

# DHRUVA

CAPITAL SERVICES LIMITED



## Nineteenth Annual Report

2012 - 2013

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## Nineteenth Annual Report

### NOTICE

NOTICE is hereby given that the nineteenth Annual General Meeting of the Company will be held on Monday the 30th day of September, 2013 at 11.30 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 2013, together with the Auditor's Report and Director's Report thereon.
2. To appoint a director in place of Mr. Kirti Jain who retires by rotation as a director and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. L. S. Karnawat who retires by rotation as a director and being eligible, offers himself 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 : 12-08-2013

#### 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' 2013 to 30th September' 2013 (both days inclusive).
4. 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).

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

## DHRUVA CAPITAL SERVICES LIMITED

### DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Nineteenth Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2013.

<b>1. FINANCIAL RESULTS :</b>	<b>(Rs. in Lacs)</b>	
<b>For the Year ended</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
Income From Operations	<b>28.89</b>	17.54
Other Income	<b>2.48</b>	0.26
Operational Expenses	<b>17.70</b>	12.73
Profit/Loss before Dep., Tax & Misc. Expenses	<b>13.67</b>	5.07
Depreciation & Misc. Exp. W/off	<b>0.51</b>	1.07
Provision for Taxation		
1. Current Taxes	<b>2.39</b>	0.53
2. Deferred Taxes	<b>(0.01)</b>	(0.13)
Profit / Loss after Tax	<b>10.78</b>	3.60
Balance Carried to Balance Sheet	<b>10.78</b>	3.60

#### **2. PERFORMANCE :**

The Net Profit of the Company during the year under review was Rs. 10.78 Lacs as compared to Net Profit of Rs. 3.60 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 2013, 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. Kirti Jain & Mr. L.S. Karnawat retire by rotation at this AGM and being eligible, offer themselves for reappointment.

#### **10. DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of

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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, 2013 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 25-05-2012, 11-08-2012, 09-11-2012 & 11-02-2013. The name and category of Directors on the Board, their attendance at Board Meetings held during the year ended on 31st March, 2013, at the last Annual General Meeting & also, number of Directorships and committee positions as held by them in other Public Limited Companies as on 31-03-2013 are given below :

Name	Category	No. of Board Meetings attended out of 4 meetings held during the year 2012-13	Whether attended AGM held on 29-09-12	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	1	Yes	Nil	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	1	No	Nil	N.A.	N.A.
Mr. Kirti Jain	Independent Non Executive	3	No	Nil	N.A.	N.A.
Mr. Rajendra Jain	Independent Non Executive	2	Yes	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. Rajendra Jain as its members.

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The Committee met four times during the year on the following dates viz May 25, 2012, August 11, 2012, November 9, 2012 and February 11, 2013. 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 / Mr. Rajendra Jain	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 25, 2012 during F.Y. 2012-13.

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

Given below are the details of remuneration paid to directors during the financial year 2012-13.

Name	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission paid during the year (Rs.)
Mr. L.S. Karnawat	400/-	Nil	Nil	Nil
Mr. Kailash Karnawat	Nil	5,40,000/-	1,07,887/-	Nil
Mrs. Meena Karnawat	Nil	Nil	Nil	Nil
Mr. Lalit Kachhara	1200/-	Nil	Nil	Nil
Mr. Ajesh Sethi / Mr. Rajendra Jain	1200/-	Nil	Nil	Nil
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 11, 2012 and February 11, 2013 during the year ended on 31st March, 2013. 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 31-03-2013 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 31-03-2013.	NIL

## DHRUVA CAPITAL SERVICES LIMITED

### 4. General Body Meetings :

Fin. Year	Type	Date	Venue	Time
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.
2011-2012	AGM	29th Sept., 2012	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 - 30.09.2013, Time-11.30 A.M., Venue- First Floor, 60-D, Panchwati, Udaipur (Raj.)**
- Financial Calendar :

Financial Reporting for the Quarter ending 30th June, 2013	Mid Aug., 2013
Financial Reporting for the Half Year ending 30th September, 2013	Mid Nov., 2013
Financial Reporting for the Quarter ending 31st December, 2013	Mid Feb., 2014
Financial Reporting for the Year ending 31st March, 2014	End May, 2014

