

DHRUVA

CAPITAL SERVICES LIMITED



Eighteenth Annual Report

2011 - 2012

CONTENTS

Notice	2	Profit & Loss Account	13
Director's Report	3	Accounting Policies & Notes	14
Auditor's Report	9	NBFC Schedule	23z
Balance Sheet	12	Cash Flow Statement	25

Eighteenth Annual Report

NOTICE

NOTICE is hereby given that the eighteenth Annual General Meeting of the Company will be held on Saturday the 29th day of September, 2012 at 11.00 A.M. at Corporate Office of the Company situated at First Floor, 60-D, Panchwati, Udaipur - 313 001 (Raj.) to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet & Profit & Loss A/c as at 31st March 2012, together with the Auditor's Report and Director's Report thereon.
2. To appoint Mr. Rajendra Jain as a director in place of Mr. Ajesh Sethi who retires by rotation as a director on ensuing AGM & due to some other occupations, not willing for his reappointment.
3. To appoint a director in place of Mrs. Meena Karnawat who retires by rotation as a director and being eligible, offers herself for reappointment.
4. To appoint Auditor's of the Company and to fix their remuneration.

By order of the Board
For Dhruva Capital Services Ltd.

Sd /-

(KAILASH KARNAWAT)
MANAGING DIRECTOR

Place : Udaipur
Dated : 11-08-2012

NOTES :

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September' 2012 to 29th September' 2012 (both days inclusive).
4. The Explanatory statement pursuant to Section 173 (2) of The Companies Act, 1956 in respect of the business under Item No. 2, set out above is annexed hereto.
5. Members are requested to :
 - (a) Notify any **change in their registered address** alongwith pin code numbers.
 - (b) Quote their respective **LEDGER FOLIO No.** on every communication with the Company.
 - (c) Bring their copies of Annual Report to the meeting. No copies of the Annual Report will be available for distribution to the members at the meeting.
 - (d) Deposit duly filled-in attendance slip annexed to the proxy form at the entrance to the place of the meeting and not to bring with them any other person who is not a member / proxy.
 - (e) Write to the Company at least 10 days before the date of the meeting regarding any information on accounts so as to enable the Company to keep the information ready.
 - (f) Provide their e-mail address to their Depository Participant (DP) (in case of holding in electronic form) or to the RTA, Bigshare Services Pvt. Ltd., Mumbai (in case of holding in physical form).

EXPLANATORY STATEMENT :

(Pursuant to section 173 (2) of The Companies Act, 1956)

6. The Company has received special notices regarding appointment of Mr. Rajendra Jain as a Director. The special notices U/s 257 have been received alongwith security deposit of Rs. 500/- from him and written consent of Mr. Rajendra Jain to act as a director has been obtained, if appointed.
Mr. Rajendra Jain is a Chartered Accountant. His experience will be very helpful to the Company to flourish its business. The Board recommends the appointment of Mr. Rajendra Jain as a director liable to retire by rotation, by way of passing an ordinary resolution.
None of the Directors is in any way concerned or interested in this resolution.

DHRUVA CAPITAL SERVICES LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Eighteenth Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2012.

1. FINANCIAL RESULTS :	(Rs. in Lacs)	
For the Year ended	31-03-2012	31-03-2011
Income From Operations	17.54	22.37
Other Income	0.26	0.00
Operational Expenses	12.73	12.59
Profit/Loss before Dep., Tax & Misc. Expenses	5.07	9.78
Depreciation & Misc. Exp. W/off	1.07	1.10
Provision for Taxation		
1. Current Taxes	0.53	1.45
2. Deferred Taxes	(0.13)	(0.11)
Profit / Loss after Tax	3.60	7.34
Balance Carried to Balance Sheet	3.60	7.34

2. PERFORMANCE :

The Net Profit of the Company during the year under review was Rs. 3.60 Lacs as compared to Net Profit of Rs. 7.34 Lacs in the previous year.

REVIEW OF OPERATIONS & FUTURE OUTLOOK :

Interest was the major source of earning during this year. The initiatives taken by the Company to improve its operations in the coming financial years are good. Your Company is intensifying its focus on new business avenues like real estate, energy and power sector.

3. DIVIDEND :

Since your Company has not made enough profit during the year under review, your directors have not recommended any dividend.

4. PUBLIC DEPOSITS :

The Company has not accepted any deposit from public during the year ended 31st March 2012, as per provisions of Section 58 A of the Companies Act, 1956.

5. APPOINTMENT OF CSP :

Compliance Certificate U/s 383 (A) of the Companies Act, 1956 has been obtained from a Company Secretary in practice.

6. CONSERVATION OF ENERGY :

Not applicable since your Company being a Financial Services Company.

7. TECHNOLOGY ABSORPTION :

No comment is necessary considering the nature of activities undertaken by your Company during the year under review.

8. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Your Company does not have any foreign exchange earning and outgo during the year under review.

9. DIRECTORS :

Mr. Ajesh Sethi retires by rotation at this Annual General Meeting & due to some other occupations not willing for his re-appointment. Board express its grateful thanks and appreciation for his sincere association with the Company during his tenure and wish him a very bright future. It is proposed to appoint Mr. Rajendra Jain (C.A.) as a director in his place. Mrs. Meena Karnawat also retires by rotation at this AGM and being eligible, offers herself for reappointment.

Eighteenth Annual Report

10. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii. the Directors have selected accounting policies and applied them consistently and made judgements 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 the year under review.
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Directors have arranged preparation of the accounts for the financial year ended March 31, 2012 on a "going concern" basis.

11. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT :

INDUSTRY STRUCTURE & DEVELOPMENT :

No concessions are being given to NBFC Industry by govt. so that the industry can withstand competitions from banks and other lending institutions. Moreover due to unhealthy business environment for the last few years, the margins have squeezed and the cost of operations has increased consistently.

OPPORTUNITIES & THREATS :

Fluctuations in the interest rate in economy has created uncertainty in the business of finance. The biggest threat for Non Banking Finance Companies arise from the vast gap existing between demand and supply.

Another threat for Non Banking Finance Companies comes from increased competition from banking industry, which is in a position to lend at competitive rates due to availability of huge funds at a cheaper cost. The Company expect stable interest rates in the coming period and is confident of meeting the challenges by increasing volume of business at nominal margin.

RISK AND CONCERNS :

Like any other industry, the Company's business is also exposed to various business risks.

Continuous efforts are made to reduce the cost of funds, increase the volume of the business and to control the NPAs within a bearable limit to minimize the impact of declining spread.

INTERNAL CONTROL SYSTEM :

The Company has proper and adequate internal control system in all the areas of its activities. The Company's Audit Committee reviewed the internal control system and looked in to the observations of the statutory auditor.

DISCUSSION ON FINANCIAL PERFORMANCE :

The financial performance of the Company for the year has been discussed in the Director's Report and cash-flow statement is annexed with the Annual Accounts.

HUMAN RESOURCES / INDUSTRIAL RELATIONS :

The relation between the Company and its employees remained cordial through-out the year and the management expects the same to continue and receive full support and cooperation from its employees in future also.

