		590,802	630,488
Sundry Creditors		18,957,562	21,949,629
N. S. E.		—	10,322,090
Other Liabilities		8,325	53,124
		<u>19,556,689</u>	<u>32,955,331</u>
G-2 Provisions :			
Provision for Taxation		110,000	100,000
Interest Tax		3,157	3,157
		<u>113,157</u>	<u>103,157</u>

## SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	Schedule Annexed	1998-99 Rupees	1997-98 Rupees
<b>SCHEDULE -H.</b>			
<b>CAPITAL AND MONEY MARKET OPERATIONS :</b>			
Brokerage [T.D.S. Rs 6039/(NIL)]		13,989,193	10,070,016
Commission [T.D.S. Rs 10001/(NIL)]		4,230,130	1,512,267
Surplus on sale of stock in trade	K	1,003,929	(2,423,390)
Surplus on Sale of Investments		(730,000)	12,224,760
		<u>18,493,252</u>	<u>21,383,653</u>
<b>SCHEDULE -I</b>			
<b>OTHER INCOME :</b>			
Income from Trading Operations (Net)		667,658	605,563
Interest on Deposits (Gross)			
[T.D.S. Rs. 7,047/- (Rs. 1,01,515/-)]		50,982	922,665
Interest on Debentures (Gross)			
[T.D.S. NIL (Rs. 34,039/-)]		—	150,300
Interest on Others		—	529
Interest on Government Securities		277,095	—
Dividend		58,929	606,257
Bad-debts Recovered		40,000	—
Miscellaneous Income [T.D.S. Rs 4500/-(NIL)]		307,177	21,735
		<u>1,401,841</u>	<u>2,307,049</u>

## SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEARENDED 31ST MARCH, 1999

	Schedule Annexed	1998-99 Rupees	1997-98 Rupees
<b>SCHEDULE -J</b>			
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>			
Employees' Remuneration and Benefits:			
Salaries, Bonus and Ex-gratia		5,493,223	4,796,333
Contribution to Provident Fund and Other Funds		441,645	367,461
Welfare Expenses		160,715	79,020
		<u>6,095,583</u>	<u>5,242,814</u>
Transaction Costs and Service Tax		3,192,390	2,556,164
Rent		622,115	267,793
Insurance		71,458	20,574
Travelling and Conveyance		820,643	681,147
Repairs, Maintenance - Others		202,551	415,806
Electricity Expenses		212,516	338,984
Printing and Stationery		201,971	201,453
Business Promotion		548,086	---
Postage and Telephone		2,274,641	2,147,547
Vehicle Expenses		288,633	330,663
Advertisement		36,613	31,338
Membership, Subscription and Registration		996,165	998,748
Office Service Charges		---	87,000
Legal and Professional Fees		1,083,850	660,520
Rebate and Discount		274,176	---
Advisory Charges		243,370	317,750
Auditors' Remuneration :			
Audit Fees		50,000	50,000
Tax Audit Fees		25,000	25,000
Income Tax Matters		5,000	---
Other Services		25,000	25,000
Certifications		1,500	1,000
Sub Brokerage		105,598	130,313
Interest to Others		700,120	14,815
Bank Charges		97,667	---
Hire Purchase Finance Charges		131,034	47,667
Directors Sitting Fees		12,000	17,000
Computer Software Expenses		86,500	21,500
Loss on Sale/Write off of Assets (Net)		33,416	76,602
Interest Tax		---	3,596
Miscellaneous Expenses		144,682	636,106
		<u>18,582,277</u>	<u>15,346,900</u>



# DIL VIKAS FINANCE LIMITED

	Unit of Measurement	Quantity	1998-99 Value Rupees	Quantity	1997-98 Value Rupees
<b>SCHEDULE -K</b>					
<b>ADDITIONAL INFORMATION :</b>					
<b>1) OPENING STOCK :</b>					
<b>QUOTED :</b>					
Equity Shares	Number	139,383	4,240,077	185,740	8,465,280
Debentures	Number	—	—	2,500	255,000
Government Securities	Face Value	12,918,700	14,236,151	—	—
			18,476,228		8,720,280
<b>UNQUOTED :</b>					
Equity Shares	Number	313,235	7,219,220	313,235	7,219,220
			7,219,220		7,219,220
<b>TOTAL (A)</b>			<b>25,695,448</b>		<b>15,939,500</b>
<b>2) PURCHASES :</b>					
<b>QUOTED :</b>					
Equity Shares	Number	609,165	118,926,670	161,533	15,609,310
Debentures	Number	—	—	10,000	56,480,000
Government Securities	Face Value	1,628,770,000	1,612,315,294	46,021,500	174,960,124
			1,731,241,964		247,049,434
<b>TOTAL (B)</b>			<b>1,731,241,964</b>		<b>247,049,434</b>
<b>3) SALES :</b>					
<b>QUOTED :</b>					
Equity Shares	Number	703,150	120,191,359	207,890	18,200,969
Debentures	Number	—	—	12,500	56,855,000
Government Securities	Face Value	1,841,637,700	1,630,455,233	133,102,800	159,814,127
			1,750,646,592		234,870,096
<b>UNQUOTED :</b>					
Equity Shares	Number	313,235	4,838,225	—	—
			4,838,225		—
<b>TOTAL (C)</b>			<b>1,755,484,817</b>		<b>234,870,096</b>
<b>4) CLOSING STOCK :</b>					
<b>QUOTED :</b>					
Equity Shares	Number	45,398	2,402,854	139,383	4,240,077
Government Securities	Face Value	51,000	53,670	12,918,700	14,236,151
			2,456,524		18,476,228
<b>UNQUOTED :</b>					
Equity Shares	Number	—	—	313,235	7,219,220
			—		7,219,220
<b>TOTAL (D)</b>			<b>2,456,524</b>		<b>25,695,448</b>
<b>Surplus on sale of Stock in Trade (A+B-C-D)</b>			<b>1,003,929</b>		<b>(2,423,390)</b>