- Book Closure 22-09-2013 to 30-09-2013 (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-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400072 , Ph. : 022-28470652, 40430200  
Fax : 91 - 22 - 28475207 e-mail : info@bigshareonline.com

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- 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 31.03.2013 :-

Nominal Share Capital	No. of shareholders	% of Total Shareholders	Total Equity Shares	% of Paid Up Share Capital
Upto 500	492	70.0855	1146190	3.5141
501 - 1000	107	15.2422	914670	2.8043
1001 - 2000	33	4.7009	526980	1.6157
2001 - 3000	14	1.9943	363800	1.1154
3001 - 4000	10	1.4245	357690	1.0966
4001 - 5000	4	0.5698	184100	0.5644
5001 - 10000	21	2.9914	1493180	4.5779
Above 10000	21	2.9914	27630390	84.7116
<b>TOTAL</b>	<b>702</b>	<b>100</b>	<b>3261700</b>	<b>100</b>

- i. Shareholding Pattern as on 31.03.2013 :-

S.No.	Category	Number of Shares Held	% of shareholding
1.	Promoters (Incl. Corp. Bodies)	2200800	67.4740
2.	Directors other than promoters	—	—
3.	Private Corporate Bodies	174245	5.3422
4.	Financial Institutions	—	—
5.	Clearing Members	2500	0.0766
6.	Indian Public	884155	27.1072
	<b>Total</b>	<b>3261700</b>	<b>100</b>

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 : 12th August, 2013



## DHRUVA CAPITAL SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT

To,  
The Shareholders,  
**Dhruva Capital Services Ltd.**  
Udaipur (Raj.)

We have audited the accompanying financial statements of Dhruva Capital Services Limited, Udaipur which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 ;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B. L. PAGARIA & CO.**

Chartered Accountants  
(FRN : 01821C)

Sd/-

**(B. L. PAGARIA)**

Partner

(M.No. : 071017)

Place : Udaipur  
Dated : 28<sup>th</sup> May, 2013

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### **The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Dhruva Capital Services Limited on the accounts of the company for the year ended 31st March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, the fixed asset disposed off during the year does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company.  
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. There are three such parties and the amount involved is Rs. 11,13,422/-.  
(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 party listed in the register maintained u/s 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.  
(g) Only Demand loans is taken from the said parties, 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 is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
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 covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes. However, in case of dues relating to Income Tax, the company has got relief from CIT(A), Udaipur but the I. Tax department has preferred appeals before hon'ble ITAT, jodhpur. The details of the same has not been provided here as they are considered to be undisputed on account of relief from CIT(A), Udaipur
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

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11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Sd/-

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

Place : UDAIPUR  
Dated : 28<sup>th</sup> May, 2013

### 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 31.03.2013, as stipulated in Clause 49 of the listing agreement of the said company with the Bombay Stock Exchanges (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 31.03.2013, there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

We further state that such compliances 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 : 28<sup>th</sup> May, 2013

# Nineteenth Annual Report

## BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	NOTE NO.	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>I. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholder's Funds :</b>			
(a) Share Capital	2	32617000.00	32617000.00
(b) Reserves & Surplus	3	10039314.23	8961682.77
(c) Moeny received against Share Warrants		0.00	0.00
<b>(2) Share Application Money Pending allotment</b>		<b>0.00</b>	<b>0.00</b>
<b>(3) Non-Current Liabilities :</b>			
(a) Long -Term Borrowings	4	502488.00	502488.00
(b) Deferred Tax Liabilities (Net)	5	376374.00	377047.00
(c) Other Long Term Liabilities		0.00	0.00
(d) Long-Term Provisions	6	2409246.00	3459771.00
<b>(4) Current Liabilities :</b>			
(a) Short-Term Borrowings	7	1113422.00	1006279.00
(b) Trade Payables	8	322478.00	754880.00
(c) Other Current Liabilities	9	226964.66	200921.66
(d) Short-Term Provisions	10	253020.00	68000.00
<b>TOTAL</b>		<b>47860306.89</b>	<b>47948069.43</b>
<b>II. ASSETS :</b>			
<b>(1) Non-Current Assets :</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	1407493.00	1464697.00
(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	2393140.00	3444900.00
(e) Other Non-Current Assets		0.00	0.00
<b>(2) Current Assets :</b>			
(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	5394739.21	5118815.27
(e) Short-Term Loans & Advances	15	14144151.78	13398874.26
(f) Other Current Assets		0.00	0.00
<b>TOTAL</b>		<b>47860306.89</b>	<b>47948069.43</b>
<b>Significant Accounting Policies</b>	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 : 28th May, 2013