12. AUDITORS :

M/s B.L. Pagaria & Co., Chartered Accountants, Auditor's of the Company shall hold office until the conclusion of ensuing Annual General Meeting. The Auditor's, being eligible, offer themselves for reappointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

DHRUVA CAPITAL SERVICES LIMITED

13. REPORT ON CORPORATE GOVERNANCE :

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE :

Our Company has always believed in the concepts of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance the Share Holder's value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. COMPOSITION OF BOARD OF DIRECTORS :

The Company has a combination of executive and non-executive Directors. The Company has an executive chairman and half of the Board of Directors are independent Directors. The number of non-executive Directors are 50% of total number of Directors.

None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees {as per clause 49 (iv) (B)} across all the Companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other Companies. The Company's Board at present have six Directors comprising one Managing Director, Two Promoter Directors and Three non-executive Professional Independent Directors.

The Board met 4 times during the year on 27-05-2011, 10-08-2011, 11-11-2011 & 10-02-2012. The name and category of Directors on the Board, their attendance at Board Meetings held during the year ended on 31st March, 2012, at the last Annual General Meeting & also, number of Directorships and committee positions as held by them in other Public Limited Companies as on 31-03-2012 are given below :

Name	Category	No. of Board Meetings attended out of 5 meetings held during the year 2010-11	Whether attended AGM held on 30-09-10	No. of Directorship held in other Public Limited Companies	No. of committee positions held in other Public Limited Companies	
					Chairman	Member
Mr. L.S. Karnawat	Promoter Executive	2	Yes	One	Nil	Nil
Mr. Kailash Karnawat	Promoter Executive	4	Yes	Nil	Nil	Nil
Mrs. Meena Karnawat	Promoter Non-Executive	2	Yes	Nil	N.A.	N.A.
Mr. Lalit Kachhara	Independent Non Executive	3	No	Nil	N.A.	N.A.
Mr. Ajesh Sethi	Independent Non Executive	3	No	Nil	N.A.	N.A.
Mr. Kirti Jain	Independent Non Executive	3	No	Nil	N.A.	N.A.

3. COMMITTEES OF THE BOARD :

AUDIT COMMITTEE :

The Company has an Audit Committee with scope of activities as set out in Clause 49 of the Listing Agreement with Stock Exchange read with Section 292A of the Companies Act, 1956. The broad terms for reference of the Audit committee are as under.

- a) To hold periodic discussions with the Statutory Auditor's and Internal Auditor's of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditor's/Internal Auditor's.
- b) To review compliance with internal control system.
- c) To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- d) To make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

The Audit Committee is presently comprised of three Non- Executive Directors viz. Mr. Lalit Kachhara as Chairman of the committee, Mr. Kirti Jain and Mr. Ajesh Sethi as its members.

Eighteenth Annual Report

The Committee met four times during the year on the following dates viz May 27, 2011, August 10, 2011, November 11, 2011 and February 10, 2012. Attendance of the members at the meetings is as stated below.

ATTENDANCE OF THE AUDIT COMMITTEE MEETINGS

Name of Director	Number of Meetings Attended
Mr. Lalit Kachhara	Three
Mr. Ajesh Sethi	Three
Mr. Kirti Jain	Three

REMUNERATION COMMITTEE :

The composition of the Remuneration Committee and the details of meeting attended by the Directors are given below. Remuneration Committee met once on May 27, 2011 during F.Y. 2011-12.

Name of Director		Number of Meetings during the period	
		Held	Attended
Mrs. Meena Karnawat	Promoter Non-executive Director	One	One
Mr. Ajesh Sethi	Independent Non-executive Director	One	One
Mr. Kirti Jain	Independent Non-executive Director	One	NIL

Given below are the details of remuneration paid to directors during the financial year 2011-12.

Name	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission paid during the year (Rs.)
Mr. L.S. Karnawat	800/-	Nil	Nil	Nil
Mr. Kailash Karnawat	Nil	5,40,000/-	90,094/-	Nil
Mrs. Meena Karnawat	800/-	Nil	Nil	Nil
Mr. Lalit Kachhara	1200/-	Nil	Nil	Nil
Mr. Ajesh Sethi	1200/-	Nil	Nil	Ni
Mr. Kirti Jain	1200/-	Nil	Nil	Nil

The Company pays remuneration to its Managing Director by way of salary and perquisites. Remuneration is paid as approved by the Shareholders. The Board on the recommendation of the Remuneration Committee approves the annual increments. The appointment / re-appointment of Managing Director is contractual and subject to termination by three months notice in writing by either side.

SHARE HOLDER'S / INVESTOR'S GRIEVANCES COMMITTEE :

The Company has an independent Shareholder's Grievances Committee which comprises of :

Name of Director		Number of Meetings Attended
Mr. Kirti Jain	Chairman	Two
Mr. L.S. Karnawat	Member	One
Mr. Kailash Karnawat	Member	Two

The shareholder's/investor's grievances committee met twice on August 10, 2011 and February 10, 2012 during the year ended on 31st March, 2012. The committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. Status of complaints received during the year ended on 31-03-2012 is as under.

Number of complaints received from investors comprising of non-receipt of Annual Report, Shares sent for transfer and transmission, complaints received from SEBI etc.	3
Number of complaints resolved.	3
Number of complaints pending as on 31-03-2012.	NIL

DHRUVA CAPITAL SERVICES LIMITED

4. General Body Meetings :

Fin. Year	Type	Date	Venue	Time
2008-2009	AGM	30th Sept., 2009	First Floor, 60-D, Panchwati Udaipur-313 001	11.30 A.M.
2009-2010	AGM	30th Sept., 2010	First Floor, 60-D, Panchwati Udaipur-313 001	11.30 A.M.
2010-2011	AGM	29th Sept., 2011	First Floor, 60-D, Panchwati Udaipur-313 001	11.00 A.M.

5. Disclosure on materially significant related party transactions :

- During the year, the Company has incurred transactions with related parties. However they were not potentially in conflict with interest of the Company.
- No penalties have been imposed on the Company by Stock Exchange, SEBI or any statutory authority in any matter relating to the capital markets during last three years.

6. Means of communication to the shareholders :

Timely disclosure of the performance of the Company is an integral part of good governance. Your Company disseminates information about its performance to Stock Exchange, Media & Shareholders. The Quarterly and Annual Results of the Company are being published in News Papers also, as required under Listing Agreement.

Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively.

Your Company proposes to deliver electronically any communication/documents including the Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are requested to please promptly inform their e-mail address to the RTA / Company.

7. General Shareholders information :

- Next Annual General Meeting :
Date - 29.09.2012, **Time**-11.00 A.M., **Venue**- First Floor, 60-D, Panchwati, Udaipur (Raj.)
- Financial Calendar :

Financial Reporting for the Quarter ending 30th June, 2012	Mid Aug., 2012
Financial Reporting for the Half Year ending 30th September, 2012	Mid Nov., 2012
Financial Reporting for the Quarter ending 31st December, 2012	Mid Feb., 2013
Financial Reporting for the Year ending 31st March, 2013	End May, 2013

- Book Closure 22-09-2012 to 29-09-2012 (both days inclusive).
- No dividend is proposed to be paid.
- Listing on Stock Exchanges :-
Shares of the Company are listed at **Bombay Stock Exchange Ltd. (BSE), Mumbai.**
- Registrar & Transfer Agent :-
M/s Bigshare Services Pvt. Ltd., E-23, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400072 , Ph. : 022-28470652, 40430200
Fax : 91 - 22 - 28475207 e-mail : info@bigshareonline.com

Eighteenth Annual Report

- g. Dematerialisation of shares of the Company :-
Connectivity of securities of our Company have been activated by National Securities Depository Limited (NSDL) w.e.f. 01-03-2004 and Central Depository Service Ltd. (CDSL) w.e.f.13-10-2006. The ISIN are as mentioned below:-

NSDL ISIN — INE 972E01014.