**DETAILS OF STOCK IN TRADE**

SR. NO. OF NO. SHARES	NAME OF COMPANY	FACE VALUE	VALUE
<b>A. QUOTED :</b>			
<b>1) EQUITY SHARES :</b>			
1) 26,500 (26,500)	Elcot Power Control Limited	265,000 (265,000)	104,675 (104,675)
2) 33 (33)	Indian Rayon Limited	330 (330)	2,691 (5,760)
3) — (90,000)	Ratnasila Granite Limited	— (900,000)	— (144,000)
4) 18,650 (22,800)	Sesa Goa Limited	186,500 (228,000)	2,262,245 (3,979,080)
5) 50 (50)	Tisco Limited	500 (500)	5,185 (6,562)
6) 100 (—)	LML Limited	1,000 (—)	6,115 (—)
7) 50 (—)	Grasim Industries Limited	500 (—)	7,890 (—)
8) 15 (—)	ACC Limited	1,500 (—)	14,053 (—)
			<u>2,402,854</u> (4,240,077)
<b>2) GOVERNMENT SECURITIES :</b>			
1) 5.5%	Government of India 2000	— (3,32,700)	— (281,515)
2) 13.05%	Central Government Loan 2007	20,000 (12,575,000)	21,670 (13,942,846)
3) 13.25%	Central Government Loan 2000	11,000 (11,000)	11,790 (11,790)
4) 11.75%	Central Government Loan 2006	20,000 (—)	20,210 (—)
			<u>53,670</u> (14,236,151)
<b>SUB TOTAL</b>			
<b>B. UNQUOTED :</b>			
<b>1) EQUITY SHARES :</b>			
1) — (20000)	Ace Garments & Exports Limited	— (200,000)	— (200,400)
2) — (165000)	Kaveri Polysack Limited	— (1,650,000)	— (1,651,070)
3) — (128235)	Trinity Die Forge Limited	— (1,282,350)	— (5,367,750)
	<b>SUB TOTAL</b>	—	<u>(7,219,220)</u>
	<b>TOTAL</b>		<u>2,456,524</u> (25,695,448)
<b>NOTES :</b>			
1) Aggregate Market Value of Quoted Stock in Trade			<u>2,444,471</u> (20,628,349)
2) Unquoted Stock in Trade At Cost			— (7,219,220)



## SCHEDULE TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

### SCHEDULE-L

#### NOTES:

#### 1. SIGNIFICANT ACCOUNTING POLICIES :

##### a) Basis of Accounting :

The accounts are prepared in accordance with the accounting principles and are on the accrual basis of accounting.

##### b) Revenue Recognition :

- i) Brokerage Income is recognised as per the Bills raised.
- ii) Merchant Banking and Advisory Fees are accrued as revenue as per the terms of contract. Underwriting Commission is recognised as revenue on closure of the respective issue.

##### c) Fixed Assets and Depreciation :

- i) Fixed Assets are stated at historical cost less accumulated depreciation.
- ii) Depreciation on Fixed Assets is provided on written down value method as per Schedule XIV of the Companies Act, 1956.

##### d) Investment :

Investments (Long-Term) are stated at cost. However, provision for permanent diminution is made to recognise a decline in the value of Investments wherever applicable. Surplus on sale of Investments, credited to the Profit and Loss Account is net of loss on Sale of Investments.

##### e) Stock in Trade :

Trading Stocks are valued at lower of Cost or Releasible Value.

##### f) Sundry Debtors :

Specific debts identified as irrecoverable are written off.

##### g) Retirement Benefits :

- i) The Company's contribution paid/payable during the year for Provident Fund and Family Pension Fund are charged to the Profit and Loss Account.
- ii) Gratuity Payments are recorded only on the crystallisation of liability.

