

**DB (INTERNATIONAL)
STOCK BROKERS LIMITED**



**NINETEENTH
ANNUAL REPORT
2010-2011**

Board of Directors

Mr. Shiv Narayan Daga (Managing Director)
Mr. Chandra Mohan Bahety (Director)
Mr. Sanjay Kumar Mimani (Director)
Mr. Brajesh Sadani (Director)
Mr. Sachin Rathi (Director)

Company Secretary

Mr. Yashwant Kumar Gupta

Auditors

Agrawal Dugar & Associates
Chartered Accountants
New Delhi

Bankers

HDFC Bank Limited
Oriental Bank of Commerce
Indusind Bank Limited
Punjab National Bank
State Bank of Bikaner and Jaipur
ICICI Bank Limited
AXIS Bank Limited

Corporate Office

402, New Delhi House
27, Barakhamba Road,
New Delhi-110001
Email : investors@dbonline.in
helpdesk@dbonline.in

Registered Office

301, 3rd Floor,
The Solitaire Plaza,
M. G. Road,
Gurgaon - 122002

Registrar

Abhipra Capital Limited
A-387, Dilkhush Industrial Area,
G.T. Karnal Road,
Azadpur, Delhi-110033
Email: rta@abhipra.com

DB (INTERNATIONAL) STOCK BROKERS LIMITED

Regd. Office: 301, 3rd Floor, The Solitaire Plaza, M. G. Road, Gurgaon - 122002

NOTICE is hereby given that the Nineteenth Annual General Meeting of **DB (International) Stock Brokers Limited** will be held on Wednesday, 29th June, 2011 at 10:00 AM at Children Park, Near 756, Sector 23A, Gurgaon 122017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2011 and the reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Sanjay Kumar Mimani who is liable to retire by rotation at the Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Brajesh Sadani who is liable to retire by rotation at the Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint auditors M/s Chaudhry Vigg James & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration and the following resolution to be passed in this connection:

"RESOLVED THAT M/s Chaudhry Vigg James & Co., Chartered Accountants be and are hereby appointed as statutory auditors of the company to fill the causal vacancy caused by resignation of M/s Agrawal Dugar & Associates, Chartered Accountants, New Delhi to hold the office until the conclusion of next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors."

5. To declare dividend on equity shares for the year ended on 31st March, 2011.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956 the articles of association of the company be and is hereby altered in the following manner:

1. by replacing the existing article 45. (a) of Articles of Association of the Company with the following article:

"45.(a) A common form of transfer shall be used for transfer of any shares in the company. The transfer instrument shall be executed by both the transferee and the transferor. The transferor shall be deemed to remain the holder of shares until the name of the transferee is entered in the register of members in respect thereof."

2. and, by replacing the existing article 140 of Articles of Association of the Company with the following article:

"140. Subject to section 205A of the Act, the board of directors may retain dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists. However, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law."

"RESOLVED FURTHER THAT Mr. Yashawant Kumar Gupta, Company Secretary of the company be and is hereby authorized to make necessary filings with the statutory authorities, including but not limiting to the Registrar of Companies and to take necessary action in this regard."

For DB (International) Stock Brokers Limited

Sd/-

Shiv Narayan Daga
Managing Director
Place: New Delhi
Date: 13th May, 2011

Notes:

1. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item No 4 & 6 set out above is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and to vote instead of himself. A proxy need not be a member of the company. The instrument of proxy in order to be effective must be deposited at the Registered/ Corporate office of the company duly completed and signed not later than 48 hours before the commencement of the meeting.
3. The register of Members and Share Transfer Book will remain closed from 24th June, 2011 to 29th June, 2011 (Both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if any, declared at the meeting.
4. Dividend on Equity Shares, if declared at the meeting, shall be paid on or after 29th June, 2011, to the shareholders whose names appear on the Register of Members of the Company on Wednesday, the 29th June, 2011. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners as on Wednesday, the 29th June, 2011, as per list provided by the Depositories for the said purpose.
5. Members are requested to notify any change in their address, bank details/ECS (Electronic Clearing Services) immediately at the Corporate Office of the Company/ Registrar & Transfer Agent (RTA)/ Depository Participant (DP).
6. A blank proxy form along with attendance slip is enclosed herewith.
7. Members/Proxies are requested to bring attendance slip duly filled in along with copy of Annual Report at the Meeting.
8. For any investor related queries, communication may be sent to us by email to investors@dbonline.in.
9. Shareholders who have not encashed/ received dividend for the financial year 2009-2010 may please approach the company and /or Registrar and transfer agent (RTA).

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM No. 4

M/s Agrawal Dugar & Associates, Chartered Accountants, New Delhi, have submitted their resignation and have expressed their inability to continue as statutory auditors of the company. With this resignation causal vacancy has been caused and filling of causal vacancy is required to be approved by the shareholders. A written certificate has been obtained from M/s Chaudhry Vigg James & Co., Chartered Accountants who proposed to be appointed as statutory auditors to fill the causal vacancy caused by resignation, to the effect that the said appointment, if made, will be in accordance with regulation as specified u/s 224(1B) of the Companies Act, 1956. The matter, as such is being placed before the members to consider appointment of M/s Chaudhry Vigg James & Co., Chartered Accountants as statutory auditors to hold office until the conclusion of next Annual General Meeting.

ITEM No. 6

Your company has progressively completed its nineteenth year in the market and will keep growing with your support. The Company in order to meet its growth objectives and enhancing the liquidity of equity shares and strengthening the investment of shareholders has deemed appropriate and advisable to get the equity shares of the company listed on National Stock Exchange of India Limited (NSE). To meet the requirements of NSE the Articles of Association of the Company are proposed to be suitably altered as set out at Item No. 6 of accompanying notice. The provisions of Companies Act, 1956 require the Company to seek the approval of the Members to alter the Articles of Association of the Company.

The Board of Directors accordingly recommends the resolution set out at item No. 4 & 6 of the accompanying notice for approval of the Members. Your approval is sought.

None of the Directors is concerned or interested in the above resolution.

