

MD	✓		BKC	✓
CS	✓		DY	NA
RO	✓		DIV	NA
TRA	NA	✓	AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

Report  junction.com

DCM
FINANCIAL
SERVICES LTD.

1	2008				Q1
2	2009				Q2
3	2010				Q3
4	2011				Q4
5	2012				Q1
6	2013				Q2
7	2014				Q3
8	2015				Q4
9	2016				Q1
10	2017				Q2
11	2018				Q3
12	2019				Q4
13	2020				Q1
14	2021				Q2
15	2022				Q3
16	2023				Q4
17	2024				Q1
18	2025				Q2
19	2026				Q3
20	2027				Q4
21	2028				Q1
22	2029				Q2
23	2030				Q3
24	2031				Q4
25	2032				Q1
26	2033				Q2
27	2034				Q3
28	2035				Q4
29	2036				Q1
30	2037				Q2
31	2038				Q3
32	2039				Q4
33	2040				Q1
34	2041				Q2
35	2042				Q3
36	2043				Q4
37	2044				Q1
38	2045				Q2
39	2046				Q3
40	2047				Q4
41	2048				Q1
42	2049				Q2
43	2050				Q3
44	2051				Q4
45	2052				Q1
46	2053				Q2
47	2054				Q3
48	2055				Q4
49	2056				Q1
50	2057				Q2
51	2058				Q3
52	2059				Q4
53	2060				Q1
54	2061				Q2
55	2062				Q3
56	2063				Q4
57	2064				Q1
58	2065				Q2
59	2066				Q3
60	2067				Q4
61	2068				Q1
62	2069				Q2
63	2070				Q3
64	2071				Q4
65	2072				Q1
66	2073				Q2
67	2074				Q3
68	2075				Q4
69	2076				Q1
70	2077				Q2
71	2078				Q3
72	2079				Q4
73	2080				Q1
74	2081				Q2
75	2082				Q3
76	2083				Q4
77	2084				Q1
78	2085				Q2
79	2086				Q3
80	2087				Q4
81	2088				Q1
82	2089				Q2
83	2090				Q3
84	2091				Q4
85	2092				Q1
86	2093				Q2
87	2094				Q3
88	2095				Q4
89	2096				Q1
90	2097				Q2
91	2098				Q3
92	2099				Q4
93	2100				Q1
94	2101				Q2
95	2102				Q3
96	2103				Q4
97	2104				Q1
98	2105				Q2
99	2106				Q3
100	2107				Q4
101	2108				Q1
102	2109				Q2
103	2110				Q3
104	2111				Q4
105	2112				Q1
106	2113				Q2
107	2114				Q3
108	2115				Q4
109	2116				Q1
110	2117				Q2
111	2118				Q3
112	2119				Q4
113	2120				Q1
114	2121				Q2
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116	2123				Q4
117	2124				Q1
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121	2128				Q1
122	2129				Q2
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125	2132				Q1
126	2133				Q2
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138	2145				Q2
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140	2147				Q4
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142	2149				Q2
143	2150				Q3
144	2151				Q4
145	2152				Q1
146	2153				Q2
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150	2157				Q2
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160	2167				Q4
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165	2172				Q1
166	2173				Q2
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175	2182				Q3
176	2183				Q4
177	2184				Q1
178	2185				Q2
179	2186				Q3
180	2187				Q4
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182	2189				Q2
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185	2192				Q1
186	2193				Q2
187	2194				Q3
188	2195				Q4
189	2196				Q1
190	2197				Q2
191	2198				Q3
192	2199				Q4
193	2200				Q1
194	2201				Q2
195	2202				Q3
196	2203				Q4
197	2204				Q1
198	2205				Q2
199	2206				Q3
200	2207				Q4
201	2208				Q1
202	2209				Q2
203	2210				Q3
204	2211				Q4
205	2212				Q1
206	2213				Q2
207	2214				Q3
208	2215				Q4
209	2216				Q1
210	2217				Q2
211	2218				Q3
212	2219				Q4
213	2220				Q1
214	2221				Q2
215	2222				Q3
216	2223				Q4
217	2224				Q1
218	2225				Q2
219	2226				Q3
220	2227				Q4
221	2228				Q1
222	2229				Q2
223	2230				Q3
224	2231				Q4
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227	2234				Q3
228	2235				Q4
229	2236				Q1
230	2237				Q2
231	2238				Q3
232	2239				Q4
233	2240				Q1
234	2241				Q2
235	2242				Q3
236	2243				Q4
237	2244				Q1
238	2245				Q2
239	2246				Q3
240	2247				Q4
241	2248				Q1
242	2249				Q2
243	2250				Q3
244	2251				Q4
245	2252				Q1
246	2253				Q2
247	2254				Q3
248	2255				Q4
249	2256				Q1
250	2257				Q2
251	2258				Q3
252	2259				Q4
253	2260				Q1
254	2261				Q2
255	2262				Q3
256	2263				Q4
257	2264				Q1
258	2265				Q2
259	2266				Q3
260	2267				Q4
261	2268				Q1
262	2269				Q2
263	2270				Q3
264	2271				Q4
265	2272				Q1
266	2273				Q2
267	2274				Q3
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269	2276				Q1
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272	2279				Q4
273	2280				Q1
274	2281				Q2
275	2282				Q3
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277	2284				Q1
278	2285				Q2
279	2286				Q3
280	2287				Q4
281	2288				Q1
282	2289				Q2
283	2290				Q3
284	2291				Q4
285	2292				Q1
286	2293				Q2
287	2294				Q3
288	2295				Q4
289	2296				Q1
290	2297				Q2
291	2298				Q3
292	2299				Q4
293	2300				Q1
294	2301				Q2
295	2302				Q3
296	2303				Q4
297	2304				Q1
298	2305				Q2
299	2306				Q3
300	2307				Q4
301	2308				Q1
302	2309				Q2
303	2310				Q3
304	2311				Q4
305	2312				Q1
306	2313				Q2
307	2314				Q3
308	2315				Q4
309	2316				Q1
310	2317				Q2
311	2318				