CDSL ISIN — INE 972E01014.

- h. Distribution of Shareholding as on 31.03.2012 :-

Nominal Share Capital	No. of shareholders	% of Total Shareholders	Total Equity Shares	% of Paid Up Share Capital
Upto 500	444	68.5185	1074990	3.2958
501 - 1000	106	16.3580	922240	2.8275
1001 - 2000	28	4.3210	451950	1.3856
2001 - 3000	17	2.6235	435080	1.3339
3001 - 4000	10	1.5432	367250	1.1259
4001 - 5000	4	0.6173	186850	0.5729
5001 - 10000	16	2.4691	1203560	3.6900
Above 10000	23	3.5494	27975080	85.7684
TOTAL	648	100	3261700	100

- i. Shareholding Pattern as on 31.03.2012 :-

S.No.	Category	Number of Shares Held	% of shareholding
1.	Promoters (Incl. Corp. Bodies)	2200800	67.474
2.	Directors other than promoters	—	—
3.	Private Corporate Bodies	233586	7.162
4.	Financial Institutions	—	—
5.	Clearing Members	11869	0.364
6.	Indian Public	815445	25.000
	Total	3261700	100

Total Foreign shareholding is NIL.

14. EMPLOYEES :

There is no employee earning salary over and above as specified under Sec. 217(2A) of the Companies Amendment Act, 1988 read with the Companies (particulars of employees) Rules 1990.

15. AUDITOR'S OBSERVATIONS :

The observations in the Auditor's Report are self explanatory and therefore do not call for any further comments.

16. ACKNOWLEDGEMENTS :

Your Director's place on record their grateful thanks and appreciation for the assistance received from the Auditors M/s B.L. Pagaria & Co., Chartered Accountants, HDFC Bank Ltd. & IndusInd Bank Ltd. Your Directors express their gratitude to the shareholders for the confidence reposed in the Company. Your Directors place on record their appreciation and thanks for the sincere efforts and active involvement by the employees of the Company during the year.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place : Udaipur

L. S. KARNAWAT
Chairman

KAILASH KARNAWAT
Managing Director

Dated : 11th August, 2012

DHRUVA CAPITAL SERVICES LIMITED

AUDITOR'S REPORT

To,
The Shareholders,
Dhruva Capital Services Limited

1. We have audited the attached Balance Sheet of **DHRUVA CAPITAL SERVICES LIMITED, UDAIPUR** as at 31st March, 2012, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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 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 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 (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of information and explanations furnished to us, we enclose in the Annexure, a Statement on the matters specified in Paragraphs 4 and 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 explanations, 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 so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director of the Company under 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 explanations given to us, the said Accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012.
 - (ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date and
 - (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

For **B. L. PAGARIA & CO.**
Chartered Accountants
(FRN : 01821C)
Sd/-
(B. L. PAGARIA)
Partner
(M.No. : 071017)

Place : Udaipur
Dated : 25th May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in paragraph (3) of our report of even date]

1.
 - (a) The Company is maintaining proper records showing full particulars including quantitative details & situation of fixed assets.
 - (b) The Fixed Assets of the Company were physically verified by the Management during the year under audit and no material discrepancies have been noticed on such verification. In our opinion, the frequency of such physical verification is reasonable.
 - (c) As per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.
2.
 - (a) As informed to us, physical verification of the Stock-in-Trade (including stock on hire, lease and Investments) of the Company was conducted by the Management during the year and in our opinion, the frequency of verification was reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedure for physical verification of stock followed by the Company are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) As explained to us no discrepancies were noticed between the physical stocks as verified and book records.

Eighteenth Annual Report

3. (a) The Company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) This clause is not applicable in lieu of clause 3 (a) above.
(c) This clause is not applicable in lieu of clause 3 (a) above.
(d) This clause is not applicable in lieu of clause 3 (a) above.
(e) The Company has taken loan, secured or unsecured, from Companies covered in the register maintained under section 301 of the Act. There are two such parties and the amount involved is Rs. 10,06,279/-
(f) According to the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions on which loan has been taken from Company, listed in the register maintained u/s 301 of the Companies Act, 1956 is not, prima facie, prejudicial to the interest of the Company.
(g) Only demand loan is taken from the said party, hence regular repayment of principal and interest is not relevant.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for advancing of loans, purchase of Stocks, Securities, Plant & Machinery, Equipments and other similar Assets and for the sale of goods.
5. (a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials, sale of goods, materials and services have been made in pursuance of contract or arrangement entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public and as such the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58 AA of the Companies Act, 1956 and the rules framed there under related with public deposits are not applicable.
7. In our opinion and according to the information and explanations given to us, the Company's present internal audit system, which have been designed to cover all the important areas and location, is commensurate with the size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Govt. U/s 209 (1) (d) of the Companies Act, 1956.
9. (a) The Company is regular in depositing with appropriate authorities, undisputed Statutory dues including income Tax, Sales Tax, Wealth Tax, Cess and other material statutory dues applicable to it.
(b) According to information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as on 31st March, 2012 for a period of more than six months from the date they become payable.
(c) According to the records of the Company examined by us and the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, cess and other material statutory dues which have not been deposited on account of any dispute. However, in case of dues relating to Income Tax, the company has got relief from CIT (A), Udaipur but the I.T. department has preferred appeals before hon'ble ITAT, Jodhpur. The details of same have not been provided here as these are considered to be undisputed on account of relief from CIT(A), Udaipur.
10. The company does not have accumulated losses as at the end of financial year and has not incurred Cash Losses in current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to information and explanations given to us, adequate documents and records have been maintained in case of loans and advances granted on the basis of securities by way of pledge of vehicles, plant and machinery, shares, debentures and other securities.
13. In our opinion, the company is not a chit fund, a nidhi or a mutual benefit society.
14. The Company has maintained proper records of transactions and contracts of dealing in investment, trading in shares and other securities and timely entries have been made therein. All the investments are held in the name of the Company.
15. The Company has not given any guarantee for loans taken by others from banks/financial institutions.
16. According to the information and explanations given to us the Company has not obtained any term loans.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds have been used to finance short term assets except permanent working capital.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

DHRUVA CAPITAL SERVICES LIMITED

19. The Company has not issued any debentures and hence clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. During the year covered by our report, the Company has not raised any money by way of public issue.
21. According to the information and explanations given to us, no fraud on or by the company have been noticed or reported during the course of our audit.

In compliance of Non Banking Financial Companies Auditors Report (Reserve Bank) Direction 2008 contained in the Notification No. DNBS-201/DG (VL) 2008 dated 18th September, 2008 issued by the RBI U/s 45 (IA) of the RBI Act 1934, we report as under :

- (a) That the Company has been granted Certificate of Registration as provided in section 45 IA of the RBI Act, 1934 issued by R.B.I. on 1.9.1999 but the same is not valid for accepting public deposits.
- (b) That the Company is entitled to continue to hold the Certificate of Registration in terms of its asset / income pattern as on 31st March, 2012.
- (c) That the Board of Directors has passed a resolution for non-acceptance of public deposit during the year.
- (d) That the Company has not accepted any public deposit during the year under audit.
- (e) That the Company has complied with Prudential Norms relating to the recognition of assets, classification & provision for doubtful debts, subject to the following :
- (i) The Company has not framed any policy for Demand and Call Loans.
- (ii) The Company has also not framed any Investment policy.