For DB (International) Stock Brokers Limited

Sd/-

Shiv Narayan Daga
Managing Director
Date: 13th May, 2011
Place: New Delhi

Directors Report

To the Members

Your directors have immense pleasure in presenting 19th Annual Report on the business and operations of the company together with the Audited statement of Accounts for the financial year ended 31st March, 2011

Financial Results

During the year under review the financial result of your Company are as follows:

Particulars	Period Ended 31st March, 2011 (Rs. Lacs)	Period Ended 31st March, 2010 (Rs. Lacs)
Gross Receipts	1116.42	821.79
Profit before Depreciation	299.91	203.83
Depreciation	(52.79)	(36.15)
Profit Before Tax	247.12	167.68
Provision for Tax	(80.76)	(51.93)
Profit After Tax	166.36	115.75
Brought Forward from previous year	786.63	752.50
<u>Appropriations</u>		
Proposed Dividend	(70.00)	(70.00)
Corporate Dividend Tax	(11.36)	(11.63)
Income Tax Provision Written off	(5.88)	(0.00)
Balance Transferred to Balance Sheet	865.76	786.63

Figures in bracket indicate negative figures

Review of Business Operations

Financial Year 2011 Key Financial Highlights

- The Total Revenue of the Company is Rs. 1116.42 Lacs in FY 2010-11 as compared to Rs. 821.79 Lacs in FY 2009-10. A growth of 35.85%.
- The Profit before Tax of the Company is Rs. 247.12 Lacs in FY 2010 -11 as compared to Rs. 167.68 Lacs in FY 2009-10. A growth of 47.37%.
- The Profit after Tax (PAT) has increased substantially during the FY 2010-11. PAT is Rs. 166.36 Lacs in FY 2010-11 as compared to Rs. 115.75 Lacs in FY 2009-10. A growth of 43.72%.
- The company has contributed to the exchequer a sum of Rs. 73.71 lacs during the FY 2010-11 as compared to Rs. 48.30 lacs in FY 2009-10. A growth of 52.60%.
- Earning Per share (basic) is Rs. 0.48 per share on the face value of Rs. 2 in FY 2010-11 as compared to Rs. 1.65 per share on the face value of Rs. 10 in FY 2009-10. A prorata EPS for FY 2009-10 works out to Rs. 0.33 per share if face value is considered Rs. 2/-.
- The Company has recommended 10% dividend amounting to Rs. 0.20 Paise for every equity share of Face Value of Rs. 2 at par as compared to Rs. 1 for every equity share of Face Value of Rs. 10 in FY 2009-10.
- The Company is a Depository Participant of CDSL. The Depository operation contributed gross revenue of Rs. 20.12 Lacs during the FY 2010-11 as against Rs. 20.93 Lacs in previous year 2009-10.
- The number of beneficial owners affiliated with the company rose from 7126 to 9315 during the year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Thanks to the unprecedented expansionary economic policy worldwide, the global economy emerged from recession in spring 2009 and increasingly recovered over the remainder of the year 2010. In several ways, the overall economy is now in a better position than we dared to imagine a year ago. As compared to the last year there have been sound public finances, government stimuli to remain in place until the end of the year, there is clear evidence of a gradual tightening of the monetary policy. For example, the central banks of India jacked up their key rates by 50 basis points in May 2011. Government is working on regulations to emphasize on capital market.

BSE Sensex rose from 17527.77 in March 2010 to 19445.22 in March 2011. Results of the company have also shown substantial improvement.

The company has taken steps to improve the infrastructure and value added services and benefits from such steps will accrue in future years.

In the year under review company has initiated the process of expanding its client base among retail/HNI customers on PAN India basis.

Segment-wise Performance

The Company is engaged in single line of business i.e. stock broking and depository participant services of CDSL which forms the part of Financial Services and there is no other segment apart from the main one.

Financial Performance/Operational Performance

- The Bullish trend in the Stock Market and strong economic indicators has resulted in the increase in the net profit of the Company.
- In the last Annual General Meeting of the Company the authorized share capital of the company was sub-divided into 5,00,00,000/- Equity Shares of Rs. 2/- (Rupees Two).

Material development in human resources

Company's management is making continuous efforts to promote the staff, induct professionals and to train the existing employees to enhance their level of efficiency and performance. The Company is in the process of building a team of committed professionals who are capable of contributing in the expansion plans of the company.

Internal Control and adequacy

The Company maintains sufficient internal control procedures commensurate with the size and nature of the business.

Future Outlook

The Company is emerging towards its objectives and will always entail the support of its stakeholders for strengthening the position. Your Company is committed to gain its customer trust and ensuring customer satisfaction at every point of time. During the year under review the client base of your Company has considerably increased even in tough competitive environment and also committed to achieve better performance in the next year. Your company will now focus on providing smooth & robust online trading platform to its existing and future clients.

Dividend

Your directors have recommended dividend for the financial year 2010-2011 @ Rs. 0.20 per Equity Share having face value of Rs. 2/- each.

Fixed Deposits

During the year under review, your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

Directors

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjay Mirani and Mr. Brajesh Sadani retire by rotation at the ensuing annual general meeting and both being eligible offer themselves for re-appointment.

Auditors

The Auditors of your Company, M/s Agrawal Dugar & Associates, Chartered Accountants, have expressed their inability to continue as statutory auditors of the company for the financial year 2011-2012 and has forwarded their resignation. The board has approved the resignation of M/s Agrawal Dugar & Associates, Chartered Accountants who will act as statutory auditors of the company till the conclusion of this Annual General Meeting and proposed the appointment of M/s Chaudhry Vigg James & Co., Chartered Accountants as recommended by the audit committee of the company as statutory auditors of the company for the F.Y. 2011-12.

The company has received a letter from M/s Chaudhry Vigg James & Co., Chartered Accountants to the effect that their appointment, if made, will be within the prescribed limits u/s 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

Listing of Securities of the Company

Presently, the shares of your Company are listed at Bombay Stock Exchange and the Annual Listing Fee for the year 2010-11 has been paid for the same.

Corporate Governance

Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is attached and forms part of this report.