## DHRUVA CAPITAL SERVICES LIMITED

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE NO.	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
1. Revenue from Operations	16	2889540.46	1754472.55
2. Other Income	17	247847.00	25775.00
3. Total Revenue (I+II)		<u>3137387.46</u>	<u>1780247.55</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	953887.00	936094.00
Finance Costs	19	75039.00	62862.00
Depreciation and Amortization Exp.	11	50551.00	106855.00
Other Expenses	20	741147.00	274011.00
		<u>1820624.00</u>	<u>1379822.00</u>
5. Profit before Exceptional Items, Extraordinary Items and Tax (III-VI)		1316763.46	400425.55
6. Exceptional Items		0.00	0.00
7. Profit before Extraordinary Items and Tax (V-VI)		1316763.46	400425.55
8. Extraordinary Items		0.00	0.00
9. Profit before Tax (VI-VIII)		1316763.46	400425.55
10. Tax Expenses			
(i) Current Tax		238020.00	53000.00
(ii) Prior Period Tax		1785.00	0.00
(iii) Deferred Tax		-673.00	-13303.00
11. Profit/(Loss) for the Period fr. Cont. Op. (VII-VIII)		1077631.46	360728.55
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 (XI-XIV)		0.00	0.00
15. Profit (Loss) for the Period (XI-XIV)		1077631.46	360728.55
16. Earning per Equity Share			
(i) Basic		0.33	0.11
(ii) Diluted		0.33	0.11

**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 : 28th May, 2013

## 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 31-03-2013 Rs.	As at 31-03-2012 Rs.			
<b>2. SHARE CAPITAL :</b>					
<b>AUTHORISED CAPITAL</b>					
3500000 Equity Shares of Rs.10/- each	<u>35000000.00</u>	35000000.00			
<b>TOTAL :</b>	<u>35000000.00</u>	<u>35000000.00</u>			
<b>ISSUED CAPITAL</b>					
3261700 Equity Shares of Rs. 10/- each	<u>32617000.00</u>	32617000.00			
<b>TOTAL :</b>	<u>32617000.00</u>	<u>32617000.00</u>			
<b>SUBSCRIBED AND PAID UP CAPITAL</b>					
3261700 Equity Shares of Rs. 10/- each	<u>32617000.00</u>	32617000.00			
<b>TOTAL :</b>	<u>32617000.00</u>	<u>32617000.00</u>			
<b>DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY</b>					
S. No.	NAME OF SHAREHOLDER	As at 31.03.2013 No. of Shares	% HELD	As at 31.03.2012 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%	181800	5.57%
<b>3 RESERVES &amp; SURPLUS :</b>					
Balance as per last Balance Sheet		<b>7267682.77</b>		6978954.22	
Add : Profit/Loss of the year		<b>1077631.46</b>		360728.55	
Less : Transferred to special reserve fund		<b>215526.29</b>		(72000.00)	
<b>TOTAL (A) :</b>		<u><b>8129787.94</b></u>		<u>7267682.77</u>	
<b>SPECIAL RESERVE FUND Transferred from Reserves &amp; Surplus</b>					
<b>(u/s 45 IC of RBI Act,1934) [@20% of Net Profit]</b>					
Balance as per Last Balance Sheet		<b>1694000.00</b>		1622000.00	
For Financial Year (2011-12)		<b>215526.29</b>		72000.00	
<b>TOTAL (B) :</b>		<u><b>1909526.29</b></u>		<u>1694000.00</u>	
<b>GRAND TOTAL (A+B) :</b>		<u><u><b>10039314.23</b></u></u>		<u><u>8961682.77</u></u>	
<b>4. LONG TERM BORROWINGS :</b>					
Margin Money on A/c of Lease/H.P. Assets		<b>502488.00</b>		502488.00	
<b>TOTAL (A) :</b>		<u><b>502488.00</b></u>		<u>502488.00</u>	