For **B. L. PAGARIA & CO.**
CHARTERED ACCOUNTANTS
(FRN : 01821C)

Sd/-

(B. L. PAGARIA)
PARTNER
(M.No.: 071017)

Place : UDAIPUR
Dated : 25th May, 2012

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,
Dhruva Capital Services Ltd.,
Udaipur (Raj.)

We have examined the compliance of conditions of Corporate Governance by M/s Dhruva Capital Services Ltd. for the year ended on 31.03.2012, as stipulated in Clause 49 of the listing agreement of the said Company with Bombay Stock Exchange Ltd. (BSE).

The Compliance of the conditions of the Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance Note on certification of Corporate Governance issued by the Chartered Accountants of India, we have to state that, as per the records maintained by the Company as on 31.03.2012, there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

We further state that such compliances are 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 **B. L. PAGARIA & CO.**
CHARTERED ACCOUNTANTS
(FRN : 01821C)

Sd/-

(B. L. PAGARIA)
PARTNER
(M.No. : 071017)

Place : UDAIPUR
Dated : 25th May, 2012

Eighteenth Annual Report

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE NO.	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
I. EQUITY AND LIABILITIES :			
(1) Shareholder's Funds :			
(a) Share Capital	2	32617000.00	32617000.00
(b) Reserves & Surplus	3	8961682.77	8600954.22
(c) Moeny received against Share Warrants		0.00	0.00
(2) Share Application Money Pending allotment		0.00	0.00
(3) Non-Current Liabilities :			
(a) Long -Term Borrowings	4	502488.00	502488.00
(b) Deferred Tax Liabilities (Net)	5	377047.00	390350.00
(c) Other Long Term Liabilities		0.00	0.00
(d) Long-Term Provisions	6	3459771.00	3470546.00
(4) Current Liabilities :			
(a) Short-Term Borrowings	7	1006279.00	609014.00
(b) Trade Payables	8	754880.00	516149.00
(c) Other Current Liabilities	9	200921.66	204668.66
(d) Short-Term Provisions	10	68000.00	160367.00
TOTAL		<u>47948069.43</u>	<u>47071536.88</u>
II. ASSETS :			
(1) Non-Current Assets :			
(a) Fixed Assets			
(i) Tangible Assets	11	1464697.00	1557552.00
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work-in-Progress		0.00	0.00
(iv) Intangible Assets under development		0.00	0.00
(b) Non-Current Investments	12	24520782.90	24520782.90
(c) Deferred Tax Assets (Net)		0.00	0.00
(d) Long Term Loans & Advances	13	3444900.00	3444900.00
(e) Other Non-Current Assets		0.00	0.00
(2) Current Assets :			
(a) Current Investments		0.00	0.00
(b) Inventories		0.00	0.00
(c) Trade Receivables		0.00	0.00
(d) Cash and Cash Equivalents	14	5118815.27	86291.49
(e) Short-Term Loans & Advances	15	13398874.26	17462010.49
(f) Other Current Assets		0.00	0.00
TOTAL		<u>47948069.43</u>	<u>47071536.88</u>
Significant Accounting Policies	1		
<i>The notes referred above form an integral part of the Balance Sheet.</i>			

In terms of our report of even date.
For **B. L. PAGARIA & Co.**
Chartered Accountants
(FRN : 01821C)

For and on behalf of the Board of Directors

Sd/-

(B. L. PAGARIA)
Partner
(M.No. : 071017)

Sd/-

(L. S. KARNAWAT)
Chairman

Sd/-

(KAILASH KARNAWAT)
Managing Director

Place : Udaipur (Raj.)
Dated : 25th May, 2012

DHRUVA CAPITAL SERVICES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE NO.	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
1. Revenue from Operations	16	1754472.55	2237071.07
2. Other Income	17	25775.00	0.00
3. Total Revenue (I+II)		<u>1780247.55</u>	<u>2237071.07</u>
4. Expenses			
Cost of Material Consumed		0.00	0.00
Purchases of Stock-in-Trade		0.00	0.00
Changes in inventories of Finished Goods, Work-in-Progress and Stock in Trade		0.00	0.00
Employee Benefits Expenses	18	936094.00	937949.00
Finance Costs	19	62862.00	55.15
Depreciation and Amortization Exp.	11	106855.00	109566.00
Other Expenses	20	274011.00	320675.75
		<u>1379822.00</u>	<u>1368245.90</u>
5. Profit before Exceptional Items, Extraordinary Items and Tax (III-VI)		400425.55	868825.17
6. Exceptional Items		0.00	0.00
7. Profit before Extraordinary Items and Tax (V-VI)		400425.55	868825.17
8. Extraordinary Items		0.00	0.00
9. Profit before Tax (VI-VIII)		400425.55	868825.17
10. Tax Expenses			
(i) Current Tax		53000.00	145367.00
(ii) Deferred Tax		-13303.00	-10814.00
11. Profit/(Loss) for the Period fr. Cont. Op. (IX-X)		360728.55	734272.17
12. Profit/(Loss) from Discontinuing Operations		0.00	0.00
13. Tax Expenses of Discontinuing Operations		0.00	0.00
14. Profit/(Loss) from Discontinuing Operations After Tax (XII-XIII)		0.00	0.00
15. Profit (Loss) for the Period (XI-XIV)		360728.55	734272.17
16. Earning per Equity Share			
(i) Basic		0.11	0.23
(ii) Diluted		0.11	0.23

Significant Accounting Policies

1

The notes referred above form an integral part of the P & L A/c.

In terms of our report of even date.
For **B. L. PAGARIA & Co.**
Chartered Accountants
(FRN : 01821C)

For and on behalf of the Board of Directors

Sd/-

(B. L. PAGARIA)
Partner
(M.No. : 071017)

Sd/-

(L. S. KARNAWAT)
Chairman

Sd/-

(KAILASH KARNAWAT)
Managing Director

Place : Udaipur (Raj.)
Dated : 25th May, 2012

NOTES TO THE FINANCIAL STATEMENTS

(1) SIGNIFICANT ACCOUNTING POLICIES :

- (i). (a) The Financial accounts unless otherwise stated are prepared at historical cost under accrual method of accounting.
(b) The accounting policies unless otherwise separately stated are in conformity with generally accepted accounting principles & Accounting Standards as issued by ICAI.
- (ii). **REVENUE RECOGNITION :**
 - (a) Income of Non performing assets has been recognised as and when received (as per prudential norms of RBI).
 - (b) Income from dividend is recognised on cash basis.
 - (c) Lease rental received (if any) is accounted as income and is not bifurcated in interest income and principal amount repayment as required by Accounting Standards - 19 "Accounting for Lease" of ICAI in respect of Financial Lease as none of the lease agreement have been entered on or after 1.4.2001 when the said Accounting Standard became applicable.
- (iii). **INVESTMENT:**