STATUTORY DISCLOSURES

1. Particulars of employees under section 217(2A)

There was no employee drawing remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

2. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo under section 217(1)(e)

The Company did not undertake any manufacturing activities during the financial year. There is, therefore, no information to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

The Company do not have any foreign exchange earnings and outgo during the year under review.

3. Directors' Responsibility Statement under section 217(2AA)

Pursuant to the Provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- i) in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and 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 year and of the profit or loss of the Company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared annual accounts on a 'going concern' basis.

Acknowledgment

Your Directors wish to express their gratitude to the business associates and guidance received from the investors, clients, bankers, stock exchanges, regulatory and government bodies. They also take this opportunity to place on record a sincere appreciation for the contribution made by all the employees to the operation of the Company during the year.

**On behalf of the Board of Directors
For DB (International) Stock Brokers Limited**

Sd/-

Sd/-

Place : New Delhi
Dated : 13th May, 2011

**Shiv Narayan Daga
(Managing Director)**

**Sachin Rathi
(Director)**

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange

Company's Philosophy

Corporate Governance is the system by which an organization is directed and controlled to enhance their wealth generating capacity. DB (International) Stock Brokers Limited ("DB") is committed to implement sound corporate governance practice with a view to bring about transparency in its operations and maximizing shareholders wealth. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices.
- Accountability for performance.
- Compliance of applicable Statute.
- Transparent and timely disclosure of financial and management information.
- Effective management control and monitoring of executive performance by the Board.
- Adequate representation of promoter, executive and independent directors on the Board.

Board of Directors

The composition and category of Board of Directors are as follows:

<u>S.No.</u>	<u>Name</u>	<u>Designation</u>	<u>DIN</u>	<u>Category</u>
1.	Shri Shiv Narayan Daga	Managing Director	00072264	Non Independent Whole-time Director
2.	Shri Chandra Mohan Bahety	Director	01013741	Independent Non Executive Director
3.	Shri Sanjay Kumar Mimani	Director	00072403	Independent Non Executive Director
4.	Shri Brajesh Sadani	Director	00072425	Independent Non Executive Director
5.	Shri Sachin Rathi	Director	01013130	Independent Non Executive Director

Remuneration to Directors

The Company does not pay any remuneration/compensation to the Non-executive Directors.

Shri Shiv Narayan Daga, Managing Director drew a remuneration of Rs. 12,32,000/- during the year including Employers contribution to Provident fund Rs. 1,32,000/-. He was appointed Managing director of the company for a term of 5 years w.e.f. 6th September, 2010.

During the year the Board of Directors met 8 times on 24.04.2010, 28.06.2010, 19.07.2010, 23.08.2010, 15.10.2010, 15.12.2010, 25.01.2011 and 28.02.2011. Attendance of each director at the meetings of the Board of Directors held during the year and the last Annual General Meeting and Directorship held by them in other Companies is indicated below:

Name	No. of Board Meetings Attended	Whether attended last AGM	Directorship in other Companies	Committee Membership	Status in Committee
Shri Shiv Narayan Daga	8	Yes	Daga Commodities Private Limited	--	--
			Daga Insurance Consol Private Limited		
			Daga Institute of Financial Management Private Limited		
Shri Chandra Mohan Bahety	4	Yes	MPA Financial Services Limited	Remuneration Committee	Member
			MPA Finsecurities Private Limited	Audit Committee	Member
			MPA Asset Management Limited		
			MPA Insurance Brokers Limited		
			Ushakiran Colonizers Private Limited		
Shri Sanjay Kumar Mimani	7	Yes	--	Share Transfer & Investors Grievance Committee	Chairman
				Audit Committee	Chairman
Shri Brajesh Sadani	6	Yes	--	Share Transfer & Investors Grievance Committee	Member
				Audit Committee	Member
				Remuneration Committee	Chairman
Shri Sachin Rathi	7	Yes	--	Remuneration Committee	Member

Audit Committee

In Compliance with Clause-49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board of Directors has constituted an Audit Committee comprising the following Directors:

- Mr. Sanjay Kumar Mimani (Independent Non-Executive Director) Chairman
- Mr. Chandra Mohan Bahety (Independent Non-Executive Director) Member
- Mr. Brajesh Sadani (Independent Non-Executive Director) Member

During the year Committee met four times on 22.04.2010, 19.07.2010, 14.10.2010 and 25.01.2011.

Remuneration Committee

The remuneration Committee comprises of following Directors:

- Mr. Brajesh Sadani (Independent Non-Executive Director) Chairman
- Mr. Sachin Rathi (Independent Non-Executive Director) Member
- Mr. Chandra Mohan Bahety (Independent Non-Executive Director) Member

During the year Remuneration Committee met once on 26.03.2011.

Share Transfer & Investors Grievance Committee

The Committee comprises of following Directors:

- Mr. Sanjay Kumar Mimani (Independent Non-Executive Director) Chairman
- Mr. Brajesh Sadani (Independent Non-Executive Director) Member

During the year the committee met 10 (Ten) times on 15.04.2010, 30.04.2010, 14.07.2010, 31.07.2010, 16.08.2010, 15.09.2010, 31.12.2010, 15.02.2011, 28.02.2011 and 31.03.2011.

During the year no complaint was received from Investors. The requests received for share transfer upto 31.03.2011 has been completed within the time frame prescribed by the statutory authorities as well as Listing Agreement.

General Body Meetings

The details of General Meeting of the Shareholders conducted in last three years are as follows:

<u>Year</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
2007-2008	29.09.2008	10:00 A.M.	756, Sector 23A, Gurgaon-122017 (Haryana)
2008-2009	20.07.2009	10:00 A.M.	756, Sector 23A, Gurgaon-122017 (Haryana)
2009-2010	23.08.2010	10:00 A.M.	756, Sector 23A, Gurgaon-122017 (Haryana)

Disclosures

- The Company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their relatives etc. that may have potential conflict with the interest of the Company
- No penalties have been imposed on the Company by the Stock Exchange, SEBI or other Statutory Authorities on any matter related to capital markets during last three years.