##### h) Privilege Leave Encashment :

Employees are entitled to accumulate leave and claim encashment thereof on superannuation or resignation. The encashment of leave is accounted for in the year of payment.

##### i) Foreign Exchange Transactions :

Payments on account of subscriptions, books and magazines incurred in Foreign Exchange are accounted for at the bankers selling rates of exchange as applicable on the date of each transaction.

2. Contingent liability not provided for Rs. 25,00,000/- being Guarantee given by bank on behalf of the Company for which Fixed Deposit of Rs.6,25,000/- is taken and Pledged with bank as Security.

3. Estimated amount of contract remaining to be executed on capital account not provided for net of Advance is Rs. 44500/-

4. In the opinion of the Board the Current Assets, Loans and Advances are not less than the values stated if realised in the ordinary course of business. Provisions for Depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary. There are no contingent liability other than those stated above.

5. Sundry Debtors includes Rs. 129793/- amount due from a Company in which directors are interested.

6. Expenditure in Foreign currency for

- a) Books and Periodicals Rs. Nil (Rs. 33,717/-).
- b) Travelling Expenses Rs. 2,83,785/- (NIL)



# ANNUAL REPORT

## 7. Additional Information pursuant to Part IV of the Companies Act, 1956.

### I. Registration Details

Registration No.  State Code   
Balance Sheet Date

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

Public Issue  Rights Issue   
Bonus Issue  Private Placement

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities  Total Assets   
**Sources of Funds**  
Paid-Up Capital  Reserves & Surplus   
Secured Loans  Unsecured Loans   
**Application of Funds**  
Net Fixed Assets  Investments   
Net Current Assets  Misc Expenditure   
Accumulated Losses

### IV. Performance of Company (Amount in Rs.Thousands)

Turnover (Gross Revenue)  Total Expenditure   
Profit/Loss before Tax  Profit/Loss after Tax   
Earnings per Share in Rs.  Dividend Rate%

### V. Generic Name of The Services of Company (as per monetary terms)

Item Code No. (ITC Code)

(i) Broking   
(ii) Capital and Money Market Operations   
(iii) Financial Services

8. Previous Year's figures are in bracket and have been regrouped/recast/ rearranged wherever necessary to conform to this year's classification.

THESE ARE THE SCHEDULES REFERRED TO IN OUR REPORT OF EVEN DATE.

SIGNATURES TO SCHEDULES "A" TO "L"

For JAGTIANI & NAIK

Chartered Accountants

J. G. NAIK

PARTNER

Place : MUMBAI

Dated : 27<sup>th</sup> May, 1999.

For and behalf of the Board

BIMAL S. GANDHI

DILNAVAZ SHROFF

DIRECTORS

Place : MUMBAI

Dated : 27<sup>th</sup> May, 1999.

ANNEXURE PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999.

	CURRENT YEAR	(Rs. in Lacs) PREVIOUS YEAR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
a) Net Profit Before Tax and Extraordinary Items	1.54	55.99
Depreciation : Adjustments For	11.59	12.43
Interest Paid	8.31	0.62
Interest and Dividend Income	(3.87)	(16.80)
Other Income	7.30	(122.25)
Others	0.33	0.77
b) Operating Profit Before Working Capital Changes	25.20	-69.24
Adjustments For		
Trade and Other Receivables	(21.24)	4.75
Inventories	232.39	(97.56)
Loans and Advances	181.57	(194.70)
Other Current Assets	(0.16)	—
Trade Payables	(133.99)	203.85
c) Cash Generated from Operations	283.77	(152.90)
Interest Paid	(8.31)	(0.62)
Direct Taxes Paid	—	(1.08)
d) Cash Flow Before Extraordinary Items	275.46	(154.60)
Extraordinary Items	—	(50.62)
Net Cash Flow from Operating Activities	A 275.46	(205.22)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	0.65	0.38
Purchase of Fixed Assets	(15.52)	(18.56)
Sale of Investments	0.80	259.86
Purchase of Investments	(270.14)	(261.00)
Interest Received	3.28	9.38
Dividend Received	0.59	6.06
Net Cash used in Investing Activities	B (280.34)	(3.88)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	—	—
Proceeds from Long Term Borrowings	—	—
Dividend Paid	—	—
Net Cash used in Financing Activities	C —	—
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT: (A+B+C)</b>	(4.88)	(209.10)
Cash and Cash Equivalent at beginning of the year	9.34	218.44
Cash and Cash Equivalent at end of the year	4.46	9.34

For and on behalf of the Board  
BIMAL S. GANDHI  
DILNAVAZ SHROFF } DIRECTORS

Place: MUMBAI Date : 27<sup>th</sup> May 1999.

## AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Dil Vikas Finance Limited for the year ended 31st March 1999. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 27th May, 1999 to the members of the Company.

For Jagtiani & Naik  
Chartered Accountants  
J. G. NAIK

Place: Mumbai Date: 27<sup>th</sup> May, 1999