Investment is classified into current investment & long term investment.
Long term investments are valued at cost and provision will be made for permanent diminution in value of such investment.
Current investments are valued scripwise at cost or market price whichever is lower.
- (iv). **FIXED ASSETS AND DEPRECIATION :**
 - (a) Fixed assets are stated at cost (including capitalised interest, if any) less depreciation.
 - (b) Depreciation on owned assets is provided on Straight Line method at the rate prescribed in Schedule XIV of Companies Act, 1956.
 - (c) All assets given on finance lease, on or before 31st March, 2001 are capitalised as fixed assets & depreciation on leases assets is provided on flat rates spread over the lease period as per the lease agreement or at the rate prescribed under Schedule XIV of Companies Act, 1956 whichever is higher.
 - (d) Depreciation on additions made is provided on pro rata basis from the date of their use.
- (v). **PROVISION AGAINST LOANS AND OTHER CREDIT FACILITIES :**

Provision on Non Performing Assets has been provided as per the prudential norms issued by the RBI.
- (vi). **RETIREMENT BENEFITS :**

The provision of gratuity are not applicable to the Company.
- (vii). **PRIOR PERIOD ADJUSTMENT :**

Prior period expenses / income (if any) are shown separately in the Profit & Loss A/c.
- (viii). **TAXES ON INCOME :**

Current tax is determined in accordance with the provisions of the Income Tax Act 1961, as the amount of tax payable in respect of taxable income for the year.
Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet.

DHRUVA CAPITAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.			
2. SHARE CAPITAL :					
AUTHORISED CAPITAL					
3500000 Equity Shares of Rs.10/- each	<u>35000000.00</u>	35000000.00			
TOTAL :	<u>35000000.00</u>	<u>35000000.00</u>			
ISSUED CAPITAL					
3261700 Equity Shares of Rs. 10/- each	<u>32617000.00</u>	32617000.00			
TOTAL :	<u>32617000.00</u>	<u>32617000.00</u>			
SUBSCRIBED AND PAID UP CAPITAL					
3261700 Equity Shares of Rs. 10/- each	<u>32617000.00</u>	32617000.00			
TOTAL :	<u>32617000.00</u>	<u>32617000.00</u>			
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY					
S. No.	NAME OF SHAREHOLDER	As at 31.03.2012 No. of Shares	% HELD	As at 31.03.2011 No. of Shares	% HELD
1.	MEENA KARNAWAT	651800	19.98%	651800	19.98%
2.	NAKUL BUILDERS & DEV. P. LTD.	644500	19.76%	544500	16.69%
3.	KAILASH KARNAWAT	576200	17.67%	600900	18.42%
4.	KARNAWAT HIRE PURCHASE P. LTD.	198300	6.08%	198300	6.08%
5.	NAKUL KARNAWAT	181800	5.57%	160600	4.92%
3 RESERVES & SURPLUS :					
	Balance as per last Balance Sheet	6978954.22		6390834.05	
	Add : Profit/Loss of the year	360728.55		734272.17	
	Add : Excess Provision of tax of earlier years	0.00		848.00	
	Less : Transferred to special reserve fund	(72000.00)		(147000.00)	
	TOTAL (A) :	<u>7267682.77</u>		<u>6978954.22</u>	
	SPECIAL RESERVE FUND Transferred from Reserves & Surplus				
	(u/s 45 IC of RBI Act,1934) [@20% of Net Profit]				
	Balance as per Last Balance Sheet	1622000.00		1475000.00	
	For Financial Year (2011-12)	72000.00		147000.00	
	TOTAL (B) :	<u>1694000.00</u>		<u>1622000.00</u>	
	GRAND TOTAL (A+B) :	<u><u>8961682.77</u></u>		<u><u>8600954.22</u></u>	
4. LONG TERM BORROWINGS :					
	Margin Money on A/c of Lease/H.P. Assets	502488.00		502488.00	
	TOTAL (A) :	<u>502488.00</u>		<u>502488.00</u>	

Eighteenth Annual Report

NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
5 DEFERRED TAX LIABILITIES (NET) :		
Op. Balance	390350.00	401164.00
Add : Transferred from Profit and Loss Account	-13303.00	-10814.00
TOTAL (B) :	<u>377047.00</u>	<u>390350.00</u>
6. LONG TERM RPROVISIONS :		
Provision for NPA (Liability)	3431900.00	3431900.00
Contigent Provision Aganist Standard Assets	27871.00	38646.00
TOTAL (C) :	<u>3459771.00</u>	<u>3470546.00</u>
GRAND TOTAL (A to C) :	<u>4339306.00</u>	<u>4363384.00</u>
7. SHORT TERM BORROWINGS :		
Unsecured Loans from Body Corporates (Repayable on Demand) (taken from Related Parties)		
Nakul Builders & Developers Pvt. Ltd.	478650.00	609014.00
Circle View Estate Pvt. Ltd.	527629.00	0.00
TOTAL (A) :	<u>1006279.00</u>	<u>609014.00</u>
8. TRADE PAYABLES :		
Salary Payable	24500.00	24500.00
Outstanding Expenses	16840.00	20051.00
Big Share Services Pvt. Ltd.	8040.00	6955.00
R.S. Rao & Company	1000.00	1000.00
Kailash Karnawat (MD) Salary	540000.00	340000.00
Pushpa Devi Karnawat	60000.00	10000.00
Laxman Singh Karnawat (HUF)	0.00	17643.00
Sona Publicity	3500.00	0.00
Kailash Karnawat & Family HUF (Office Rent)	96000.00	96000.00
P. Talesara & Associates	5000.00	0.00
TOTAL (B) :	<u>754880.00</u>	<u>516149.00</u>
9. OTHER CURRENT LIABILITIES :		
Sundry Creditors		
For Capital Goods	0.00	0.00
For Others		
(i) Income Tax Refund (Excess Recd. From Dept.)	194668.66	194668.66
(ii) TDS Payable	6253.00	10000.00
(DUES TO SMALL SCALE INDUSTRIES - NIL)		
TOTAL (C) :	<u>200921.66</u>	<u>204668.66</u>
10.SHORT TERM PROVISIONS :		
Provision for Audit Fees	15000.00	15000.00
Provision for Income Tax	53000.00	145367.00
TOTAL (D) :	<u>68000.00</u>	<u>160367.00</u>
GRAND TOTAL (A to D) :	<u>2030080.66</u>	<u>1490198.66</u>

NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSETS :

Owned Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK					
	DESCRIPTION	Cost As at 1-04-2011	Addition During the Period	Sales/ Transfer	Cost as at 31-03-2012	As at 01-04-2011	For the year	Sales/ Transfer	Prior Period Adjustment	As at 31-03-2012	As at 31-03-2011	
1. Premises	1.63%	1185944.00	—	—	1185944.00	307273.00	19331.00	—	—	326604.00	859340.00	878671.00
2. Vehicles	9.50%	458858.00	—	—	458858.00	373793.00	43592.00	—	—	417385.00	41473.00	85065.00
3. Furniture & Fixtures	6.33%	361268.00	—	—	361268.00	339407.00	21861.00	—	—	361268.00	0.00	21861.00
4. Office Equipment	4.75%	239351.00	14000.00	—	253351.00	161922.00	12034.00	—	—	173956.00	79395.00	77429.00
5. Computer	16.21%	76534.00	—	—	76534.00	66497.00	10037.00	—	—	76534.00	0.00	10037.00
Total (A) :		2321955.00	14000.00	0.00	2335955.00	1248892.00	106855.00	0.00	0.00	1355747.00	980208.00	1073063.00
Prev. Yr. Figures :		2321955.00	0.00	0.00	2321955.00	1139326.00	109566.00	0-00	0.00	1248892.00	1073063.00	1182629.00