Means of Communication

- As per Clause 41 of the Listing Agreement, the financial results of the Company were published in the "Business Standard" (English) and "Veer Arjun" (Hindi) during the year.
- Pursuant to clause 51 of listing agreement, information like quarterly and half yearly statement and shareholding pattern are regularly updated on BSE's website i.e. www.bseindia.com
- Management discussion & analysis report has been included in the annual report, which forms part of the Annual Reporting being sent to the shareholders of the Company.

Information for General Shareholders

- A. 19th Annual General Meeting : Will be held on Wednesday the 29th June, 2011 at 10:00 A.M. at Children Park, Near 756, Sector-23 A, Gurgaon-122017 (Haryana)
- B. Financial Calendar : 01.04.2010 to 31.03.2011
- C. Book Closure Date : 24.06.2011 to 29.06.2011 (Both days inclusive)
- D. Dividend : The Board of Directors recommended dividend @ Rs. 0.20/- Per Equity Share (Face Value Rs.2/-) for the financial year 2010-2011
- E. Listing on Stock Exchange : The Shares of the Company are listed on Bombay Stock Exchange and the Annual Listing Fee for the year 2010-2011 has been paid.
- F. Market Price Data

Month	Highest Price	Lowest Price
April, 2010	122.90	79.50
May, 2010	91.95	73.00
June, 2010	151.20	83.25
July, 2010	197.00	143.25
August, 2010	205.00	175.30
September, 2010	234.95	46.60
October, 2010	65.00	50.00
November, 2010	75.95	63.00
December, 2010	85.00	72.80
January, 2011	83.70	68.25
February, 2011	71.25	66.00
March, 2011	85.00	66.75

Share of the Company were subdivided from Rs. 10/- to Rs. 2/- per Share in the shareholder meeting held on 27th September, 2010

- G. Scrip Code : 530393 (Bombay Stock Exchange)
- H. Registrar & Share Transfer agent : ABHIPRA CAPITAL LIMITED
A-387, Dilkhush Industrial Area
G.T. Karnal Road, Azadpur Delhi-110033
Email : rta@abhpra.com

I. ISIN

INE921B01025

J. Share Trading/ Transfer

Trading in equity shares of the Company on BSE is permitted in dematerialized mode only. The Shares received in physical form for transfers are normally processed within a period of 30 days, provided all the formalities are completed.

K. Distribution Schedule as on 31.03.2011

Shareholding of Nominal Value of Rs.	No. of Shareholders	No. of Shares
Upto 2500	714	316845
2501 5000	77	151144
5001 10000	35	139645
10001 20000	29	228897
20001 30000	10	129860
30001 40000	8	148107
40001 50000	11	251307
50001 100000	26	975456
100001 & above	77	32658739
Total	987	35000000
Category	No. of shares	% of Shareholding
Promoters	10505000	30.01
Other	24495000	69.99
Total	35000000	100.00

L. Dematerialization of Shares : 3,43,87,590 Equity Shares representing 98.25% of Total paid up Capital in Dematerialized Form and 6,12,410 Equity Shares representing 1.75% of Total paid up Capital in Physical Form as on 31.03.2011.

M. Address for Correspondence: Shareholders' correspondence may be addressed to the Company Secretary, DB (International) Stock Brokers Limited at its corporate office at 402, New Delhi House, 27, Barakhamba Road, New Delhi-110001

Email id: investors@dbonline.in

On behalf of the Board of Directors
For DB (International) Stock Brokers Limited

Place : New Delhi
Date: 13th May, 2011

Sd/-
Shiv Narayan Daga
(Managing Director)

Sd/-
Sachin Rathi
(Director)

CEO/CFO CERTIFICATION

**Certificate of Managing Director on Financial Statement
under Clause 49 of the Listing Agreement**

I, Shiv Narayan Daga, Managing Director hereby certify that :

- a. I have reviewed financial statement and the cash flow statement of the financial year ended 31st March, 2011 and that to the best of my knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or 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.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness or internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit Committee that:
 - i) There have been no significant changes in internal control over financial reporting during the year.
 - ii) There have been no significant changes in accounting policies during the year; and
 - iii) There have been 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 over financial reporting.

Place : New Delhi
Date: 13th May, 2011

**Sd/-
Shiv Narayan Daga
(Managing Director)**

Auditor's Certificate

To
The Members
DB (International) Stock Brokers Limited

We have examined the compliance condition of corporate governance by DB (International) Stock Brokers Limited (hereinafter referred as "the company") for the year ended 31st March, 2011 as stipulated in clause 49 of the listing agreement of the said company with stock exchange.

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

In our opinion and to the best of our information and according to explanation given to us, we verify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We have examined that no investor grievances are pending for a period exceeding one month as at 31st March, 2011 against the company as per the records maintained by the company.

We further affirm that such compliance is neither an 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.

Place: New Delhi
Date: 13th May, 2011

**For Agrawal Dugar & Associates
(Chartered Accountants)
Firm Regn. No. 005840N**

Sd/-

**Vinod Kumar Dugar
(Partner)
Membership No 084262**

AUDITORS' REPORT

To the Members of
DB (INTERNATIONAL) STOCK BROKERS LTD.
301, The Solitare Plaza,
M.G. Road, Gurgaon 122002

- 1) We have audited the attached Balance Sheet of DB (International) Stock Brokers Ltd. as at 31st March, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended annexed thereto, which we have signed under reference to this report. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Amendment Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub section (4A) of section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of those books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanation given to us, said statement of accounts read together with 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 31st March, 2011
 - II) In the case of the Profit & Loss Account, of the profit of the company for the year ended on that date; and
 - III) In the case of the cash flow statement, of the cash flows for the year ended on that date;

FOR AGRAWAL DUGAR & ASSOCIATES
Chartered Accountants
Firm Regn. No. 005840N

Sd/-

Vinod Kumar Dugar
Partner
Membership No: 084262

New Delhi
Date: 13th May, 2011

ANNEXURE TO THE AUDITORS' REPORT

- (i) In respect of Fixed Assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available
 - (b) As explained to us, all the assets have been physically verified by the management in a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and going concern status of the company is not affected.
- (ii) In respect of Inventories:
- The company does not hold any inventory at the end of the year; hence clause (ii) of the Order is not applicable to the company.
- (iii) 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) In our opinion and according to the Information and Explanations given to us the company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
 - (b) The company has also not granted any unsecured loan to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) In respect of Contracts or arrangements referred to in section 301 of the Companies Act, 1956.
- In our opinion and according to the information and explanation given to us, there have no transactions been made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under section 301 of the Companies Act 1956. Hence, clause (v) of paragraph 4 of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the Public. Therefore, the provisions of Clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has not prescribed maintenance of cost records under clause (d) of sub-section-(1) of section 209 of the Companies Act, 1956 in respect of certain manufacturing activities of the company. Therefore, the provisions of clause (viii) are not applicable to the company.
- (ix) In respect of statutory dues:
- According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, income tax and other statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they become payable.
- (x) The company does not have any accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the company has not borrowed funds from the financial institutions, banks or debenture holders, hence clause (xi) of paragraph 4 of the order is not applicable to the company.