Nineteenth Annual Report

**NOTES TO THE FINANCIAL STATEMENTS**

PARTICULARS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>5 DEFERRED TAX LIABILITIES (NET) :</b>		
Op. Balance	377047.00	390350.00
Add : Transferred from Profit and Loss Account	-673.00	-13303.00
<b>TOTAL (B) :</b>	<u>376374.00</u>	<u>377047.00</u>
<b>6. LONG TERM RPROVISIONS :</b>		
Provision for NPA (Liability)	2380140.00	3431900.00
Contigent Provision Aganist Standard Assets	29106.00	27871.00
<b>TOTAL (C) :</b>	<u>2409246.00</u>	<u>3459771.00</u>
<b>GRAND TOTAL (A to C) :</b>	<u>3288108.00</u>	<u>4339306.00</u>
<b>7. SHORT TERM BORROWINGS :</b>		
<b>Unsecured Loans from Body Corporates (Repayable on Demand) (taken from Related Parties)</b>		
Nakul Builders & Developers Pvt. Ltd.	650019.00	478650.00
Circle View Estate Pvt. Ltd.	61924.00	527629.00
Kailash Karnawat	401479.00	0.00
<b>TOTAL (A) :</b>	<u>1113422.00</u>	<u>1006279.00</u>
<b>8. TRADE PAYABLES :</b>		
Salary Payable	24500.00	24500.00
Outstanding Expenses	18356.00	16840.00
Big Share Services Pvt. Ltd.	11122.00	8040.00
R.S. Rao & Company	2500.00	1000.00
Kailash Karnawat (MD) Salary	115000.00	540000.00
Pushpa Devi Karnawat	20000.00	60000.00
Novergy Energy Solution Pvt. Ltd.	40000.00	0.00
Sona Publicity	0.00	3500.00
Kailash Karnawat & Family HUF (Office Rent)	86000.00	96000.00
P. Talesara & Associates	5000.00	0.00
<b>TOTAL (B) :</b>	<u>322478.00</u>	<u>754880.00</u>
<b>9. OTHER CURRENT LIABILITIES :</b>		
<b>Sundry Creditors</b>		
For Capital Goods	0.00	0.00
For Others		
(i) Income Tax Refund (Excess Recd. From Dept.)	194668.66	194668.66
(ii) TDS Payable	32296.00	6253.00
(DUES TO SMALL SCALE INDUSTRIES - NIL)		
<b>TOTAL (C) :</b>	<u>226964.66</u>	<u>200921.66</u>
<b>10.SHORT TERM PROVISIONS :</b>		
Provision for Audit Fees	15000.00	15000.00
Provision for Income Tax	238020.00	53000.00
<b>TOTAL (D) :</b>	<u>253020.00</u>	<u>68000.00</u>
<b>GRAND TOTAL (A to D) :</b>	<u>1915884.66</u>	<u>2030080.66</u>



**NOTES TO THE FINANCIAL STATEMENTS**

**11. FIXED ASSETS :**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	Rate	Cost As at 01-04-2012	Addition During the Period	Sales/ Transfer	Cost as at 31-03-2013	As at 01-04-2012	For the year	Prior Period Adjustment	As at 31-03-2013	As at 31-03-2012	
1. Premises	1.63%	1185944.00	—	—	1185944.00	326604.00	19331.00	—	345935.00	840009.00	859340.00
2. Vehicles	9.50%	394417.00	—	19717.00	374700.00	374700.00	13064.00	—	374700.00	0.00	19717.00
3. Furniture & Fixtures	6.33%	64441.00	—	—	64441.00	42685.00	6122.00	—	48807.00	15634.00	21756.00
4. Office Equipment	4.75%	253351.00	—	—	253351.00	173956.00	12034.00	—	185990.00	67361.00	79395.00
<b>Total (A) :</b>		<b>1898153.00</b>	<b>0.00</b>	<b>19717.00</b>	<b>1878436.00</b>	<b>917945.00</b>	<b>50551.00</b>	<b>13064.00</b>	<b>0.00</b>	<b>955432.00</b>	<b>923004.00</b>
<b>Prev. Yr. Figures :</b>		<b>2321955.00</b>	<b>14000.00</b>	<b>0.00</b>	<b>2335955.00</b>	<b>1248892.00</b>	<b>106855.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1355747.00</b>	<b>980208.00</b>