Leased Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK					
	DESCRIPTION	Cost As at 1-04-2011	Addition During the Period	Sales/ Transfer	Cost as at 31-03-2012	As at 01-04-2011	For the year	Sales/ Transfer	Prior Period Adjustment	As at 31-03-2012	As at 31-03-2011	
1. Vehicles	1730001.00	—	—	—	1651001.00	1276512.00	—	—	—	1276512.00	374489.00	453489.00
2. Plant & Machinery	410000.00	—	—	—	410000.00	300000.00	—	—	—	300000.00	110000.00	110000.00
Total (B) :	2140001.00	0.00	0.00	0.00	2061001.00	1576512.00	0.00	0.00	0.00	1576512.00	484489.00	563489.00
Grand Total (A+B) :	4461956.00	14000.00	0.00	0.00	4396956.00	2825404.00	106855.00	0.00	0.00	2932259.00	1464697.00	1636552.00
Previous Year Figures :	4446397.00	0.00	79000.00	0.00	4382956.00	2715838.00	109566.00	0.00	0.00	2825404.00	1557552.00	1746118.00

Eighteenth Annual Report

NOTES TO THE FINANCIAL STATEMENTS

12. NON - CURRENT INVESTMENTS :

(A) INVESTMENT EQUITY INSTRUMENTS QUOTED SHARES (At Cost) : (Amount in Rs.)

Description	Face Value(Rs.)	No. of Shares	Value as at 31-03-2012	No. of Shares	Value as at 31-03-2011
Warner Multimedia Ltd.	10.00	1200	18000.00	1200	18000.00
Swasti Vinayaka Synthetics Ltd.	1.00	77000	147412.77	77000	147412.77
Carol Inforservices Ltd.	10.00	250	7500.00	250	7500.00
S.R.F. Ltd.	10.00	250	5312.50	250	5312.50
S.R.F. Polymers Ltd.	10.00	100	—	100	—
Steel Authority of India Ltd.	10.00	31633	272360.13	31633	272360.13
Reliance Capital & Finance Ltd.	10.00	625	64793.75	625	64793.75
Silverline Technologies Ltd.	10.00	10	18240.00	100	18240.00
Silverline Animation Ltd.	10.00	4	—	—	—
Pentamedia Graphics Ltd.	10.00	1732	305644.50	1732	305644.50
Mahindra & Mahindra Ltd.	10.00	275	46535.50	275	46535.50
Kopran Ltd.	10.00	250	23417.50	250	23417.50
IFCI Ltd.	10.00	1250	10062.50	1250	10062.50
GTL Ltd.	10.00	1075	496574.75	1075	496574.75
Glaxo Smithkline Pharma Ltd.	10.00	75	34689.00	75	34689.00
Aptech Ltd.	10.00	240	52236.00	240	52236.00
Hexaware Technologies Ltd.	10.00	160	34824.00	160	34824.00
Madhav Granites Ltd.	30.00	4500	135000.00	4500	135000.00
GTL Infrastructure Ltd.	10.00	2216	11410.00	2216	11410.00
TOTAL (A) :			<u>1684012.90</u>		<u>1684012.90</u>

(Market Value as on 31.03.2012 is Rs. 40,94,778 /-).

(B) INVESTMENT IN UNQUOTED SHARES (At Cost) :

Name of the Company	Face Value	No. of Shares	Value as at 31-03-2012	No. of Shares	Value as at 31-03-2011
Karnawat Hire Purchase Pvt. Ltd.	10.00	497500	4975000.00	497500	4975000.00
TOTAL (B) :			<u>4975000.00</u>		<u>4975000.00</u>

(C) INVESTMENT IN PROPERTIES (REAL ESTATE) :

(i) Agriculture Land (Kaliwas-Nathdwara)	818390.00	818390.00
(ii) Agriculture Land (Navratna-Bhuwana)	1255210.00	1255210.00
(iii) Land Purchase (Navratna II)	2335420.00	2335420.00
(iv) Land Purchase (Maruwas)	234860.00	234860.00
(v) Land Purchase (Rama)	13217890.00	13217890.00

TOTAL (C) : **17861770.00** **17861770.00**

GRAND TOTAL (A to C) : **24520782.90** **24520782.90**

DHRUVA CAPITAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
13. LONG TERM LOANS & ADVANCES :		
(A) SUNDRY DEBTORS - UNSECURED (CONSIDERED GOOD) :		
More than Six Months	3431900.00	3431900.00
TOTAL (A) :	<u>3431900.00</u>	<u>3431900.00</u>
(B) SECURITY DEPOSITS	13000.00	13000.00
TOTAL (B) :	<u>13000.00</u>	<u>13000.00</u>
GRAND TOTAL (A+B) :	<u>3444900.00</u>	<u>3444900.00</u>
14. CASH & CASH EQUIVALENTS :		
Cash in hand	94553.86	61142.86
Balances with Scheduled Banks :-		
In Current Accounts (HDFC & INDUSIND BANK)	23261.41	25148.63
FDR YES BANK	5001000.00	0.00
TOTAL :	<u>5118815.27</u>	<u>86291.49</u>
15. SHORT TERM LOANS & ADVANCES :		
(1) Secured Advances (Considered Good)	11148306.00	15458581.00
TOTAL (A) :	<u>11148306.00</u>	<u>15458581.00</u>
(2) Unsecured Advances (Considered Good)	2250568.26	2003729.49
TOTAL (B) :	<u>2250568.26</u>	<u>2003729.49</u>
GRAND TOTAL (A+B) :	<u>13398874.26</u>	<u>17462010.49</u>
16. REVENUE FROM OPERATIONS :		
Interest on Loans	1269007.00	1377699.00
Provisions for NPA W/back	0.00	629292.00
Dividend Income	112922.20	124743.70
Interest on FDR	372543.35	105336.37
	<u>1754472.55</u>	<u>2237071.07</u>
17. OTHER INCOME :		
Income from sale of grass (RAMA)	15000.00	0.00
Provision for Standard Assets W/back	10775.00	0.00
	<u>25775.00</u>	<u>0.00</u>
18. EMPLOYEE BENEFIT EXPENSES :		
Director's Remuneration	540000.00	540000.00
House Rent (MD)	60000.00	60000.00
Salaries & Wages	294000.00	294000.00
Staff Petrol & Telephone Exp.	12000.00	12000.00
Director's Perquisite Expenses	1866.00	0.00
Electricity Charges - MD's Residence	28228.00	31949.00
	<u>936094.00</u>	<u>937949.00</u>
19. FINANCE COSTS :		
Bank charges & Bank Commission	0.00	55.15
Interest on Loan	62532.00	0.00
Interest on TDS	330.00	0.00
	<u>62862.00</u>	<u>55.15</u>