- (xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the company.
- (xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that the company has maintained proper records of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. We also report that the company has held the shares, securities, debentures and other investment in its own name.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to information and explanations given to us, the company has not raised any term loans; hence clause (xvi) of paragraph 4 of the Order is not applicable to the company.
- (xvii) In our opinion and according to the information and explanation given to us and an overall examination of the Balance Sheet of the company, we are of the opinion that no funds raised on short term basis that have been used for long term investment.
- (xviii) During the year, the company has not made any preferential allotment of shares.
- (xix) The company has not issued debentures and hence requirement of reporting regarding creation of security or charge in respect of debentures issued does not arise.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed and as per information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

FOR AGRAWAL DUGAR & ASSOCIATES
Chartered Accountants
Firm Regn. No. 005840N

Sd/-

Vinod Kumar Dugar
Partner
Membership No: 084262

New Delhi
Date: 13th May, 2011

DB (INTERNATIONAL) STOCK BROKERS LIMITED
BALANCE SHEET AS ON 31st MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As on 31st March, 2011	As on 31st March, 2010
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	70,000,000	70,000,000
Reserves & Surplus	2	186,691,389	178,778,302
Deferred Tax Liabilities		2,410,650	1,712,086
TOTAL		259,102,039	250,490,388
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	40,386,347	32,940,671
Less: Depreciation		20,087,894	14,809,208
Net Block		20,298,453	18,131,463
INTANGIBLE ASSETS			
Computer Software License			
INVESTMENTS			
Long Term Investments			
Quoted		1,500,000	--
Unquoted		355,000	355,000
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets		1,855,000	355,000
Sundry Debtors	4	9,043,345	9,299,153
Cash & Bank Balances	5	213,662,154	206,079,428
Other Current Assets	6	16,729,813	8,770,844
Loan & Advances	7	230,820	4,504,484
Security Deposits	8	56,244,642	73,604,300
		295,910,774	302,258,209
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	9	43,793,239	57,719,198
Provisions	9	15,512,451	12,993,089
		59,305,690	70,712,287
NET CURRENT ASSETS			
		236,605,084	231,545,922
MISC. EXPENDITURE			
Share Issue Expenses- Pref. Allotment (to the extent not written off)	10	343,502	458,003
TOTAL		259,102,039	250,490,388
Significant Accounting Policies and Notes to Accounts			
As per our Report of even date Attached For Agrawal Dugar & Associates Chartered Accountants Firm Regn. No. 005840N	13		

For & On Behalf of the Board of Directors

Sd/-
(Vinod Kumar Dugar)
Partner
Membership No. 84262

Sd/-
(Shiv Narayan Daga)
Managing Director

Sd/-
(Sachin Rathi)
Director

Sd/-
(Yashwant Gupta)
Company Secretary

Place : New Delhi
Date: 13th May, 2011

DB (INTERNATIONAL) STOCK BROKERS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As on 31st March, 2011	As on 31st March, 2010
INCOME			
Income from Operations		100,879,653	74,093,618
Interest Income		10,147,210	7,823,538
Dividend Income		265,834	35,251
Other Income		349,253	262,973
Variation in Stocks			(35,907)
Total (A)		111,641,950	82,179,473
EXPENSES			
Employees Cost	11	21,416,360	16,939,689
Administrative and other Expenses	12	60,235,172	44,856,827
Depreciation		5,278,686	3,615,342
Total (B)		86,930,218	65,411,858
Profit Before Tax		24,711,732	16,767,615
Provision For Income Tax		(7,376,876)	(4,830,473)
Provision For Deferred Tax		(698,564)	(361,854)
Profit After Tax		16,636,292	11,575,288
Add: Surplus Brought Forward from Previous years		78,662,784	75,250,112
Amount available for Appropriations		95,299,076	86,825,400
APPROPRIATIONS			
Proposed Dividend @ Rs.0.20 per share		(7,000,000)	(7,000,000)
Corporate Dividend Tax @ 16.2225%		(1,135,575)	(1,162,616)
Income Tax Provision Written Off		(587,630)	--
Balance Carried to Balance Sheet		86,575,871	78,662,784
Basic & Diluted Earning per Share of Face Value of Rs. 2/- each (Rupees two each) (Face Value PY Rs. 10/- each)		0.48	1.65
Significant Accounting Policies and Notes to Accounts	13		

As per our Report of even date Attached

For & On Behalf of the Board of Directors

For Agrawal Dugar & Associates
Chartered Accountants
Firm Regn. No. 005840N

Sd/-
(Vinod Kumar Dugar)
Partner
Membership No. 84262

Sd/-
(Shiv Narayan Daga)
Managing Director

Sd/-
(Sachin Rathi)
Director

Sd/-
(Yashawant Gupta)
Company Secretary

Place : New Delhi
 Date: 13th May, 2011

DB (INTERNATIONAL) STOCK BROKERS LIMITED**(Amount in Rs.)**

	As on 31st March, 2011	As on 31st March, 2010
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SCHEDULE '1' SHARE CAPITAL**Authorised**

5,00,00,000 Equity Shares of Rs. 2/- each

100,000,000100,000,000**Issued & Subscribed and Paid Up**3,50,00,000 Equity Share of Rs. 2/- each
fully paid up (Previous year 70,00,000 Equity Shares
of Rs. 10/- each fully paid up)