BOARD OF DIRECTORS

Dr. Bharat Ram (Chairman)

Vivek Bharat Ram (Vice Chairman)

O.P. Gupta

SECRETARY

Sunil Katariya

BANKERS

Punjab & Sind Bank

AUDITORS

M/s. V. Sahai & Co.,
Chartered Accountants
G-68, Connaught Circus,
New Delhi - 110 001

REGISTERED OFFICE

75, Amrit Nagar,
NDSE Part-I,
New Delhi - 110 003

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NOTICE



Notice is hereby given that the Eighth Annual General Meeting of the Members of DCM Financial Services Ltd. will be held on Tuesday, the 9th day of March, 1999 at 9.00 a.m. at C-12A, Village Asola, New Delhi to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the 15 months period ended on 30th June, 1998 and report of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Vivek Bharat Ram, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors' and to fix their remuneration.

By Order of the Board

Place : New Delhi

Dated : 6.02.1999

Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 6th March, 1999 to 9th March, 1999 (both days inclusive)
3. Shareholders/Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the meeting.
4. The Company has already transferred, unclaimed dividend for the financial year 1994-95 to the General Revenue Account of the Central Government as required by the Companies Unpaid dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend for the said financial year may claim their dividend from the Registrar of Companies, NCT of Delhi & Haryana, New Delhi, by submitting application in the prescribed form.

DIRECTORS' REPORT



Your Directors' present the 8th Annual Report of the Company together with the Audited Accounts for the 15 months period ended 30th June, 1998.

OPERATIONS

The fifteen months under review have been extremely challenging for the NBFC industry and your Company. During this period negligible business was conducted partly because the Company was facing a liquidity crisis caused by the disruption in the flow of funds into the Company and partly due to restrictions imposed by the RBI from January, 1998. In September, 1997 the then whole time Director resigned and many other senior executives also left the Company. It was around the same time that the mis-match in liquidity hit it's peak and the Company started defaulting in payment of liabilities. The Board was left with the task of rebuilding the team and putting a restructuring plan in place.

The economic environment within the Country and the Region did not help matters. The RBI introduced stringent rules and norms to increase control and monitoring of Companies in the Financial Services Sector. In January, 1998 RBI imposed a ban on your Company prohibiting it from conducting any business activities and directed it to use it's resources only for payment of depositors. Several extraneous and internal factors which contributed to this sudden and sharp change in the financial health of the Company are summarised below:

External Factors:

1. Down grading of a large number of Finance Companies by Rating Agencies led to an overall drop in investor confidence.
2. Reduced availability of long term funds leading to a dependence on high cost short term funds. This was caused by the negative attitude of the Banks/Institutions towards the NBFC industry.
3. Low GDP, industrial growth, sagging markets, low investor confidence, and the South East Asian crisis contributed to a slow down in industrial activity affecting the financial services sector negatively.
4. Low off take by the primary and secondary markets due to the recession and low confidence levels.
5. Increased competition from Banks and Multinational Finance Companies which are able to offer better rates and work on lower spreads.

