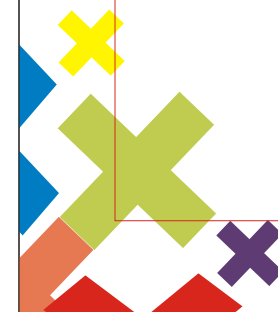


# BOOK POST

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**DB (INTERNATIONAL) STOCK BROKERS LIMITED**  
756, Sector 23A,  
Gurgaon - 122017

# **DB (INTERNATIONAL) STOCK BROKERS LIMITED**

## **TWENTIETH ANNUAL REPORT 2011-2012**



**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**

Chaudhry Vigg James & Company  
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  
Development Credit Bank

**Corporate Office**

402, New Delhi House  
27, Barakhamba Road,  
New Delhi-110001  
Email : [investors@dbonline.in](mailto:investors@dbonline.in)  
[helpdesk@dbonline.in](mailto:helpdesk@dbonline.in)

**Registered Office**

756, Sector 23-A  
Gurgaon - 122017

**Registrar**

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

**DB (INTERNATIONAL) STOCK BROKERS LIMITED**

Regd. Office: 756, Sector 23A, Gurgaon - 122017

**NOTICE** is hereby given that the Twentieth Annual General Meeting of DB (International) Stock Brokers Limited will be held on Monday, 13<sup>th</sup> August, 2012 at 10:00 a.m. at Children Park, Near 756, Sector 23A, Gurgaon 122017 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss Statement for the year ended on the date and the reports of Auditors and Board of Directors thereon.
2. To appoint a director in place of Mr. Sachin Rathi who is liable to retire by rotation at the Annual General Meeting and being eligible offer himself for re-appointment.
3. To appoint a director in place of Mr. Chandra Mohan Bahety who is liable to retire by rotation at the Annual General Meeting and being eligible offer himself for re-appointment.
4. To re-appoint M/s Chaudhry Vigg James & Company, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.
5. To declare dividend on equity shares for the year ended on 31<sup>st</sup> March, 2012.

**SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
“**RESOLVED** that pursuant to the provisions of Section 293(1)(d) of Companies Act, 1956 or any amendment or modifications thereof, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company, to borrow and raise such sum or sums of money from time to time as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital of the Company and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, subject to the proviso that such borrowing shall not exceed Rs. 10,00,000,000/- (Rupees Hundred Crores) over and above the aggregate of the paid-up capital of the Company and its free reserves and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company.

“**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

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

“**RESOLVED THAT** pursuant to the provisions of section 198, 309, 310 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the consent of the members of the Company be and is hereby accorded to increase the remuneration payable to Mr. Shiv Narayan Daga not exceeding Rs. 24,00,000/- per annum with effect from 1<sup>st</sup> April, 2012, for the balance tenure of the term as Managing Director, and any amendment thereto, as recommended by the Remuneration Committee of the Board of Directors and as approved by Board of Directors and as set out in the Explanatory Statement annexed to the Notice convening this meeting and as further set out in the draft supplementary agreement placed before this meeting is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the same in such manner as may be agreed to between the Board of Directors and Mr. Shiv Narayan Daga, Managing Director.”

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have absolute power to decide breakup of the remuneration within the above said maximum permissible limit, or as may be otherwise considered by it to be in the best interest of the Company.”

**For DB (International) Stock Brokers Limited**

Sd/-

**Shiv Narayan Daga**

**Managing Director**

**Place: New Delhi**

**Date: 25<sup>th</sup> May, 2012**

**Notes:**

1. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item No 6 & 7 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 10<sup>th</sup> August, 2012 to 13<sup>th</sup> August, 2012 (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 13<sup>th</sup> August, 2012, to the shareholders whose names appear on the Register of Members of the Company on Monday, the 13<sup>th</sup> August, 2012. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners as on Monday, the 13<sup>th</sup> August, 2012, 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](mailto:investors@dbonline.in).
9. Shareholders who have not encashed/ received dividend for the financial year 2010-2011 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. 6**

As per the provisions of Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders of the General Meeting. As the business of the Company is growing and to require more working capital in the company, the Debts may exceed the Paid up Capital and Free Reserves of the Company and further the company may avail further loans from the Banks/ Financial Institutions or any other Lenders for business purposes, hence, it is considered necessary to fix the borrowing limits of the Board of Directors to Rs. 10,00,000,000/- (Rupees Hundred Crores).

The Resolution set out at Item No.6 of the notice is put forth for consideration of the members as an Ordinary resolution pursuant to Section 293(1) (d) of the Companies Act, 1956, authorising the Board of Directors to borrow upto a sum of Rs. 100 Crores.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

**ITEM No. 7**

The Board of Directors at its Meeting held on 25.05.2012 has approved the remuneration as well as other terms and conditions related to Mr. Shiv Narayan Daga as the company's Managing Director. The remuneration as well as the other terms and conditions related to Mr. Shiv Narayan Daga were approved by the Remuneration Committee of the Board at its meeting held on 23.03.2012.