70,000,000

70,000,000

70,000,00070,000,000**SCHEDULE '2' RESERVES AND SURPLUS**

General Reserve

24,115,518

24,115,518

Share Premium

76,000,000

76,000,000

PROFIT & LOSS ACCOUNT

Balance as per Profit & Loss Account

86,575,871

78,662,784

186,691,389178,778,302

DB (INTERNATIONAL) STOCK BROKERS LIMITED

SCHEDULE '3' FIXED ASSETS (Forming Part of the Balance Sheet)												
PARTICULARS	Rate of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK			
		Cost as at 1/4/2010	Additions during the year	Sales during the year	Cost as at 31/3/2011	Upto 31/3/2010	For the year	Dep. On sold assets	Upto 31/3/2011	As at 31/3/2011	As at 31/3/2010	
TANGIBLE ASSETS												
COMPUTERS	16.21%	21,476,680	5,828,495	-	27,305,175	12,130,244	3,971,136	-	16,101,380	11,203,795	9,346,436	
ELECTRICAL EQUIPMENT	7.07%	3,342,519	749,336	-	4,091,855	678,746	263,472	-	942,218	3,149,637	2,663,773	
FURNITURE & FIXTURES	6.33%	1,042,489	107,575	-	1,150,064	243,305	70,310	-	313,615	836,449	799,184	
GENERATOR	7.07%	1,524,312	-	-	1,524,312	109,156	107,769	-	216,925	1,307,387	1,415,156	
OFFICE EQUIPMENTS	7.07%	551,610	9,500	-	561,110	373,907	39,365	-	413,272	147,838	177,703	
VEHICLES	9.50%	2,354,473	-	-	2,354,473	950,599	223,675	-	1,174,274	1,180,199	1,403,874	
AIR CONDITIONERS	7.07%	1,540,195	-	-	1,540,195	171,132	108,892	-	280,024	1,260,171	1,369,063	
TOTAL (A)		31,832,278	6,694,906	-	38,527,184	14,657,089	4,784,619	-	19,441,708	19,085,476	17,175,189	
INTANGIBLE ASSETS												
COMPUTERS SW LICENCE	33.33%	1,108,393	750,770	-	1,859,163	152,119	494,067	-	646,186	1,212,977	956,274	
TOTAL (B)		1,108,393	750,770	-	1,859,163	152,119	494,067	-	646,186	1,212,977	956,274	
TOTAL (A+B)		32,940,671	7,445,676	-	40,386,347	14,809,208	5,278,686	-	20,087,894	20,298,453	18,131,463	
PREVIOUS YR. TOTAL		21,012,646	12,825,783	897,758	32,940,671	11,905,270	3,615,342	711,504	14,809,208	18,131,463	9,107,276	

DB (INTERNATIONAL) STOCK BROKERS LIMITED

(Amount in Rs.)

	As on 31st March, 2011	As on 31st March, 2010
SCHEDULE '4' SUNDRY DEBTORS		
<i>(Forming part of the Balance Sheet)</i>		
Unsecured, Considered good for recovery by the management	8,343,744	8,603,594
Outstanding for a period exceeding six months	699,601	695,559
TOTAL	9,043,345	9,299,153
SCHEDULE '5' CASH AND BANK BALANCES		
<i>(Forming part of the Balance Sheet)</i>		
Cash in hand	105,156	60,585
Balance with schedule Banks		
in Current Accounts	31,069,085	95,499,680
in Fixed Deposits	182,487,913	110,519,163
TOTAL	213,662,154	206,079,428
SCHEDULE '6' OTHER CURRENT ASSETS		
<i>(Forming part of the Balance Sheet)</i>		
Income tax refundable	1,565,520	1,565,520
Tax Deducted at source	1,004,746	844,524
NSE Receivable	461,359	290,954
Advance Income tax	7,700,000	4,000,000
Stamp in Hand	21,804	2,460
Service Tax Recoverable	129,178	77,558
Accrued Interest	467,226	317,075
Prepaid Expenses	5,379,979	1,672,753
TOTAL	16,729,813	8,770,844
SCHEDULE '7' LOANS & ADVANCES		
<i>(Forming part of the Balance Sheet)</i>		
Advances Recoverable in Cash or in kind or value to be received	230,820	4,504,484
TOTAL	230,820	4,504,484
SCHEDULE '8' SECURITY DEPOSITS		
<i>(Forming part of the Balance Sheet)</i>		
National Stock Exchange of India	5,000,000	5,000,000
Bombay Stock Exchange of India	10,125,000	11,000,000
Deposits for membership of F&O	3,300,000	3,300,000
Security Deposits for vsat/lease line	1,360,000	1,800,000
Office premises	2,159,642	1,704,300
Additional Base Capital (Future)	25,500,000	50,000,000
BSE Contingency Fund	250,000	250,000
Security deposit (CDSL)	250,000	250,000
Security Deposit (National Spot Exc)	200,000	300,000
Security Deposit (NSE Currency)	2,800,000	-
Security Deposit (MCX Currency)	2,700,000	-
Security Deposit (USE Currency)	2,600,000	-
TOTAL	56,244,642	73,604,300
SCHEDULE '9' CURRENT LIABILITIES & PROVISIONS		
<i>(Forming part of the Balance Sheet)</i>		
Sundry creditors & Deposit	41,304,604	56,905,934
Liabilities for Expenses	927,453	118,140
TDS Payable	169,245	106,805
NSE Charges payable	1,391,937	588,319
TOTAL	43,793,239	57,719,198
Provision for Income Tax	7,376,876	4,830,473
Proposed Dividend	7,000,000	7,000,000
Provision for Dividend Tax	1,135,575	1,162,616
TOTAL	15,512,451	12,993,089
TOTAL	59,305,690	70,712,287

DB (INTERNATIONAL) STOCK BROKERS LIMITED

(Amount in Rs.)

	As on 31st March, 2011	As on 31st March, 2010
SCHEDULE '10' MISC. EXPENDITURE (ASSETS)		
<u>Preferential Issue Expenses</u>		
Opening Balance	458,003	-
Add :During The Year	-	572,504
	<u>458,003</u>	<u>572,504</u>
Less : Written Off	114,501	114,501
	<u>343,502</u>	<u>458,003</u>

SCHEDULE '11' EMPLOYEES COST.