Internal Factors :

1. The Company has suffered due to a high default rate by Hire Purchase/Leasing clients-Corporate clients in particular. As a result the inflow of funds was not sufficient to meet the claims of it's depositors. Some of these defaults are only because of economic conditions and the Corporate customers are expected to pay their dues in the long term.
2. Short term borrowings were used for Long term lending on the assumption that short term funds would keep flowing in to support long term lending. The reduced inflow of funding from the market and the RBI ban on operations had made it impossible for the Company to raise the liquidity required to meet commitments.
3. Due to the depressed capital markets funding was not forthcoming from Banks and other Financial Institutions.

RESTRUCTURING EXERCISE

The Restructuring includes inter alia the following :

1. A vigorous recovery drive has been launched to recover the depositor's money blocked with the defaulting debtors. More than 4000 legal notices have been issued and more than 1400

complaints under section 138 of The Negotiable Instruments Act have been filed. A further 2500 notices are in the process of being issued. In addition several recovery suits/summary suits/winding up petitions have also been filed before various courts all over India.

2. Expenses have been cut drastically. The total staff strength has been reduced by more than 30% and further reductions are planned in a phased manner.
3. As per the directions of the Honourable Company Law Board the Fixed Deposit liability has been rescheduled with substantially lower interest liability for the post maturity period.
4. The Company had proposed a revised schedule for payment to the debenture holders and the requisite number of Debenture holders have approved the proposed plan. The Trustees are now required to prepare the Supplementary Deed so that the Company can proceed with the implementation of the Plan.
5. Negotiations are under way with large creditors to seek financial relief as well as time for repayment. In any case, payments to such creditors will be a function of the legal recovery process.
6. The Promoters of the Company have given a commitment to the Honourable Company Law Board that Rs. 15 crores will be injected over a period of time to help the Company turn around.
7. Non fund based business avenues (including providing services for other financial intermediaries) for generating revenue are being explored by the Company so as to gradually get back into business once the restructuring is in place.

FINANCIAL RESULTS :

	Current Year	Previous Year
Gross Income	2557.63	4716.43
Gross Profit	(1643.75)	1890.50
Depreciation	1189.69	913.59
Profit before tax	(2833.44)	976.91
Provision for tax	—	116.00
Profit before NPA provision/ income reversal	(2833.44)	860.91
Provision for Delinquency/ NPA/Diminution in value of Investments	1505.71	80.00
Net profit for the year	(4339.15)	780.91
Prior period adjustment	1209.29	—
Provision for previous year's income reversal	239.41	—
Net Profit	(5787.86)	780.91
Profit brought forward from the previous year	660.45	483.41
Profit available for appropriation	(5127.41)	1264.32
Appropriations		
Dividend (incl. tax on dividend)	—	321.72
Transfer to Debenture Redemption Reserve	—	8.75
Transfer to General Reserve	—	117.17
Transfer to Special Reserve	—	156.23
Surplus/(Loss) carried to Balance Sheet	(5127.41)	660.45

Loss for the 15 months period stands at Rs. 28.33 crores before providing for Non-Performing Assets but after reversing income of Rs. 5.67 crores as per RBI guidelines and providing depreciation of Rs. 11.90 crores.

During the year ended 31st March, 1997 certain accounting methods were adopted which led to profits being over reported.

DIRECTORS' REPORT



This has been brought to the notice of your Directors and Auditors during the period under review and rectified and the net impact of this correction is Rs. 12.09 crores as reflected in the attached Profit & Loss Account as "Prior Period Adjustment".

In addition Rs. 2.39 crores of income pertaining to the previous year has been reversed to comply with rules prescribed by the Reserve Bank of India. Your Directors have decided to provide Rs. 13.31 crores for NPA on the basis of realistic recovery estimates even though the RBI rules require higher provisioning. The reported loss for the period does not take into account earnings by way of interest including overdue and penal interest, earned by the Company from defaulting customers. Successful realisation of even part of this amount in future could add considerably to the Company's bottom line/cash flow.

DIVIDEND

In view of losses suffered, the Directors regret their inability to recommend Dividend for the period under review.

DIRECTORS

Mr. Dhruv Prakash and Dr. Parvinder Singh resigned from the Board of Directors during the year.