The material provision of the Agreement as regards Mr. Shiv Narayan Daga as Managing Director pursuant to Section 302 of the Companies Act, 1956 : Information such as brief resume, nature of expertise in specific functional areas and details of Directorship etc. as required to be furnished under clause 49(VI) of the Listing Agreement is provided in the section on Corporate Governance. The Board at its meeting held on 25<sup>th</sup> May, 2012 has resolved to enhance the basic salary payable to Mr. Shiv Narayan Daga from Rs. 1,00,000/- per month to Rs. 2,00,000/- per month with effect from 1<sup>st</sup> April, 2012.

A Statement as per requirement of Schedule XIII is given to the Shareholders containing following information of the Company and Mr. Shiv Narayan Daga:-

**I. GENERAL INFORMATION:****1) Nature of industry :**

The Company is engaged in the business of Stock Broking and is a Depository Participant of CDSL.

**2) Date of commencement :**

The Company is in the business of Stock Broking since 1992. The Depository Participant operations were commenced in 1996.

3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus:

The Company is in existence since 1992.

4) Financial performance based on given indicators:

Following is the financial performance of the Company since last 3 years:

Financial Year	Income from operations (Rs. In Lacs)	Gross Profit before Depreciation and Financial Expenses (Rs. In lacs)	Net Profit after tax Rs. (In Lacs)
2009-2010	821.79	821.79	115.75
2010-2011	1116.42	1116.42	166.36
2011-2012	1207.29	1207.29	240.18

## II. INFORMATION ABOUT THE APPOINTEE :

1) Background details :

Name : Mr. Shiv Narayan Daga  
Designation : Managing Director  
Age : 58 Years  
Experience : 33 Years

Mr. Shiv Narayan Daga is a Director of the Company since Incorporation of the Company. He has an experience of over 33 years in stock broking business.

2) Job profile and his suitability :

Mr. Shiv Narayan Daga has been associated with the Company since its inception having experience on hands for Stock Broking & Depository Participant. The total portfolio of Finance and all other operations of various departments of Head Office is taken care by him.

3) Remuneration proposed :

It is proposed to partially modify the terms of remuneration to be paid for remaining period of 3 years w.e.f. 1st April, 2012 upto 31st March, 2015 to Mr. Shiv Narayan Daga, who is a Managing Director of the Company.

The Board therefore recommends the Special Resolution for approval of the Members of the Company for partial modification in the terms of remuneration to be paid to Mr. Shiv Narayan Daga as a Managing Director of the Company, for remaining period of 3 years w.e.f. 1st April, 2012 to 31st March, 2015.

III. Other Information :

Reasons of loss inadequate profits

During the financial year 2010-2011 and 2011-2012, the Company does not have incurred loss or inadequate profits.

IV. Disclosures :

The details of managerial remuneration paid to Mr. Shiv Narayan Daga, Managing Director of the company during the previous financial year ended on 31st March, 2012 are as under.

Particulars	Amount (Rs, Per annum)
Salary	11,40,000
Contribution to Provident Fund	1,36,800
<b>Total</b>	<b>12,76,800</b>

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of payment of remuneration as mentioned in the draft Supplemental Agreement proposed to be entered into between the Company and Mr. Shiv Narayan Daga under Section 302 of the Companies Act, 1956.

The draft Supplemental Agreement to be entered into between the Company and Mr. Shiv Narayan Daga and referred to in the Resolution contained in Item No. 7 of the Notice is available for inspection at the Registered Office of the Company on all working days except Saturdays between 4.00 p.m. to 5.00 p.m. upto the date of Annual General Meeting.

Your Directors recommend the above Resolution for your approval.

None of the Directors other than Mr. Shiv Narayan Daga is interested in this Resolution.

**For DB (International) Stock Brokers Limited**

Sd/-

**Shiv Narayan Daga**  
**Managing Director**  
**Place: New Delhi**  
**Date: 25<sup>th</sup> May, 2012**

**DB (INTERNATIONAL) STOCK BROKERS LIMITED**

Regd. Office: 756, Sector 23A, Gurgaon - 122017

**Directors Report****To the Members**

Your directors have immense pleasure in presenting 20<sup>th</sup> Annual Report on the business and operations of the company together with the Audited statement of Accounts for the financial year ended 31<sup>st</sup> March, 2012.

**Financial Results**

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

<b><u>Particulars</u></b>	<b><u>Period Ended 31st March, 2012 (Rs. Lacs)</u></b>	<b><u>Period Ended 31st March, 2011 (Rs. Lacs)</u></b>
Gross Receipts	1207.29	1116.42
Profit before Depreciation	346.80	299.91
Depreciation	(60.76)	(52.79)
Profit Before Tax	286.04	247.12
Provision for Tax	(45.86)	(80.76)
Profit After Tax	240.18	166.36
Brought Forward from previous year	865.76	786.63
<b><u>Appropriations</u></b>		
Proposed Dividend	(105.00)	(70.00)
Corporate Dividend Tax	(17.03)	(11.36)
Income Tax Provision Written off	(0.88)	(5.88)
Transfer to General Reserve	(12.01)	-
<b>Balance Transferred to Balance Sheet</b>	<b>971.02</b>	<b>865.76</b>