(Forming Part of the Profit & Loss Account)

Staff Salary	19,571,892	15,646,787
EPF (Employer's Contribution)	228,562	175,168
Staff Welfare expenses	383,906	311,334
Directors Remuneration	1,232,000	806,400
	<u>21,416,360</u>	<u>16,939,689</u>

SCHEDULE '12' ADMINISTRATIVE AND OTHER EXP.

(Forming part of the Profit & Loss Account)

Auditors' Remuneration:		
-Audit Fees	15,000	14,339
-Tax Audit Fees	5,000	5,515
-Certification Fees	10,000	30,146
Annual maintenance Charges	2,256,753	1,982,518
Bank Charges	3,189,661	2,879,185
Computer Exp.	689,124	370,014
Conveyance	34,479	190,771
Depository Expenses	542,460	645,392
Electricity Charges	1,982,789	1,342,360
Fees & Taxes	9,305,558	5,999,032
Securities Transaction Tax	18,430,534	19,577,106
Prof. Issue Expenses Written Off	114,501	114,501
Insurance Premium	22,891	35,423
Legal & Professional charges	334,890	264,550
Loss on Sale of Vehicles	-	71,254
Listing Fees	15,000	10,000
Misc Exp.	39,234	9,504
Office Maintenance	792,072	617,095
Publication Expenses	98,001	122,391
Postage Telegram & Courier	561,375	407,937
Printing & Stationary	195,093	559,814
Rent	8,108,773	4,225,075
Telephone & Communication Exp.	670,570	608,814
Client Introduction Charges	5,457,014	130,790
Wach & Ward	264,954	118,699
Vehicle Running Exp.	113,720	107,181
VSAT & Lease Line Expenses	6,985,726	4,417,421
	<u>60,235,172</u>	<u>44,856,827</u>

SCHEDULE 13 : ACCOUNTING POLICIES AND NOTE TO ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- (i) The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.
- (ii) Financial statements are prepared under the historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

B. REVENUE RECOGNITION

The company recognizes income on accrual basis. Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Interest Income, Brokerage Income, Income from Depository Participants is recognized as & when accrued.
- (ii) Dividend income is accrued during the year in which it is declared whereby a right to receive is established.

C. FIXED ASSETS AND DEPRECIATION

(i) FIXED ASSETS

Fixed Assets are stated at cost net of cenvat/value added tax, less accumulated depreciation & impairment loss, if any. All costs till commencement of their use including pre-installation charge attributable to fixed assets are capitalized.

(ii) DEPRECIATION & AMORTISATION

Depreciation on All assets is provided on 'Straight Line Basis' in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956, in the manner & rates specified in schedule XIV of the said Act

- (i) Depreciation on addition is being provided on pro rata basis from the date of such addition.
- (ii) Depreciation on assets sold, discarded or demolished during the year is being provided at their rates up to the date on which such assets are sold, discarded or demolished.

D. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated depreciation.

E. INVESTMENTS

Investment made by the company is intended to be held for long term. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

F. SEPARATE REPORTABLE SEGMENTS

There are no separate reportable segments as per Accounting Standard 17 as the entire operations of the company relate to one segment viz. Share Broker.

G. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value An impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The Indications as prescribed by AS-28 are not prevalent as on balance sheet date, hence there exist no impairment loss for the period under audit.

H. FOREIGN CURRENCY TRANSACTIONS

There are no transactions denominated in foreign currency and/or income /expenses on account of difference either on settlement or on translation to be recognized in the statement of profit and loss as of even date.

I. EMPLOYEES' BENEFIT

All payments related to employees' benefit shall be made on due basis.

J. CASH & CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statement comprise cash at bank, cash in hand and fixed deposit with banks.

K. PROVISION FOR CURRENT TAX & DEFERRED TAX

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- (ii) As per the provisions of AS-22-"Accounting for Taxes on Income", deferred tax resulting from the "Timing differences" between the taxable income and accounting income is accounted for using the tax rate laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax is recognized and carried forward only to the extent there is a virtual certainty supported with convincing evidences as per prudence limits prescribed by the AS-22.

L. PROVISION, CONTINGENT LIABILITY & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events & it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

M. LEASES

Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

NOTES ON ACCOUNTS

1. The previous figures have been reworked, regrouped, rearranged, reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and other disclosures relating to the current year.

2. Payment to Auditors:

Particulars	2010-2011	(Rs.) 2009-2010
(i) Audit Fees	15,000	14,339
(ii) Tax audit Fees	5,000	5,515
(iii) Certification Charges	10,000	30,146
Total	30,000	50,000

3. Managerial Remuneration:

(Included under the head "Employees Cost")

Particulars	2010-2011	2009-2010
Salary including employer's contribution to PF	12,32,000	8,06,400

4. Deferred Tax Liability Comprise of the following.

Particulars	2010-2011	2009-2010
Deferred Tax Liability		
<i>Related to Fixed assets</i>	24,10,650	17,12,086

5. Earning per share

Particulars	2010-2011	2009-2010
Net profit after tax as per Profit & Loss Account	1,66,36,292	1,15,75,287
Weighted Average number of Equity shares used As denominator for calculating EPS	3,50,00,000	70,00,000
Basic & Diluted Earning Per Share	0.48	1.65
Face Value Per share (Rs.)	2	10

6. Employees' Benefit

An amount of Rs. 10,95,035/- has been ascertained by the management in respect of the gratuity and other employee's benefit. A certificate to this effect has been obtained from Mr. Ashok Kumar Garg, a Fellow of Institute of Actuaries of India. As given in the accounting policy of the company all payments shall be made on due basis, hence is not provided for in the books of account.

NOTES ON BALANCE SHEET AS AT 31ST MARCH, 2011

7. GENERAL

a) Contingent liabilities not provided for in respect of:-

Guarantees issued by banks: Rs. 36.25 Crores (Previous year: 16 Crores)

b) Loans & Advances: Debtors, Security deposits and other assets have value on realization in the ordinary business at least equal to the amount at which they are stated in the Balance Sheet.

c) The expenses incurred by branches have been incorporated in respective heads of account.

d) Figures have been rounded off to the nearest rupee.

e) Schedules from 1 to 13 form an integral part of the accounts.