Mr. Vivek Bharat Ram retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

SUBSIDIARY COMPANY

The accounts of the Subsidiary Company are provided in the annexure to this Report along with the statement prepared pursuant to Section 212 of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company is attached. The Directors' observations on the Auditors' Report are as under:

1. Non provision of Interest on certain liabilities covered under notes 2(b) & (d), 3(d), 4, 5 and 22 : In respect of interest on liabilities other than Fixed Deposits and Debentures, it has been observed that Company's lenders have a long term relationship with the Company on recurring basis and during the last couple of years these lenders have earned interest from the Company at high market rates. In view of the current financial crisis of the Company, negotiations have been started with some of the lenders for relief in interest payment. The negotiations have been favourable and in some case the Company has been able to obtain more than full waiver of interest liability. It is expected that while small depositors are accepting payment of interest @ 10% p.a. the large credit liabilities would also be restructured successfully without any interest liability for the 15 months period under review, because they have already earned average interest at a rate higher than that payable to small investors.
2. Non-maintenance of minimum liquid assets covered under note 3(c) : Due to the liquidity crisis and default in payment to Fixed Depositors, the liquid assets held by the Company were used for payment to depositors. Thereafter, the Company has made application to the RBI as well as the Honourable Company Law Board for exemption from maintaining minimum liquid assets for a period of 5 years.
3. Under provision for Non Performing Assets under notes 6(b), 13 & 14 : The Company has experienced that recoveries have been made even from the assets which are classified as Non Performing as per the Prudential Norms. Accordingly to give a more realistic picture of the receivables of the Company it will be appropriate that the provision for non performing assets may be made more

realistic. The Directors' view is that assessment of recoverables should depend on the estimate of the Recovery Officers, Opinion of lawyers handling the Recovery matters, financial position of the defaulting customers and payment by the customer, howsoever small it may be, as it is a clear indication of intent. In addition to the above, the Company is also required as per Prudential Norms to make prescribed provisioning in respect of Book Assets of the Company. However, it was noted that the Company has an almost equal amount of Current Liabilities for which claims have not been made on the Company. Balances under Book Assets as well as Current Liabilities are mainly carry overs from the previous year. In view of the possibility of set-off it is felt that no provisioning be made for Book Assets at this stage.

4. Stock on Hire and unreconciled Sub Ledger balances covered under Note 7(a) & 18 : The Company has always maintained subsidiary ledgers with party wise details on memoranda basis for marketing purposes and as such records have been pending reconciliation with general ledger since the previous year. This has been brought to the notice of your Directors and Auditors during the period under review. In the absence of reconciled opening party wise details the reconciliation could also not be done during this accounting period. On instructions from the Directors, physical verification of stock on hire is under process.
5. Reinstatement of Margin Money/Security Deposit covered under note 7(b) : The above note is self explanatory.
6. Bank Balances covered under note 10 : the Company had maintained over 100 Bank accounts all over India mainly for FD collection. Since the Company has stopped accepting Fixed Deposits, reconciliation and closure of these accounts is under process.
7. Unpaid Dividend covered under note 12 : The final dividend approved at the last AGM remains unpaid due to the restrictions placed by the RBI as well as the financial crisis that the Company has been facing. The Directors are hopeful that the Company will pay the dividend once the Restructuring Exercise is completed.
8. Balance confirmation/Claim acknowledgement covered under notes 15 & 16 : As the Company is under litigation for a majority of receivables and payables, and the matters are subjudice, confirmations and acknowledgements are not feasible.
9. Lack of proper Internal Controls covered under para 9 of the MAOCARO Report : The position on unreconciled sub-ledger balances has been explained earlier in our report. The Computerised accounting software of the Company was developed in house and lacked data security systems and controls. The Company did have Internal Auditors during the period who could not detect the flaws in the computer systems of the Company. The Directors have subsequently appointed another firm of Chartered Accountant as internal auditors who are submitting reports regularly to an appointed committee.

These weaknesses in the computer systems have now been identified and brought to the notice of the Directors and Auditors and are being rectified. It has also been brought to the notice of the Directors that security documentation in certain lendings was weak and strict action against defaulting customers which should have been taken was avoided. Investigation is being conducted in respect of all defaulting borrowers and action has been/will be initiated against ex-employees where negligence in discharge of fiduciary responsibilities is found.

M/s. V. Sahai & Co., Chartered Accountants, auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. They have furnished a Certificate to the effect that their re-

DIRECTORS' REPORT



appointment, if made, will be within the limits specified under Section 224(1B) of the Companies Act, 1956.

PERSONNEL

In accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, the particulars of employees are set out in the attached annexure forming part of the report

ACKNOWLEDGEMENTS

Your Directors wish to thank the Financial Institutions Banks, Creditors-Debtenture Holders and Fixed Depositors in particular-and

shareholders for their continued support and assistance. Your Directors also wish to place on record their deep appreciation for the sincerity and dedication shown by the employees in the implementation of the Restructuring Exercise.