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	Rate	Cost As at 01-04-2012	Addition During the Period	Sales/ Transfer	Cost as at 31-03-2013	As at 01-04-2012	For the year	Prior Period Adjustment	As at 31-03-2013	As at 31-03-2012	
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
<b>Total (B) :</b>		<b>2140001.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2061001.00</b>	<b>1576512.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1576512.00</b>	<b>484489.00</b>	<b>484489.00</b>
<b>Grand Total (A+B) :</b>		<b>4038154.00</b>	<b>0.00</b>	<b>19717.00</b>	<b>3939437.00</b>	<b>2494457.00</b>	<b>50551.00</b>	<b>13064.00</b>	<b>0.00</b>	<b>2531944.00</b>	<b>1407493.00</b>
<b>Previous Year Figures</b>		<b>4461956.00</b>	<b>14000.00</b>	<b>0.00</b>	<b>4396956.00</b>	<b>2825404.00</b>	<b>106855.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2932259.00</b>	<b>1464697.00</b>

## Nineteenth 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 31-03-2013	No. of Shares	Value as at 31-03-2012
Warner Multimedia Ltd.	10.00	1200	<b>18000.00</b>	1200	18000.00
Swasti Vinayaka Synthetics Ltd.	1.00	77000	<b>147412.77</b>	77000	147412.77
Carol Inforservices Ltd.	10.00	250	<b>7500.00</b>	250	7500.00
S.R.F. Ltd.	10.00	250	<b>5312.50</b>	250	5312.50
S.R.F. Polymers Ltd.	10.00	100	—	100	—
Steel Authority of India Ltd.	10.00	31633	<b>272360.13</b>	31633	272360.13
Reliance Capital & Finance Ltd.	10.00	625	<b>64793.75</b>	625	64793.75
Silverline Technologies Ltd.	10.00	10	<b>18240.00</b>	100	18240.00
Silverline Animation Ltd.	10.00	4	—	—	—
Pentamedia Graphics Ltd.	10.00	1732	<b>305644.50</b>	1732	305644.50
Mahindra & Mahindra Ltd.	10.00	275	<b>46535.50</b>	275	46535.50
Kopran Ltd.	10.00	250	<b>23417.50</b>	250	23417.50
IFCI Ltd.	10.00	1250	<b>10062.50</b>	1250	10062.50
GTL Ltd.	10.00	1075	<b>496574.75</b>	1075	496574.75
Glaxo Smithkline Pharma Ltd.	10.00	75	<b>34689.00</b>	75	34689.00
Aptech Ltd.	10.00	240	<b>52236.00</b>	240	52236.00
Hexaware Technologies Ltd.	10.00	160	<b>34824.00</b>	160	34824.00
Madhav Granites Ltd.	30.00	4500	<b>135000.00</b>	4500	135000.00
GTL Infrastructure Ltd.	10.00	2216	<b>11410.00</b>	2216	11410.00
<b>TOTAL (A) :</b>			<b><u>1684012.90</u></b>		<b><u>1684012.90</u></b>

(Market Value as on 31.03.2013 is Rs. 30,01,047/- ).

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

Name of the Company	Face Value	No. of Shares	Value as at 31-03-2013	No. of Shares	Value as at 31-03-2012
Karnawat Hire Purchase Pvt. Ltd.	10.00	497500	<b>4975000.00</b>	497500	4975000.00
<b>TOTAL (B) :</b>			<b><u>4975000.00</u></b>		<b><u>4975000.00</u></b>