"As per our report of even date attached"

For Agrawal Dugar & Associates
Chartered Accountants
Firm Regn. No. 005840N

For & On behalf of Board of Directors

Sd/-
(Vinod Kumar Dugar)
Partner
Membership No. 84262

Sd/-
(Shiv Narayan Daga)
Managing Director

Sd/-
(Sachin Rathi)
Director

Sd/-
(Yashwant Gupta)
Company Secretary

Place : New Delhi
Date: 13th May, 2011

DB (INTERNATIONAL) STOCK BROKERS LIMITED

Cash Flow Statement for the year 2010-2011

(Rs. in 000)

PARTICULARS	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
A. Cash Flow from Operating Activity:		
Net Profit Before Taxes and Extraordinary Item.	24,712	16,768
Adjustment for:-		
Depreciation	5,279	3,615
Preliminary Public issue Expenditure W/off	115	115
Loss on fixed assets	-	71
Interest Expenses	-	1,114
Dividend Income	(266)	(35)
Interest Income	(10,147)	(7,824)
Operating profit before working capital changes	19,693	13,824
Adjustment for:		
Debtors	256	(5,744)
Other Current Assets	(7,959)	(4,025)
Inventory	-	36
Loan & Advances	4,274	(4,505)
Security Deposits	17,360	(9,263)
Current Liabilities	(13,926)	24,302
TOTAL	5	801
Cash Generated from Operations	19,698	14,625
Tax Paid	(6,581)	(865)
Net Cash Flow from Operating Activity	13,117	13,760
B : Cash Flow from Investing Activity		
Investment	(1,500)	(355)
Purchase of Fixed Assets	(7,446)	(12,826)
Sale of Fixed Assets	-	115
Interest Received	10,147	7,824
Net Cash Flow from Investing Activity	1,201	(5,242)
C: Cash Flow from Financing Activities		
Public Issue Expenses	-	(573)
Interest Paid	-	(1,114)
Interim Dividend/Proposed Dividend Paid	(7,000)	-
Dividend Received	266	35
Share capital	-	40,000
Share Premium	-	76,000
Net Cash used in Financing Activities	(6,734)	114,348
Net Increase/(decrease) in cash and cash Equivalats	7,584	122,866
Opening Balance of Cash and cash equivalents	206,079	83,213
Closing Balance of Cash and cash equivalents	213,663	206,079

For & On Behalf of Board of Directors

Place : New Delhi
Date: 13th May, 2011Sd/-
(Shiv Narayan Daga)
Managing DirectorSd/-
(Sachin Rathi)
DirectorSd/-
(Yashawant Gupta)
Company Secretary**Auditors Certificate**

We have verified the above Cash Flow Statement for the year ended 31st March, 2011 of DB (International) Stock Brokers Limited with the Books and Records of the Company and according to the information and explanation given to us, found the same to be in accordance therewith.

For Agrawal Dugar & Associates
Chartered Accountants
Firm Regn. No. 005840N

Sd/-
(Vinod Kumar Dugar)
Partner
Membership No. 84262

Place : New Delhi

DB (INTERNATIONAL) STOCK BROKERS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration details

CIN L67120HR1992PLC035349
Balance Sheet date March 31, 2011

Capital raised during the year

Public issue	NIL
Bonus issue	NIL
Right issue	NIL
Preferential Allotment	NIL
Private Placement	NIL

Deployment of Funds (Rs. in '000)

Total liabilities	259,102
Total Assets	259,102

I) **Source of funds**

Paid up capital	70,000
Reserve capital	186,691
Secured loans	Nil
Unsecured loans	Nil

II) **Application of funds**

Net fixed assets	20,298
Investments	1855
Net current assets	236,605
Miscellaneous Exp.	344

Performance of the Company

Total Income	111,642
Total Expenditure	86,930
Profit before tax	24,712
Profit after tax	16,636
Earning per share(in Rs.)	0.48
Interim Dividend	NIL

Generic name of the principal services of the Company

Trading of shares and securities

For & On Behalf of Board of Directors

Sd/-
(Shiv Narayan Daga)
Managing Director

Sd/-
(Sachin Rathi)
Director

Sd/-
(Yashawant Gupta)
Company Secretary

Place : New Delhi
Date: 13th May, 2011

DB (INTERNATIONAL) STOCK BROKERS LIMITED

Regd. Office: 301, 3rd Floor, The Solitaire Plaza, M.G. Road, Gurgaon -122002

PROXY FORM

Folio No.
No. of Shares held

I/We of being a member/
members of DB (International) Stock Brokers Limited do hereby appoint
of or failing him
of as my/our proxy to
attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on
Wednesday, the 29th June, 2011 at 10:00 A.M. at the Children Park , Near 756, Sector 23A, Gurgaon - 122017 and at any
adjournment thereof.

Signed this Day of2011.

Affix Revenue
Stamp of Rs.1/-

Signature of Proxy

Signature of Member

Note: The proxy form duly completed in all respect should reach company's registered/corporate office not later than 48 hours before the scheduled time of the meeting.

DB (INTERNATIONAL) STOCK BROKERS LIMITED

Regd. Office: 301, 3rd Floor, The Solitaire Plaza, M.G. Road, Gurgaon -122002

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall. Joint Shareholders may obtain additional attendance slips on request.

Folio No. :
Name and Address of Shareholder(s)/ Proxy :
No. of Shares held :

I hereby record my presence at the 19th Annual General Meeting of DB (International) Stock Brokers Limited to held be on
Wednesday, the 29th June, 2011 at 10:00 A.M. at the Children Park, Near 756, Sector 23A, Gurgaon 122017.

Signature of Shareholder (s) or of Proxy

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BOOK POST

If undelivered please return to :

DB (INTERNATIONAL) STOCK BROKERS LIMITED

301, 3rd Floor, The Solitaire Plaza,

M. G. Road, Gurgaon-122002