Eighteenth Annual Report

NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	AMOUNT (Rs.) CURRENT YEAR	AMOUNT (Rs.) PREVIOUS YEAR
20. OTHER EXPENSES :		
Audit Fees (including service tax)	15000.00	15000.00
Advertisement Expenses	6780.00	5889.00
Annual Custody Fees	13236.00	13236.00
Computer Expenses	3700.00	0.00
Depositary Services Expenses	26740.00	10453.00
Director's Sitting Fees	5000.00	5000.00
DMAT A/c AMC Charges	0.00	827.00
Electricity Expenses	1123.00	1061.00
Guest Entertainment Exp.	0.00	8273.00
Legal & Professional Fees	19100.00	10810.00
Listing Fees	16545.00	11030.00
News Papers & Periodicals Expenses	946.00	931.00
Office Expenses	950.00	400.00
Office Rent	96000.00	96000.00
Postage Expenses	2298.00	1661.00
Provision for Standard Assets	0.00	38646.00
Printing & Stationery Expenses	8662.00	9360.00
Prior Period Taxes	0.00	1104.00
Repair & Maintenance (Gen.+Society)	20400.00	35300.00
ROC Filling Charges	1500.00	2000.00
Telephone & Mobile Phone Expenses	9265.00	11086.00
Travelling & Conveyance Expenses	0.00	3538.00
Typing & Photocopy Expenses	666.00	794.00
Vehicle Running & Maintenance Expenses	26100.00	38076.75
	274011.00	320675.75
21. CONTINGENT LIABILITY :		
The Company has received excess refund of income tax amounting to Rs. 194668/- on A/c of excess credit of TDS for A.Y. 2006-07, which has been shown as current liabilities.		
22. PROVISION FOR NPA :		
In accordance with the guidelines issued by the RBI, the provision of NPA for current year is Rs. NIL.		
23. Margin money on account of Leased & Hire Purchase assets represent difference between the purchase value of leased / hire purchase assets and money advanced as loans.		
24. PAYMENT TO DIRECTORS IS AS UNDER :		
	Current Year	Previous Year
(a) Salary	540000.00	540000.00
(b) Sitting Fees	5000.00	5000.00
(c) Director's perquisites	90094.00	0.00
	635094.00	545000.00

DHRUVA CAPITAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

25. Auditors Remuneration :

	Current Year	Previous Year
(a) For Audit and Tax Audit	10000.00	10000.00
(b) For Taxation Matters and Company law matters	3600.00	3600.00
(c) Service Tax	1400.00	1400.00
	15000.00	15000.00

26. The company has been granted certificate of Registration as provided in section 45 IA of the RBI Act 1934 issued on 1-9-1999 but the same is not valid for accepting deposits.

27. No employee is in employment of the Company throughout the financial year for a remuneration which in aggregate exceeded Rs. 24,00,000/- per annum or employed for remuneration which in aggregate exceeded Rs. 2,00,000/- per month, if employed for part of the year.

28. The Company's operations predominantly comprise only of one segment i.e. financial services which include hire purchase, lease, interest on ICD, loans and advances and hence the figures shown are related to only that segment.

29. Earning per share :

	Current Year	Previous Year
(i) BASIC EARNING PER SHARE		
Earning per share has been calculated as follows :		
Profit / (Loss) after tax	360728.55	734272.17
a. Profit / (Loss) available for equity shares	360728.55	734272.17
b. Computation of weighted equity shares		
Opening Balance	3261700	3261700
Adj. of shares issued or existing during the year	NIL	NIL
Weighted average equity shares	3261700	3261700
Earning per share (Basic) (a ÷ b)	0.11	0.23

(ii) **DILUTED EARNING PER SHARE :**

Diluted earning per share is same as Basic Earning per share as the Company does not have any potential equity shares as defined under AS-20 "Earning Per share" issued by ICAI.

30. Related parties disclosures :

1. Relationship :

(a) Key management personal :

Shri L.S. Karnawat	- Chairman
Shri Kailash Karnawat	- Managing Director

(b) Other related parties where control exists :

Pathik Hotel & Motel Ltd.
Karnawat Hire Purchase Pvt. Ltd.
Circle View Estate Pvt. Ltd.
Nakul Builders & Developers Pvt. Ltd.
Vardhman Fincon Pvt. Ltd.
Karnawat Brothers
Sampat Automobiles
Kailash Karnawat & Family (HUF)
Laxman Singh Karnawat & Sons (HUF)
Pushpa Devi Karnawat

Eighteenth Annual Report

NOTES TO THE FINANCIAL STATEMENTS

(c) Relatives of key management personnel and their enterprises where transaction have taken place :

M/s Nakul Builders & Developers Pvt. Ltd.
M/s Circle View Estate Pvt. Ltd.
M/s Kailash Karnawat & Family (HUF)
Mrs. Pushpa Devi Karnawat

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

2. Transaction carried out with related parties in 1 above in ordinary course of business of the Company.

PARTICULARS	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	TOTAL
Investments :				
(a) Purchased during the year	—	—	—	—
(b) Sold during the year	—	—	—	—
(c) Balance as at 31st March' 12	—	4975000.00	—	4975000.00
Loans & Advances :				
(a) Given during the year	—	—	—	—
(b) Returned during the year	—	609014.00	—	609014.00
(c) Taken during the year	—	1006279.00	—	1006279.00
(d) Repaid during the year	—	—	—	—
(e) Balance as at 31st March' 12	—	1006279.00	—	1006279.00
(f) Interest receivable as at 31-03-2012	—	—	—	—
Current Liability :				
Remuneration Payable / Off. Rent Payable	540000.00	96000.00	—	636000.00
Interest Income	—	—	—	
Interest Expenses	—	62532.00	—	62532.00
Expenses on Remuneration / Off. Rent	540000.00	96000.00	—	636000.00
Expenses on House Rent of MD	—	60000.00	—	60000.00
Contingent Liability (Guarantee)	—	—	—	—

31. Disclosure as required under Circular No. Ref. DBS. FID. No. C-2 / 01-02-00 / 2003-04, dt. 10-07-2003 has not been made.

In terms of our report of even date.

For **B. L. PAGARIA & Co.**
Chartered Accountants
(FRN : 01821C)

Sd/-

(B. L. PAGARIA)

Partner
(M. No. : 071017)

Place : Udaipur (Raj.)
Dated: 25th May, 2012

For and on behalf of the Board of Directors

Sd/-

(L.S. KARNAWAT)

Chairman

Sd/-

(KAILASH KARNAWAT)

Managing Director

DHRUVA CAPITAL SERVICES LIMITED

SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY [as required in terms of Para 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

LIABILITIES SIDE : **(Amount Rs.)**

Particulars	Amt. Outstanding	Amt. Overdue
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	—	—
: Unsecured (other than falling within the meaning of public deposits*)	—	—
(b) Deferred Credits	—	—
(c) Term Loans —	—	—
(d) Inter-corporate loans and borrowings —	1006279.00	—
(e) Commercial paper—	—	—
(f) Public Deposits * —	—	—
(g) Other Loans (specify nature)	—	—
* Please see Note 1 below		

ASSET SIDE :

Particulars	Amt. Outstanding				
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :					
(a) Secured	—				
(b) Unsecured	11563306.00				
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities.					
(i) Leased assets including lease rentals under sundry debtors:					
(a) Financial Lease	3848081.00				
(b) Operating Lease	—				
(ii) Stock on hire including hire charges under sundry debtors					
(a) Assets on hire	68,308.00				
(b) Repossessed Assets	—				
(iii) Hypothecation loans counting towards EL/HP activities					
(a) Loans where assets have been repossessed.	—				
(b) Loans other than (a) above	—				
(4) Break-up of Investments :					
S. No.	Particulars	Current Investments	Long Term Investments		
		Quoted	Unquoted	Quoted	Unquoted
(i)	Shares : (a) Equity	—	—	1684012.90	4975000.00
	(b) Preference	—	—	—	—
(ii)	Debentures and Bonds	—	—	—	—
(iii)	Units of Mutual Funds	—	—	—	—
(iv)	Government Securities	—	—	—	—
(v)	Others (Please specify)	—	—	—	—

Eighteenth Annual Report

- (5) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

***Please See Note 2 below.**

S. No.	Category	Amount net of provisions		
		Secured	Unsecured	Total
(1)	Related Parties **			
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	—	—	—
	(c) Other related parties	—	—	—
(2)	Other than related parties	11148306.00	415000.00	11563306.00
	TOTAL	11148306.00	415000.00	11563306.00

- (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

* Please see Note 3 below.