Figures in bracket indicate negative figures

**Review of Business Operations**

Financial Year 2012 Key Financial Highlights

- The Total Revenue of the Company is Rs. 1207.29 Lacs in FY 2011-12 as compared to Rs. 1116.42 Lacs in FY 2010-11. A growth of 8.14%.
- The Profit before Tax of the Company is Rs. 286.04 Lacs in FY 2011 -12 as compared to Rs. 247.12 Lacs in FY 2010-11. A growth of 15.75%.
- The Profit after Tax (PAT) has increased substantially during the FY 2011-12. PAT is Rs. 240.18 Lacs in FY 2011-12 as compared to Rs. 166.36 Lacs in FY 2010-11. A growth of 44.37%.
- Earning Per share (basic) is Rs. 0.69 per share on the face value of Rs. 2 in FY 2011-12 as compared to Rs. 0.48 per share on the face value of Rs. 2 in FY 2010-11.
- The Company is a Depository Participant of CDSL. The Depository operation contributed gross revenue of Rs. 19.31 Lacs during the FY 2011-12 as against Rs. 20.12 Lacs in previous year 2010-11.
- The number of beneficial owners affiliated with the company rose from 9315 to 10104 during the year.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The weak global economic prospects and continuing uncertainties in the international financial markets have had their impact on emerging market economies like ours. Reining in inflation and containing inflationary expectations were the dominating objectives of monetary policy during 2011-12. The RBI hiked the repo rate 13 times between March 2010 and January 2012, cumulatively by 375 basis points (bps). At the same time, sight must not be lost of the fact that, by any cross country comparison, India remains among the front-runners.

BSE Sensex dropped from 19445.22 in March 2011 to 17404.20 in March 2012.

The reasons for the relatively flat profit growth are macro economic as well as global financial crises, we are happy to report that the company has kept its focus on the long term strategy while growing the top line and preserving the bottom line.

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 trend in the Stock Market has remained bearish still the company has managed for the increase in net profit of the Company.

### **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 main focus of the company is to provide Reliable, Robust and Restrained Online trading platform to its clients. The company continuously attempts to remain competitive in the market through technological innovation and value added services to our clients. We are well equipped and organizationally well positioned to handle the challenges of the emerging difficult and competitive market scenario, we look forward to receive from our large family of shareholders, associates and well wishers, their continued support and encouragement.

### **Dividend**

Your directors have recommended dividend for the financial year 2011-12 @ Rs. 0.30 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. Sachin Rathi and Mr. Chandra Mohan Bahety 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 Chaudhry Vigg James & Company, Chartered Accountants, hold office till the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Your directors recommend their appointment.

### **Achievement**

We are happy to declare that the shares of your company have been listed on the National Stock Exchange of India Limited on 29<sup>th</sup> February, 2012 under DBSTOCKBRO symbol. Now our shares are listed on both the premier stock exchange of India NSE & BSE.

### **Listing of Securities of the Company**

The Annual Listing Fee for the year 2011-2012 has been paid to NSEIL and BSE.

### **Corporate Governance**

Report on Corporate Governance pursuant the 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 assistance 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/-

**Shiv Narayan Daga  
(Managing Director)**

Sd/-

**Sachin Rathi  
(Director)**

**Place : New Delhi  
Dated : 25<sup>th</sup> May, 2012**



## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange and National Stock Exchange of India Limited

### **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:

<b><u>S.No.</u></b>	<b><u>Name</u></b>	<b><u>Designation</u></b>	<b><u>DIN</u></b>	<b><u>Category</u></b>
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. 12,76,800/- during the year including Employers contribution to Provident fund Rs. 1,36,800/-. He was appointed Managing director of the company for a term of 5 years w.e.f. 6<sup>th</sup> September, 2010.

During the year, the Board of Directors met 7 times on 13.05.2011, 03.06.2011, 02.07.2011, 20.07.2011, 09.09.2011, 21.10.2011 and 24.01.2012. 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	7	Yes	Daga Commodities Private Limited	--	--
			Daga Insurance Consol Private Limited		
			Daga Institute of Financial Management Private Limited		
Shri Chandra Mohan Bahety	3	Yes	MPA Financial Services Limited	Remuneration Committee	Member
			MPA Finsecurities Private Limited		
			MPA Asset Management Limited		
			MPA Insurance Brokers Limited		
			Balaji Nirman Private Limited		
Shri Sanjay Kumar Mimani	6	Yes	--	Share Transfer & Investors Grievance Committee	Chairman
				Audit Committee	Chairman
Shri Brajesh Sadani	5	Yes	--	Share Transfer & Investors Grievance Committee	Member
				Audit Committee	Member
				Remuneration Committee	Chairman
Shri Sachin Rathi	6	Yes	Daga Commodities Private Limited	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 13.05.2011, 20.07.2011, 14.10.2011 and 24.01.2012.

**Remuneration Committee**

The remuneration Committee comprises of following Directors:

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

During the year Remuneration Committee met once on 23.03.2012.

**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 15.04.2011, 30.04.2011, 14.05.2011, 15.06.2011, 22.06.2011, 15.10.2011, 31.10.2011, 15.11.2011, 16.01.2012 and 15.02.2012.