##### (C) INVESTMENT IN PROPERTIES (REAL ESTATE) :

(i) Agriculture Land (Kaliwas-Nathdwara)	<b>818390.00</b>	818390.00
(ii) Agriculture Land (Navratna-Bhuwana)	<b>1255210.00</b>	1255210.00
(iii) Land Purchase (Navratna II)	<b>2335420.00</b>	2335420.00
(iv) Land Purchase (Maruwas)	<b>234860.00</b>	234860.00
(v) Land Purchase (Rama)	<b>13217890.00</b>	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 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>13. LONG TERM LOANS &amp; ADVANCES :</b>		
<b>(A) SUNDRY DEBTORS - UNSECURED (CONSIDERED GOOD) :</b>		
More than Six Months	2380140.00	3431900.00
TOTAL (A) :	<u>2380140.00</u>	<u>3431900.00</u>
<b>(B) SECURITY DEPOSITS</b>	13000.00	13000.00
TOTAL (B) :	<u>13000.00</u>	<u>13000.00</u>
GRAND TOTAL (A+B) :	<u>2393140.00</u>	<u>3444900.00</u>
<b>14. CASH &amp; CASH EQUIVALENTS :</b>		
Cash in hand	6046.86	94553.86
Balances with Scheduled Banks :-		
In Current Accounts (HDFC & INDUSIND BANK)	31511.18	23261.41
FDR YES BANK	5357181.17	5001000.00
TOTAL :	<u>5394739.21</u>	<u>5118815.27</u>
<b>15. SHORT TERM LOANS &amp; ADVANCES :</b>		
<b>(1) Secured Advances (Considered Good)</b>	11642451.00	11148306.00
TOTAL (A) :	<u>11642451.00</u>	<u>11148306.00</u>
<b>(2) Unsecured Advances (Considered Good)</b>	2501700.78	2250568.26
TOTAL (B) :	<u>2501700.78</u>	<u>2250568.26</u>
GRAND TOTAL (A+B) :	<u>14144151.78</u>	<u>13398874.26</u>
<b>16. REVENUE FROM OPERATIONS :</b>		
Interest on Loans	1266142.00	1269007.00
Provisions for NPA W/back	1051760.00	0.00
Dividend Income	71033.90	112922.20
Interest on FDR	500604.56	372543.35
	<u>2889540.46</u>	<u>1754472.55</u>
<b>17. OTHER INCOME :</b>		
Profit on Sale of Car	33347.00	0.00
Office Rent income	190500.00	0.00
Income from sale of grass (RAMA)	24000.00	15000.00
Provision for Standard Assets W/back	0.00	10775.00
	<u>247847.00</u>	<u>25775.00</u>
<b>18. EMPLOYEE BENEFIT EXPENSES :</b>		
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	3003.00	1866.00
Electricity Charges - MD's Residence	44884.00	28228.00
	<u>953887.00</u>	<u>936094.00</u>
<b>19. FINANCE COSTS :</b>		
Bank charges & Bank Commission	50.00	0.00
Interest on Loan	74439.00	62532.00
Interest on TDS	550.00	330.00
	<u>75039.00</u>	<u>62862.15</u>

## Nineteenth Annual Report

### NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	AMOUNT (Rs.) CURRENT YEAR	AMOUNT (Rs.) PREVIOUS YEAR
<b>20. OTHER EXPENSES :</b>		
Audit Fees (including service tax)	15000.00	15000.00
Advertisement Expenses	11235.00	6780.00
Annual Custody Fees	13482.00	13236.00
Computer Expenses	800.00	3700.00
Depository Services Expenses	21804.00	26740.00
Director's Sitting Fees	4000.00	5000.00
BAD debts exp	300760.00	0.00
Electricity Expenses	0.00	1123.00
Guest Entertainment Exp.	3705.00	0.00
Legal & Professional Fees	188050.00	19100.00
Listing Fees	16854.00	16545.00
News Papers & Periodicals Expenses	1052.00	946.00
Office Expenses	625.00	950.00
Office Rent	96000.00	96000.00
Postage Expenses	2369.00	2298.00
Provision for Standard Assets	1235.00	0.00
Printing & Stationery Expenses	9824.00	8662.00
Repair & Maintenance (Gen.+Society)	20400.00	20400.00
ROC Filling Charges	2000.00	1500.00
Telephone & Mobile Phone Expenses	10903.00	9265.00
Travelling & Conveyance Expenses	10850.00	0.00
Typing & Photocopy Expenses	400.00	666.00
Vehicle Running & Maintenance Expenses	9799.00	26100.75
	<u>741147.00</u>	<u>274011.75</u>
<b>21. CONTINGENT LIABILITY :</b>		
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.		
<b>22. PROVISION FOR NPA :</b>		
In accordance with the guidelines issued by the RBI, the provision of NPA for current year is Rs. NIL.		
<b>23.</b>	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.	
<b>24. PAYMENT TO DIRECTORS IS AS UNDER :</b>		
	<b>Current Year</b>	Previous Year
(a) Salary	540000.00	540000.00
(b) Sitting Fees	4000.00	5000.00
(c) Director's perquisites	107887.00	90094.00
	<u>651887.00</u>	<u>635094.00</u>