S. No.	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties**		
	(a) Subsidiaries	—	—
	(b) Companies in the same group	—	—
	(c) Other related parties (Unquoted) ***	6184650.00	4975000.00
2	Other than related parties (Quoted)	4094778.00	1684012.90
	TOTAL	10279428.00	6659012.90

** As per Accounting Standard of ICAI (Please see Note 3).

*** As per Audited Balance sheet dated 31-03-2012.

- (7) Other Information :

S. No.	Particulars	Amount Outstanding	
		Gross Non-Performing Assets	Net Non-Performing Assets
1.	Related parties	—	—
2.	Other than related parties	3431900.00	3431900.00
3.	Assets acquired in satisfaction of debt.	—	—

NOTES :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

DHRUVA CAPITAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012		
PARTICULARS	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (After Tax) as per Profit & Loss A/c	360728.55	734272 .17
Adjustments for :-		
Depreciation	106855.00	109566.00
Deferred Tax	(13303.00)	(10814.00)
Prior Period Taxes	0.00	848.00
Dividend Income	(112922.20)	(124743.70)
Interest on FDR	(372543.35)	(105336.37)
Operating Profit before working capital changes	(31185.70)	603792.10
Adjustments for :-		
Trade receivables	0.00	200400.00
Loans & Advances	4063136.23	2449689.00
Trade Payables	238731.00	96090.00
Short Term Borrowings	397265.00	0.00
Other Current Liabilities	(3747.00)	0.00
Provisions	(103142.00)	(1195279.00)
Net Cash from Operating Activities (A)	4561058.23	2154692.10
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Interest on FDR	372543.35	105336.37
Dividend Income	112922.20	124743.70
Purchase / Sale of Fixed Assets / Leased Assets	(14000.00)	79000.00
Investments in FDR	(5001000.00)	0.00
Investments in Real Estate	0.00	(5671000.00)
Net Cash from Investing Activities (B)	(4529534.45)	(5361919.93)

Eighteenth Annual Report

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012		
PARTICULARS	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Borrowings	0.00	530014.00
Net Cash from Financing Activities (C)	0.00	530014.00
Net increase in cash & cash equivalents (A+B+C)	31523.78	(2677213.83)
Opening Balance of Cash & Cash Equivalents	86291.49	2763505.32
Closing Balance of Cash & Cash Equivalents	117815.27	86291.49
Note : Figures in bracket represents cash outflow.		
For and on behalf of the Board of Directors		
	Sd/-	Sd/-
Place : Udaipur	(L. S. KARNAWAT)	(KAILASH KARNAWAT)
Dated : 25 th May, 2012	Chairman	Managing Director
AUDITOR'S CERTIFICATE		
To,		
The Board of Directors,		
Dhruva Capital Services Ltd.,		
Udaipur (Raj.)		
We have examined the cash flow statement of DHRUVA CAPITAL SERVICES LIMITED for the year ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the listing agreement with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 25th May, 2012 to the members of the Company.		
For B.L. Pagaria & Co. Chartered Accountants (FRN : 01821C)		
Sd/-		
(B.L. PAGARIA) Partner (M.No. : 071017)		
Place : Udaipur		
Dated : 25th May, 2012		

DHRUVA CAPITAL SERVICES LIMITED



DHRUVA CAPITAL SERVICES LIMITED

Regd. Office:003-A, "Circle View"
169, Fatehpura, Near Sukhadia Circle, Udaipur (Raj.)

PROXY FORM

I/We of being a member/members of the above named Company hereby appoint Shri.....of..... as my/our Proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on 29-09-2012 at 11.00 A.M. at its Corporate Office situated at First Floor, 60-D, Panchwati, Udaipur-313001 (Raj.).

Signed this the..... day of September, 2012.

Regd. Folio No.
No. of Shares held

Signature _____



Note: The Companies Act 1956 lays down that an instrument appointing a proxy shall be deposited at the Company's Registered Office, at least 48 hours before the meeting. The Proxy need not be a member of the Company.



DHRUVA CAPITAL SERVICES LIMITED

Regd. Office : 003-A, "Circle View"
169, Fatehpura, Near Sukhadia Circle, Udaipur (Raj.)

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by proxy are requested to complete this attendance slip and hand over at the entrance of the meeting hall.

I hereby record my presence at the 18th Annual General Meeting being held on Saturday 29th day of September, 2012 at 11.00 A.Mm. at its Corporate Office situated at First Floor, 60 - D, Panchwati, Udaipur-313001 (Raj.).

Full name of the Shareholder

Folio No. No. of Shares held

Full name of the Proxy (In block letters).

.....
Signature

Note: Please sign this attendance slip and hand over at the entrance of the meeting hall.

Eighteenth Annual Report

BOARD OF DIRECTORS :

Mr. L.S. Karnawat	Chairman
Mr. Kailash Karnawat	Managing Director
Mrs. Meena Karnawat	Director
Mr. Lalit Kachhara	Director
Mr. Ajesh Sethi	Director
Mr. Kirti Jain	Director

SHARES LISTED AT :

Bombay Stock Exchange Ltd. (BSE), Mumbai

AUDITORS :

B.L. Pagaria & Co.
(Chartered Accountants)
B-4, Bapu Bazar, 1st Floor,
Near Bank Circle, Udaipur (Raj.)

BANKERS :

HDFC Bank Ltd.,
Chetak Circle, Udaipur (Raj.)

INDUSIND Bank Ltd.

Near Lok Kala Mandal, Panchwati,
Udaipur (Raj.)

REGISTERED OFFICE :

003- 'A' "Circle View", 169, Fatehpura,
Near Sukhadia Circle, UDAIPUR - 313 001
Ph.: 0294-2425555 Fax : 0294-2423150

CORPORATE OFFICE :

First Floor, 60-D, Panchwati,
UDAIPUR-313001 (Raj.).
Ph. : 2424907, 2423150 Fax : 0294-2423150
E-mail : dhruvacapital@gmail.com

REGISTRAR & TRANSFER AGENT :

Bigshare Services Pvt. Ltd.
E-23, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai - 400072
Ph. : 022-28470652, 40430200
Fax : 022 - 28475207
E-mail : info@bigshareonline.com

Note : Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting.

If undelivered, please return to :
DHRUVA CAPITAL SERVICES LTD.
First Floor, 60-D, Panchwati, Udaipur-313 001 (Raj.)



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