During the year, one complaint was received from investors and resolved. The requests received for share transfer upto 31.03.2012 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>
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)
2010-2011	29.06.2011	10:00 A.M.	Children Park, Near 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 & NSE's website i.e. [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.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. 20<sup>th</sup> Annual General Meeting : Will be held on Monday the 13<sup>th</sup> August, 2012 at 10:00 a.m. at Children Park, Near 756, Sector-23 A, Gurgaon-122017 (Haryana)
- B. Financial Calendar : 01.04.2011 to 31.03.2012
- C. Book Closure Date : 10.08.2012 to 13.08.2012 (Both days inclusive)
- D. Dividend : The Board of Directors recommended dividend @ Rs. 0.30/- Per Equity Share (Face Value Rs.2/-) for the financial year 2011-2012
- E. Listing on Stock Exchange : The Shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange and the Annual Listing Fee for the year 2011-2012 have been paid
- F. (a) Market Price Data (BSE)

Month	Highest Price	Lowest Price
April, 2011	84.35	70.90
May, 2011	90.80	84.30
June, 2011	94.40	90.25
July, 2011	100.75	89.75
August, 2011	102.40	93.85
September, 2011	96.45	85.00
October, 2011	95.45	94.15
November, 2011	96.35	76.00
December, 2011	96.30	93.00
January, 2012	100.00	90.10
February, 2012	101.00	97.00
March, 2012	100.60	96.35

**(b) Market Price Data (NSE)**

Month	Highest Price	Lowest Price
February, 2012	104.90	99.20
March, 2012	103.70	96.75

- G. NSE SYMBOL : DBSTOCKBRO (National Stock Exchange)  
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@abhipra.com](mailto:rta@abhipra.com)

I. ISIN INE921B01025

J. Share Trading/ Transfer Trading in equity shares of the Company on NSE & 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 31.03.2012

Shareholding of Nominal Value of Rs.	No. of Shareholders	No. of Shares
Upto 2500	858	311145
2501 5000	63	123153
5001 10000	32	127709
10001 20000	24	198865
20001 30000	9	116427
30001 40000	5	94291
40001 50000	8	183686
50001 100000	23	860189
100001 & above	72	32984535
<b>Total</b>	<b>1094</b>	<b>35000000</b>
Category	No. of shares	% of Shareholding
Promoters	9753000	27.87
Other	25247000	72.13
<b>Total</b>	<b>35000000</b>	<b>100.00</b>

L. Dematerialization of Shares : 3,44,43,590 Equity Shares representing 98.41% of Total paid up Capital in Dematerialized Form and 5,56,410 Equity Shares representing 1.59% of Total paid up Capital in Physical Form as on 31.03.2012.

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](mailto:investors@dbonline.in)

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

Place : New Delhi  
Date: 25<sup>th</sup> May, 2012

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 31.03.2012 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: 25<sup>th</sup> May, 2012

**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 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012 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.

**FOR CHAUDHRY VIGG JAMES & CO**  
**Chartered Accountants**  
**Firm Regn. No. 000949N**

**Sd/-**

**B B Chaudhry**  
**Partner**  
**Membership No: 014231**

**Place : New Delhi**  
**Date: 25<sup>th</sup> May, 2012**

## AUDITORS' REPORT

To the Members of  
**DB (INTERNATIONAL) STOCK BROKERS LTD.**  
756, Sector 23A  
Gurgaon-122017

- 1) We have audited the attached Balance Sheet of DB (International) Stock Brokers Ltd. as at 31<sup>st</sup> March, 2012 and also the Profit and Loss Statement 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 Statement 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 Statement 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 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012
    - II) In the case of the Profit & Loss Statement, 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 CHAUDHRY VIGG JAMES & CO**  
**Chartered Accountants**  
**Firm Regn. No. 000949N**

**Sd/-**  
**B B Chaudhry**  
**Partner**  
**Membership No: 014231**

**Place : New Delhi**  
**Date : 25<sup>th</sup> May, 2012**



## 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 stock, fixed assets and with regard to the sale of stock 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 31<sup>st</sup> March, 2012 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 there is 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 CHAUDHRY VIGG JAMES & CO**  
**Chartered Accountants**  
**Firm Regn. No. 000949N**

**Sd/-**

**B B Chaudhry**  
**Partner**  
**Membership No: 014231**

**Place :New Delhi**  
**Date : 25<sup>th</sup> May, 2012**

**DB (INTERNATIONAL) STOCK BROKERS LIMITED  
BALANCE SHEET AS ON 31st MARCH, 2012**

(in Rs.)

PARTICULARS		NOTES No.	Figures as at the end of current reporting period 31.03.2012	Figures as at the end of previous reporting period 31.03.2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	70,000,000	70,000,000
	(b) Reserves and surplus	2	198,417,994	186,691,389
<b>2.</b>	<b>Non-current liabilities</b>			
	(a) Deferred tax liabilities (Net)	12	1,031,562	2,410,650
<b>3.</b>	<b>Current liabilities</b>			
	(a) Trade Payable		35,587,245	41,304,604
	(b) Other current liabilities	3	3,261,416	2,488,635
	(c) Short-term provisions	4	18,168,367	15,512,451
	<b>TOTAL</b>		326,466,584	318,407,729
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	(a) Fixed assets	5		
	(i) Tangible assets		15,412,546	19,085,476
	(ii) Intangible assets		940,641	1,212,977
	(b) Non current investments	6	1,705,000	1,855,000
	(c) Long term loans & advances	7	49,806,366	56,244,642
<b>2.</b>	<b>Current assets</b>			
	(a) Trade receivables	8	2,372,324	9,043,345
	(b) Cash and cash equivalents	9	239,673,136	213,662,154
	(c) Short-term loans and advances	10	164,731	230,820
	(d) Other current assets	11	16,391,840	17,073,315
	<b>TOTAL</b>		326,466,584	318,407,729