For & on behalf of the Board of Directors

Place New Delhi
Dated 6 02 1999

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name of the Employee	Age (Yrs)	Qualification	Exp (Yrs)	Date of Employment	Designation/ Nature of Duty	Remuneration Received (Rs)	Last Employment and Designation
A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 3,00,000							
Sunil Katariya	32	M Com, FCS LLB	9	13 06 94	Company Secretary	4,42,204	M/s. Onida Finance Ltd Company Secretary
B. EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 25,000 PER MONTH							
Ajay Maggo	32	B Com (Hons) CA	9	05 05 97	Asst. General Mgr Finance & Accounts	3,26,880	M/s. Phoenix International Finance Ltd. Vice President
Anand G Ahluwalia	42	M A	12	17 12 93	Asst. General Mgr Merchant Banking	2,86,951	State Bank of India Branch Manager
Binod Choudhary	38	MBBE ME (Ind) BF (Mech)	12	22 05 96	General Manager Marketing	2,88,240	M/s. Value Research Director-Marketing
Dhruv Prakash	46	M Sc PGDBM	24	01 04 94	President-Whole Time Director	3,31,500	M/s. DCM International Ltd. Exec. Director-Finance
R C. Rawal	40	LLB CA	10	01 12 97	Sr. Vice President Marketing	3,11,220	M/s. Continental Auto Services General Manager (Commercial)
T S Brar	42	B Com, MBA	18	07 10 97	President & CEO	7,94,800	M/s. Teji Brar Financial Services Ltd Managing Director

AUDITORS' REPORT



The Shareholders,
DCM Financial Services Limited,
New Delhi.

We have audited the attached balance sheet of DCM Financial Services Ltd. as at June 30, 1998 and the profit and loss account for the period of 15 months ending on that date and report that:-

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A & D) of the Companies Act, 1956, we enclose as an annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above :
 - (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 these books;
 - (c) The balance sheet and profit & loss account referred to in this report are in agreement with the books of account;
 - (d) The profit & loss account and balance sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of The Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account subject to Notes 2(b) & (d), 3(d), 4, 5 and 22 on non-provision of interest on short term loans, interest charged by a bank, bill rediscounting, ICD's, short term overdraft and deferred payment liability, Note 3(c) on non-maintenance of minimum liquid assets, Note 6(b) on provision for loss on investment/securities, Note 7(a) on details of stock on hire, Note 7(b) on re-instatement of margin money/security deposit, Note 10 on bank balances, Note 12 on unpaid dividend, Note 13 on non-provision on NPA's, Note 14 on reversal of income unrealised on NPA's, Note 15 on balance confirmation, Note 16 claims not acknowledged as debts, Note 18 on unreconciled sub-ledger balances and para 9 of our report on MAOCARO annexed hereto on lack of internal controls read with the Accounting Policies, para 11 of MAOCARO relating to non filing of fixed deposit returns and the remaining Notes appearing thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-

- (i) in the case of the balance sheet of the state of affairs of the company as at June 30, 1998; and

- (ii) in the case of the profit & loss account of the loss for the period of 15 months ending on June 30, 1998.

For V. Sahai & Co.
Chartered Accountants

Place : New Delhi
Dated : February 6, 1999

(Mahesh Sahai)
Partner

Annexure referred to in paragraph 1 of the Auditor's Report to the Shareholders of DCM Financial Services Limited on the accounts for the period 15 months ending on June 30, 1998

1. The company had entrusted the preparation of the fixed assets register to an outside agency and a proper record showing full particulars, including quantitative details and in most cases the situation of fixed assets has been prepared. A portion of the fixed assets, including assets given on lease, have been verified physically by firms of Chartered Accountants and no major discrepancies have been observed.
2. The fixed assets have not been revalued during the year.
3. Physical verification of stocks of shares and securities in trade has been conducted by the management at the end of the year. Physical verification of a part of stocks on hire has been conducted by firms of Chartered Accountants and as per certificate given by them no material discrepancies on physical verification of the assets verified by them were noticed.
4. In our opinion and according to the information and explanations given to us, procedures for physical verification of stocks of shares and securities in trade followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. Discrepancies noticed on physical verification of stocks of shares and securities in trade as compared to book records have been dealt with in the books of account.
6. On the basis of our examination of the records we are of the opinion that the valuation of shares and securities in trade is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the previous period. Since physical verification of stocks on hire was conducted partly we are unable to comment on whether its valuation has been correctly done, or not.
7. As per certificate given by the Secretary of the company there are no companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956 and therefore the questions contained in paras (vii) and (viii) of para 4A are not applicable and have therefore not been commented upon.
8. In respect of loans and advances in the nature of loans given by the company the repayment of principal and interest has not, in many cases, been in accordance with stipulated terms. However, according to the information