## 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) <b>BASIC EARNING PER SHARE</b>		
Earning per share has been calculated as follows :		
Profit / (Loss) after tax	1077631.46	360728.55
a. Profit / (Loss) available for equity shares	1077631.46	360728.55
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)	0.33	0.11

(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

**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
<b>Investments :</b>				
(a) Purchased during the year	—	—	—	—
(b) Sold during the year	—	—	—	—
(c) Balance as at 31st March' 13	—	4975000.00	—	4975000.00
<b>Loans &amp; Advances :</b>				
(a) Given during the year	—	—	—	—
(b) Returned during the year	—	—	—	—
(c) Taken during the year	—	1000000.00	—	1000000.00
(d) Repaid during the year	—	96000.00	—	96000.00
(e) Balance as at 31st March' 13	—	1113422.00	—	1113422.00
(f) Interest receivable as at 31-03-2012	—	—	—	—
<b>Current Liability :</b>				
<b>Remuneration Payable / Off. Rent Payable</b>	540000.00	96000.00	—	636000.00
<b>Interest Income</b>	—	—	—	—
<b>Interest Expenses</b>	—	74439.00	—	74439.00
<b>Expenses on Remuneration / Off. Rent</b>	540000.00	96000.00	—	636000.00
<b>Expenses on House Rent of MD</b>	—	60000.00	—	60000.00
<b>Contingent Liability (Guarantee)</b>	—	—	—	—

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: 28th May, 2013

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 —	711943.00	—
(e) Commercial paper—	—	—
(f) Public Deposits * —	—	—
(g) Other Loans (specify nature) (From Director / Unsecured)	401479.00	—
* 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	11642451.00				
(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	2814320.00				
(b) Operating Lease	—				
(ii) Stock on hire including hire charges under sundry debtors					
(a) Assets on hire	68308.00				
(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 :					
<b>S. No.</b>	<b>Particulars</b>	<b>Current Investments</b>	<b>Long Term Investments</b>		
		<b>Quoted</b>	<b>Unquoted</b>	<b>Quoted</b>	<b>Unquoted</b>
(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)	—	—	—	—

## Nineteenth 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	11642451.00	400000.00	12042451.00
	<b>TOTAL</b>	<b>11642451.00</b>	<b>400000.00</b>	<b>12042451.00</b>

- (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) ***	6320737.00	4975000.00
2	Other than related parties (Quoted)	3001047.00	1684012.90
	<b>TOTAL</b>	<b>9321784.00</b>	<b>6659012.90</b>

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

\*\*\* As per Audited Balance sheet dated 31-03-2013.

- (7) Other Information :

S. No.	Particulars	Amount Outstanding	
		Gross Non-Performing Assets	Net Non-Performing Assets
1.	Related parties	—	—
2.	Other than related parties	2380140.00	2380140.00
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, 2013		
PARTICULARS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit (After Tax) as per Profit & Loss A/c	<b>1077631.46</b>	360728.55
<b>Adjustments for :-</b>		
Depreciation	<b>50551.00</b>	106855.00
Deferred Tax	<b>(673.00)</b>	(13303.00)
Dividend Income	<b>(71033.90)</b>	(112922.20)
Interest on FDR	<b>(500604.56)</b>	(372543.35)
Profit on Sale of Fixed Assets	<b>(33347.00)</b>	(0.00)
<b>Operating Profit before working capital changes</b>	<b>522524.00</b>	(31185.70)
<b>Adjustments for :-</b>		
Trade receivables	<b>0.00</b>	0.00
Loans & Advances	<b>(745277.52)</b>	4063136.23
Trade Payables	<b>(432402.00)</b>	238731.00
Short Term Borrowings	<b>107143.00</b>	397265.00
Other Current Liabilities	<b>26043.00</b>	(3747.00)
Provisions	<b>(865505.00)</b>	<b>(103142.00)</b>
<b>Net Cash from Operating Activities (A)</b>	<b>(1387474.52)</b>	4561058.23
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest on FDR	<b>500604.56</b>	372543.35
Dividend Income	<b>71033.90</b>	112922.20
Purchase / Sale of Fixed Assets / Leased Assets	<b>40000.00</b>	(14000.00)
Investments in FDR	<b>(356181.17)</b>	(5001000.00)
Investments in Real Estate	<b>0.00</b>	0.00
<b>Net Cash from Investing Activities (B)</b>	<b>255457.29</b>	(4529534.45)