Significant Accounting Policies  
and Notes to Accounts  
"As per our report of even date attached"

**FOR CHAUDHRY VIGG JAMES & CO**  
Chartered Accountants  
Firm Regn. No. 000949N

**For & On behalf of Board of Directors**

Sd/-  
**B B Chaudhry**  
Partner  
Membership No: 014231

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

Sd/-  
**(Sachin Rathi)**  
Director

Sd/-  
**(Yashawant Gupta)**  
Company Secretary

Place : New Delhi  
Date : 25<sup>th</sup> May, 2012

**DB (INTERNATIONAL) STOCK BROKERS LIMITED**  
**Profit and Loss Statement for the Year ended 31st March, 2012**

(' in Rs.)

PARTICULARS		NOTES No.	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
<b>I.</b>	<b>Revenue from operations</b>	13	109,199,701	111,026,863
<b>II.</b>	Other Income	14	11,529,416	615,087
<b>III.</b>	<b>Total Revenue (I + II)</b>		120,729,117	111,641,950
<b>IV.</b>	<b>Expenses :</b>			
	Employee benefits expense	15	13,086,557	21,416,360
	Depreciation and amortization expenses)	16	6,075,523	5,278,686
	Other expenses (Admin & Other Expenses)	17	72,962,842	60,235,172
	Total expenses		92,124,922	86,930,218
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		28,604,195	24,711,732
<b>VI.</b>	Exceptional items		-	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V-VI)</b>		28,604,195	24,711,732
<b>VIII.</b>	Exceptional items		-	-
<b>IX.</b>	<b>Profit before tax (VII-VIII)</b>		28,604,195	24,711,732
<b>X.</b>	<b>Tax expense :</b>			
	(1) Current tax		(5,965,004)	(7,376,876)
	(2) Deferred tax		1,379,088	(698,564)
<b>XI.</b>	<b>Profit (Loss) for the period from continuing Operations (IX-X)</b>		24,018,279	16,636,292
<b>XII.</b>	Profit/(loss) from discontinuing operations		-	-
<b>XIII.</b>	Tax expense of Discontinuing operations		-	-
<b>XIV.</b>	<b>Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XV.</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		24,018,279	16,636,292
<b>XVI.</b>	Earnings per equity share :			
	Basic		0.69	0.48

Significant Accounting Policies  
and Notes to Accounts

“As per our report of even date attached”

**FOR CHAUDHRY VIGG JAMES & CO**  
Chartered Accountants  
Firm Regn. No. 000949N

**For & On behalf of Board of Directors**

**Sd/-**  
**B B Chaudhry**  
Partner  
Membership No: 014231  
Place : New Delhi  
Date : 25<sup>th</sup> May, 2012

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

**Sd/-**  
**(Sachin Rathi)**  
Director

**Sd/-**  
**(Yashawant Gupta)**  
Company Secretary

**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. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**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

	RATE (SLM)
Plant and equipments	7.07 %
Furniture and fixtures	6.33 %
Vehicles	9.50 %
Plant and equipments (Computers)	16.21 %

- (iii) Depreciation on addition is being provided on pro rata basis from the date of such addition.
- (iv) 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 acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated depreciation/amortization and accumulated impairment losses.

Intangible assets are depreciated on a straight line basis.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the assets is derecognized.

**E. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS**

The company assesses at each reporting date whether there is an indication that an assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased, If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

#### **F. INVESTMENTS**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment bases. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **G. CASH & CASH EQUIVALENTS**

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

#### **H. 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 as per the following :

- (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.

#### **I. EMPLOYEES' BENEFIT**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

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

#### **J. INCOME TAXES**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e, the period for which MAT credit is allowed to be carried forward in the which the company recognizes MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of minimum alternative tax under the income tax Act,1961 the asset is created by way of credit to the statement of profit and loss and shown as "Mat credit entitlement." The company reviews the " MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**K. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the number of equity shares outstanding during the period.

**L. PROVISIONS**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**M. CONTINGENT LIABILITIES & CONTINGENT ASSETS**

A Contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be recognized because it can not be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements

Contingent assets are neither recognized nor disclosed in the financial statements.

**N. 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.

**O. 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.

**P. LEASES**

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

**DB (INTERNATIONAL) STOCK BROKERS LIMITED**

**NOTES ON ACCOUNTS**

**1. Share Capital**

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b><u>Authorised</u></b>				
Equity Shares of Rs. 2 each	50,000,000	100,000,000	50,000,000	100,000,000
<b><u>Issued</u></b>				
Equity Shares of Rs. 2 each	35,000,000	70,000,000	35,000,000	70,000,000
<b><u>Subscribed &amp; Paid up</u></b>				
Equity Shares of Rs. 2 each fully paid up	35,000,000	70,000,000	35,000,000	70,000,000
<b>Total</b>	<b>35,000,000</b>	<b>70,000,000</b>	<b>35,000,000</b>	<b>70,000,000</b>

**Terms/ Rights Attached to Equity Shares**

The company has only one class of equity shares having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holder in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognised as distributable to equity share holders was Rs 0.30 ( 31 March 2011: Rs 0.20)

**Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shiv Narayan Daga	5,780,000	16.51	5,780,000	16.51
Sharma Gandhi Hire Purchase Limited	2,256,248	6.45	-	-



**2. Reserve & Surplus**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
<b>a. Securities Premium Account</b>		
Opening Balance	76,000,000	76,000,000
Add : Securities premium credited on Share issue	-	-
<u>Less : Premium Utilised for various reasons</u>	-	-
Closing Balance	76,000,000	76,000,000
<b>b. Other Reserves (General</b>		
Opening Balance	24,115,518	24,115,518
(+) Current Year Transfer	1,200,914	-
(-) Written Back in Current Year		
Closing Balance	<b>25,316,432</b>	<b>24,115,518</b>
<b>c. Surplus</b>		
Opening Balance	86,575,871	78,662,784
(+) Net Profit/(Net Loss) For the current year	24,018,279	16,636,292
(-) Proposed Dividends	(10,500,000)	(7,000,000)
(-) Corporate Dividends Tax	(1,703,363)	(1,135,575)
(-) Provision Written off	(88,311)	(587,630)
(-) Transfer to General Reserves (Dividend Part)	(1,200,914)	-
Closing Balance	<b>97,101,562</b>	<b>86,575,871</b>
<b>Total</b>	<b>198,417,994</b>	<b>186,691,389</b>

**3. Other current liabilities**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Liabilities for Expenses	1,317,423	927,453
TDS Payable	285,962	169,245
NSE Charges payable	1,658,031	1,391,937
<b>Total</b>	<b>3,261,416</b>	<b>2,488,635</b>

**4. Short Term Provisions**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
<b>(a) Others</b>		
Provision for Income Tax	5,965,004	7,376,876
Proposed Dividend	10,500,000	7,000,000
Provision for Dividend Tax	1,703,363	1,135,575
<b>Total</b>	<b>18,168,367</b>	<b>15,512,451</b>

**5. Fixed Assets****Tangible Assets**

	Computer	Electrical Equipment	Furniture and fixtures	Genrator	Office Equipment	Vehicles	Air Conditioner	Total
<b>Gross Block</b>								
At 31 March 2011	27,305,175	4,091,855	1,150,064	1,524,312	561,110	2,354,473	1,540,195	38,527,184
Additions	1,475,565	204,019	23,050	-	-	-	-	1,702,634
Disposals	-	-	-	-	-	-	-	-
At 31 March 2012	28,780,740	4,295,874	1,173,114	1,524,312	561,110	2,354,473	1,540,195	40,229,818
<b>Depreciation</b>								
At 31 March 2011	16,101,380	942,218	313,615	216,925	413,272	1,174,274	280,024	19,441,708
charge for the Year	4,527,049	294,339	74,170	107,769	39,670	223,675	108,892	5,375,564
Disposals	-	-	-	-	-	-	-	-
At 31 March 2012	20,628,429	1,236,557	387,785	324,694	452,942	1,397,949	388,916	24,817,272
<b>Net Block</b>								
At 31 March 2012	8,152,311	3,059,317	785,329	1,199,618	108,168	956,524	1,151,279	15,412,546
At 31 March 2011	11,203,795	3,149,637	836,449	1,307,387	147,838	1,180,199	1,260,171	19,085,476

**Intangible Assets**

	Computer software							Total
<b>Gross Block</b>								
At 31 March 2011	1,859,163							1,859,163
Purchase	427,623							427,623
At 31 March 2012	2,286,786							2,286,786
<b>Depreciation</b>								
At 31 March 2011	646,186							646,186
charge for the year	699,959							699,959
Disposals	-							-
At 31 March 2012	1,346,145							1,346,145
<b>Net Block</b>								
At 31 March 2012	940,641							940,641
At 31 March 2011	1,212,977							1,212,977

**6. Non - Current Investment**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
(a) Investment in Equity instruments	1,705,000	1,855,000
Total (A)	1,705,000	1,855,000
Less : Provision for dimunition in value of Investment	-	-
<b>Total</b>	<b>1,705,000</b>	<b>1,855,000</b>

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Aggregate amount of quoted investments (Market value of 1350000 Equity Shares (Previous Year 150000 Equity Shares)	101,790,000	36,345,000
Aggregate amount of unquoted investments 3550 Equity Shares (Previous Year 3550 Equity Shares)	355,000	355,000

**7. Long Term Loans and Advances**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
National Stock Exchange of India	5,000,000	5,000,000
Bombay Stock Exchange of India	10,025,000	10,125,000
Deposits for membership of F&O	3,300,000	3,300,000
Security Deposits of vsat/lease line	1,000,000	1,360,000
Security Deposits for Office premises	1,181,366	2,159,642
Additional Base Capital (Cash NSE)	20,500,000	25,500,000
BSE Contingency fund	250,000	250,000
Security Deposit (CDSL)	250,000	250,000
Security Deposit (National Spot Exc)	200,000	200,000
Security Deposit (NSE Currency)	2,800,000	2,800,000
Security Deposit (MCX Currency)	2,700,000	2,700,000
Security Deposit (USE) Currency)	2,600,000	2,600,000
<b>Total</b>	<b>49,806,366</b>	<b>56,244,642</b>