## Nineteenth Annual Report



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013</b>		
PARTICULARS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Long Term Borrowings	<b>1051760.00</b>	0.00
<b>Net Cash from Financing Activities (C)</b>	<b>1051760.00</b>	0.00
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(80257.23)</b>	31523.78
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>117815.27</b>	86291.49
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>37558.04</b>	117815.27
Note : Figures in bracket represents cash outflow.		
For and on behalf of the Board of Directors		
	<b>Sd/-</b>	<b>Sd/-</b>
Place : Udaipur	<b>(L. S. KARNAWAT)</b>	<b>(KAILASH KARNAWAT)</b>
Dated : 28 <sup>th</sup> May, 2013	Chairman	Managing Director

<b>AUDITOR'S CERTIFICATE</b>	
To,	
The Board of Directors, Dhruva Capital Services Ltd., UDAIPUR (Raj.)	
We have examined the cash flow statement of <b>DHRUVA CAPITAL SERVICES LIMITED</b> for the year ended 31st March, 2013. 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 28th May, 2013 to the members of the Company.	
	For <b>B.L. Pagaria &amp; Co.</b> Chartered Accountants (FRN : 01821C)
	<b>Sd/-</b>
Place : Udaipur	<b>(B.L. PAGARIA)</b>
Dated : 28th May, 2013	Partner (M.No. : 071017)

**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 Nineteenth Annual General Meeting of the Company to be held on 30-09-2013 at 11.30 A.M. at its Corporate Office situated at First Floor, 60-D, Panchwati, Udaipur-313001 (Raj.).

Signed this the..... day of September, 2013.

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 19th Annual General Meeting being held on Monday 30<sup>th</sup> day of September, 2013 at 11.30 A.M. 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.

## Nineteenth Annual Report

### BOARD OF DIRECTORS :

Mr. L.S. Karnawat	<b>Chairman</b>
Mr. Kailash Karnawat	<b>Managing Director</b>
Mrs. Meena Karnawat	<b>Director</b>
Mr. Lalit Kachhara	<b>Director</b>
Mr. Rajendra Jain	<b>Director</b>
Mr. Kirti Jain	<b>Director</b>

### 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-2/3, 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.)



**PRINTED MATTER  
BOOK - POST**



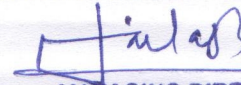
**FORM A**

**Format of covering letter of the annual audit report to be filed  
with the Bombay Stock Exchange**

1. Name of the Company : DHRUVA CAPITAL SERVICES LTD.
2. Annual Financial statements  
for the year ended : 31<sup>st</sup> March, 2013
3. Type of Audit observation : UN-QUALIFIED
4. Frequency of observation : Not Applicable
5. To be signed by –


- Managing Director:

For DHRUVA CAPITAL SERVICES LTD.

  
MANAGING DIRECTOR

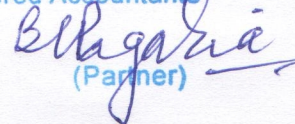
- CFO :

For Dhruva Capital Services Limited

  
Director / Authorised Signa.ory

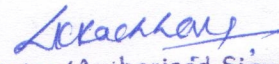
- Auditor of the  
Company :

For B.L. PAGARIA & CO.  
Chartered Accountants

  
(Partner)

- Audit Committee  
Chairman :

For Dhruva Capital Services Limited

  
Director / Authorised Signa.ory

(Lalit Kachhara)