**8. Trade Receivables**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	2,272,145	8,343,744
Less : Provision for doubtful debts	-	-
	2,272,145	8,343,744
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	100,179	699,601
Less : Provision for doubtful debts	-	-
	100,179	699,601
<b>Total</b>	<b>2,372,324</b>	<b>9,043,345</b>

**9. Cash & Cash Equivalents**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
a. Balances with banks	32,242,905	31,069,085
b. Bank deposits with more than 12 months maturity	207,061,000	182,487,913
c. Cash on hand	369,231	105,156
<b>Total</b>	<b>239,673,136</b>	<b>213,662,154</b>

**10. Short Term Loans and Advances**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
<b>a. Others</b> Unsecured, considered good	164,731	230,820
<b>Total</b>	<b>164,731</b>	<b>230,820</b>

**11. Other Current Assets**

S.No.	Particulars	As at 31 March 2012	As at 31 March 2011
		Amount (Rs.)	Amount (Rs.)
1	Income tax refundable	2,720,538	1,565,520
2	Tax Deducted at sourceNSE/BSE/MCX	1,868,398	1,004,746
3	Receivable	809,115	461,359
4	Advance Income Tax	4,500,000	7,700,000
5	Stamp in Hand	8,115	21,804
6	Service Tax Recoverable	1,520,158	129,179
7	Accrued Interest	-	467,226
8	Prepaid Expenses	4,736,515	5,379,979
9	Preliminary Expenses (to the extent not written off)	229,001	343,502
	<b>Total</b>	<b>16,391,840</b>	<b>17,073,315</b>

**12. Deferred Tax Liabilities**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
<b>Deferred tax liability related to Fixed assets</b>		
Opening Balance	2,410,650	1,712,086
Deferred tax Credit During the year (liabilities)	1,379,088	(698,564)
Carried to Balance Sheet as on date	<b>1,031,562</b>	<b>2,410,650</b>

**13. Revenue from Operations**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Other operating revenues	92,566,983	100,879,653
Interest Income	16,632,718	10,147,210
<b>Total</b>	<b>109,199,701</b>	<b>111,026,863</b>

**14. Other Income**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Dividend Income	97,005	265,834
Net gain/loss on sale of investments	11,224,513	-
Other non-operating income	207,898	349,253
<b>Total</b>	<b>11,529,416</b>	<b>615,087</b>

**15. Employee Benefit Expense**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Staff Salary	11,402,096	19,571,892
EPS (Employer's Contribution)	121,651	228,562
ESI (Employer's Contribution)	13,657	-
Staff Welfare expenses	272,353	383,906
Directors Remuneration	1,279,800	1,232,000
<b>Total</b>	<b>13,086,557</b>	<b>21,416,360</b>

**16. Depreciation & Amortization Expense**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
Depreciation of tangible assets	5,375,564	4,784,619
Amortization of intangible assets	699,959	494,067
<b>Total</b>	<b>6,075,523</b>	<b>5,278,686</b>

**17. Other Expenses**

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
-Audit	15,000	15,000
-Tax	5,000	5,000
-Certification Fees	10,000	10,000
Annual Maintenance Charges	1,782,595	2,256,753
Bank Charges	4,786,003	3,189,661
Computer Exp.	753,397	689,124
Conveyance	27,935	34,479
Depository Expenses	513,988	542,460
Electricity Charges	2,127,038	1,982,789
Fees & Taxes	20,810,935	9,305,558
Securities Transaction Tax	19,326,937	18,430,534
Prof. Issue Expenses Written Off	114,501	114,501
Insurance Premium	16,287	22,891
Legal & Professional charges	328,554	334,890
Listing Fees	106,500	15,000
Misc Exp.	81,487	39,234
Office Maintenance	1,007,621	792,072
Publication Expenses	32,376	98,001
Postage, Telegram & Courier	328,342	561,375
Printing & Stationary	193,048	195,093
Rent	7,478,991	8,108,773
Telephone & Communication Exp.	531,408	670,570
Client Introduction Charges	3,984,306	5,457,014
Watch & Ward	191,974	264,954
Vehicle Running Exp.	125,254	113,720
VSAT & Lease Line Expenses	8,283,365	6,985,726
<b>Total</b>	<b>72,962,842</b>	<b>60,235,172</b>

**18. Earnings Per Share (EPS)**

The following reflects the profit and share data used in the basic EPS computations :

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
EBIDTA	34,679,718	29,990,418
Less : Finance Cost	-	-
EBIDTA	34,679,718	29,990,418
Less : Depreciation	6,075,523	5,278,686
EBIDTA	28,604,195	24,711,732
Tax expense :		
(1) Current tax	(5,965,004)	(7,376,876)
(2) Deferred tax	1,379,088	(698,564)
Profit after Tax	24,018,279	16,636,292
<b>Earnings per Equity Share : Basic</b>	<b>0.69</b>	<b>0.48</b>

**19. Payment to Auditors :**

Particulars	2011-2012	Rs.
		2010-2011
(i) Audit Fees	15000	15,000
(ii) Tax audit Fees	5000	5,000
(iii) Certification Charges	10000	10,000
<b>Total</b>	<b>30,000</b>	<b>30,000</b>

**20. Managerial Remuneration :**

(Included under the head "Employees Cost")

Particulars	2011-2012	(Rs.)
		2010-2011
Salary including employer's contribution to PF	12,76,800	12,32,000

**21. Employees' Benefit**

An amount of Rs. 11,76,857/- has been ascertained by the management in respect of the gratuity and other employee's benefit. 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 31<sup>ST</sup> MARCH, 2012****22. GENERAL****a) Contingent liabilities not provided for in respect of:-**

Guarantees issued by banks: Rs. 41.25 Crores (Previous year: 36.25 Crores)

**b) Loans & Advances:** Debtors, Security deposits and other assets have value on realization in the ordinary course of 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)** 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.

**e)** Figures have been rounded off to the nearest rupee.

**f)** Schedules from 1 to 22 form an integral part of the accounts.

"As per our report of even date attached"

**FOR CHAUDHRY VIGG JAMES & CO**

**Chartered Accountants**

**Firm Regn. No. 000949N**

**Sd/-**

**B B Chaudhry**  
**Partner**

**Membership No: 014231**

**Place : New Delhi**

**Date : 25<sup>th</sup> May, 2012**

**For & On behalf of Board of Directors**

**Sd/-**

**(Shiv Narayan Daga)**  
**Managing Director**

**Sd/-**

**(Sachin Rathi)**  
**Director**

**Sd/-**

**(Yashawant Gupta)**  
**Company Secretary**

**DB (INTERNATIONAL) STOCK BROKERS LIMITED**

Cash Flow Statement for the year 2011-2012

(Rs. in 000)

PARTICULARS	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
<b>A. Cash Flow from Operating Activity:</b>		
Net Profit Before Taxes and Extraordinary Item.	28,604	24,712
<b>Adjustment for:-</b>		
Depreciation	6,076	5,279
Preliminary Public issue Expenditure W/off	115	115
Loss on fixed assets	-	-
Interest Expenses	-	-
Dividend Income	(97)	(266)
Interest Income	(16,633)	(10,147)
<b>Operating profit before working capital changes</b>	<b>18,065</b>	<b>19,693</b>
Adjustment for:		
Debtors	6,671	256
Other Current Assets	567	(7,959)
Inventory	-	-
Loan & Advances	66	4,274
Security Deposits	6,438	17,360
Current Liabilities	(4,946)	(13,926)
<b>TOTAL</b>	<b>8,796</b>	<b>5</b>
<b>Cash Generated from Operations</b>	<b>26,861</b>	<b>19,697</b>
Tax Paid	(8,601)	(6,581)
<b>Net Cash Flow from Operating Activity</b>	<b>18,260</b>	<b>13,117</b>
<b>B : Cash Flow from Investing Activity</b>		
Investment	150	(1,500)
Purchase of Fixed Assets	(2,130)	(7,446)
Sale of Fixed Assets	-	-
Interest Received	16,633	11,147
<b>Net Cash Flow from Investing Activity</b>	<b>14,653</b>	<b>1,201</b>
<b>C: Cash Flow from Financing Activities</b>		
Public Issue Expenses	-	-
Interest Paid	-	-
Interim Dividend/Proposed Dividend Paid	(7,000)	(7,000)
Dividend Received	97	266
Share capital	-	-
Share Premium	-	-
<b>Net Cash used in Financing Activities</b>	<b>(6,903)</b>	<b>(6,734)</b>
Net Increase/(decrease) in cash and cash Equivalents	<b>26,010</b>	<b>7,584</b>
Opening Balance of Cash and cash equivalents	213,663	206,079
Closing Balance of Cash and cash equivalents	239,673	213,663

For &amp; On Behalf of Board of Directors

Place : New Delhi  
Date: 25<sup>th</sup> May, 2012

Sd/-  
(Shiv Narayan Daga)  
Managing Director

Sd/-  
(Sachin Rathi)  
Director

Sd/-  
(Yashawant Gupta)  
Company Secretary

**Auditors Certificate**

We have verified the above Cash Flow Statement for the year ended 31st March, 2012 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 CHAUDHRY VIGG JAMES & CO**  
Chartered Accountants  
Firm Regn. No. 000949N

Sd/-  
B B Chaudhry  
Partner  
Membership No: 014231

Place : New Delhi  
Date : 25<sup>th</sup> May, 2012



**DB (INTERNATIONAL) STOCK BROKERS LIMITED**

Regd. Office: 756, Sector 23A, Gurgaon - 122017

**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 20<sup>th</sup> Annual General Meeting of the Company to be held on  
Monday, the 13<sup>th</sup> August, 2012 at 10:00 a.m. at the Children Park , Near 756, Sector 23A, Gurgaon - 122017 and at any  
adjournment thereof.

Signed this ..... Day of .....2012.

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: 756, Sector 23A, Gurgaon - 122017

**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 20th Annual General Meeting of DB (International) Stock Brokers Limited to held be on  
Monday, the 13th August, 2012 at 10:00 a.m. at the Children Park, Near 756, Sector 23A, Gurgaon 122017.

\_\_\_\_\_  
**Signature of Shareholder (s) or of Proxy**