

ANNUAL REPORT

2002-2003

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DMC VAULTS LIMITED

THE COMPANY

BOARD OF DIRECTORS :

Mrs. Alka Jain
Mr. Jinesh C. Jain
Mr. A.S. Singhal
Mr. Kamal Sharma
Mr. Surender Sharma
Mr. Rajiv K. Jain

BANKERS :

1. Bank of Maharashtra
2. State Bank of India
3. Bank of Rajasthan

AUDITORS :

M/s M.K. Goswami & Co.
1st. Floor,
4/B Asaf Ali Road,
New Delhi-110005

Registered Office :

5/66, W.E.A.,
Padam Singh Road,
New Delhi-110005

Plantation Site :

DMC Village Resorts
Village Chandpur,
P.O. Pratappur,
Kashipur-244173

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the DMC Vaults Limited will be held on Tuesday the 30th September, 2003 at 10.00am at 1/1293, Naiwala, Karol Bagh, New Delhi -110005 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the Year ended on that date along with the Directors Report & Auditors Report there on.
2. To appoint Director in place of Mr. Kamal Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and to consider and, if thought fit, to pass with modification(s) the following resolution as an ordinary resolution.

RESOLVED THAT, pursuant to the provision of section 224 and other applicable provision if any of Company Act, 1956 M/s M.K. Goswami & Co. Chartered Account of Delhi be and here by re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and Board of Directors be and is hereby authorised to fix up their remuneration.

SPECIAL BUSINESS

4. To raise the maximum salary, allowances and perquisites to Rs. 60,000 per month in case of a whole time director(s) who may be appointed by the board of directors in terms of articles of association of the company.

Explanatory statement pursuant to section 173 of the Companies Act 1956, in respect of the special business set out in notice.

Item No. 4

After retirement of Mrs. Alka Jain from the post of managing director the board of directors are considering appointment of one or more whole time directors. In view of the litigation with Mr. R.K. Pathak and others and to handle the vaults and plantation business a whole time director is necessary to be appointed. The amount of Rs. 60,000 per month is reasonable keeping in view the skill and experience required to manage the company in an efficient manner. None of the directors of the company is interested or concerned in the said resolution except the one(s) who may be appointed and their relative directors if any.

NOTES :

1. A member entitled to attend and vote at meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not to be a member of the Company. Proxies in order to be effective, must reach at the Registered office of the Company at last 48 Hours before the time fixed for the meeting.
2. Members are requested to bring copies of the AGM Notice to the meeting.
3. Members desirous of obtaining any information / clarification concerning the operation are requested to send their requests at Register office of the company and can obtain there from.
4. The register of Member and Share Transfer Books of the company will remain closed from ~~Tuesday~~ the 27th of September, 2003 to Monday 7th day of October, 2003 (both day inclusive)
5. No gifts, coupons or vouchers will be distributed to the members in the AGM.

New Delhi
26/08/2003

By the order of the Board
For DMC Vaults Limited

Mrs. Alka Jain
(Chairperson)

DIRECTOR'S REPORT

The Directors have pleasure in presenting the Nineteenth Annual Report of the company together with audited statement of Account for the financial year ended 31st March, 2003

FINANCIAL RESULTS

Following is summary for the financial results for the year ended 31st March, 2003

	2003	2002
Gross Loss (profit) before depreciation	(351288.49)	(230197.92)
Deferred tax Assets	(71289)	255,450.00
Less : (a) Depreciation	153,154.00	152,904.00
(b) Misc. Expenses w/o	0.00	0.00
Net Loss	(504442.49)	(383101.92)

During the year under review, locker rental and other income is Rs. 4.01 Lacs against Rs. 5.84 Lacs in previous year, thus showing a decrease of Rs. 1.83 Lacs due to decrease in the hardship faced by the company due to litigation of plantation project. It is difficult to attract new customers because of the pre-occupation of the management with the Kashipur project's litigation.

DIVIDEND

In absence of profits, the Board of Directors of the company regret their inability to declare any dividend to the members.

Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

- Part A & B pertaining to conservation of energy and technology absorption are not applicable to the company.
- Foreign exchange earning and outgoing. The Company has neither used nor earned any foreign exchange during the year under review.

THE CALL IN ARREARS

The Call in arrears is amounted to Rs. 282500/- Numbers of share holders have not paid the calls in arrears. The date of payment of call on arrears with interest has been extended up to 31.03.2004.

PARTICULARS OF EMPLOYEES

As required under sub section 2A of section 217 of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 there was no employee who was drawing salary more than 12,00,000/- per annum or Rs. 1,00,000/- per month if employed for a part of the financial year.

DIRECTORS

- Director Mr. Anil Jain who retires by rotation and does not offer for re-appointment.
- Director Mr. Kamal Sharma who retires by rotation and offers himself for re-appointment. The Board recommends his re-appointment.

AUDITORS

M/s M. K. Goswami & Co. Chartered Accountants, is recommended to be re-appointed as the auditors of the Company and who have furnished the requisite certificate under section 224 (I-B) of the Companies Act, 1956 and are eligible for appointment.

LEGAL CASE PENDING IN VARIOUS COURT OF LAW**A. High Court of Delhi, New Delhi**

- Suit No. 1706/99 - M/s DMC Vaults Limited v/s R. K. Pathak & Others
Case is now fixed for 19th September, 2003.

B. District Court of Tis Hazari

- Civil Suit for permanent injunction filed by R. K. Pathak against the DMC Vaults Ltd. for checking DMC Vaults Ltd. from holding Annual Gen. Meeting Year 2000 is pending, though no restraining orders are passed against the DMC Vaults Ltd.
Hearing of case is now fixed for 27th February, 2004

- b.) One civil suit for permanent injunction has also been filed by us against Sh. R.K. Pathak and his family members etc. not to cause Disturbance in the AGM 2001
Hearing of case is now fixed for 22nd October, 2003

DMC TEAK TREE UNIT SCHEME.

As per the order of the chairman SEBI, dated 17th June 2002 the company has to wind up its Teak Tree Unit Scheme on 10th July, 2002, and the company is refunding the remaining money collected along with them.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Directors state :

- that in preparation of annual accounts for the year ended March 31st 2003 the applicable Accounting Standards had been followed except non compliance of Accounting Standard 9 regarding recognition of locker rent on cash basis.
- that the Director had selected such accounting policies and applied them consistently and made judgements and estimates that are prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for the period under review.
- that the Director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of Company Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities :
- that the Director had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company has been adopted the best practices of corporate governance to ensure equity, transparency, accountability and responsibility in its operations in order to fulfill its endeavour for ensuring the best interests of its shareholders, creditors, employees and others related to the company. However, the provisions of clause 49 of the listing agreement are not applicable to the company.

DEMATERIALISATION OF SHARES

Your company has been activated in CDSL and NSDL, Now you can get your security dematerialised through CDSL and NSDL. Alankit Assignments Ltd., New Delhi has been appointed as the common agency for the share registry work.

COMPLIANCE REPORT

The compliance report of your company as per provision to sub-section 1 of section 383A of the Companies Act, 1956 is annexed there to.

ACKNOWLEDGEMENT

The Directors wish to take this opportunity to thank all the employees, Bankers and Shareholders for their continued contribution towards the growth of the Company.

**By the order of the Board
For DMC Vaults Limited**

**Place : New Delhi
Dated : 26/08/2003**

**Mrs. Alka Jain
(Chairperson)**

COMPLIANCE CERTIFICATE

To,
The Members
DMC Vaults Limited
5/66, W.E.A., Padam Singh Road,
Karol Bagh, New Delhi-110005

We Have examined the registers, records, books and papers of **DMC Vaults Limited (Company Registration No. 55-18554)** as required to be maintained under the Companies Act, 1956 and the rules made there-under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2003. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents. We certify that in respect of the above said financial year.

1. The Company has kept and maintained all registers as stated in Annexure-'A' to this certificate as per the provisions and the rules made there under all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure-'B' to this certificate, with the Registrar of Companies, Regional Directors, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, has the minimum prescribed paid-up capital.
4. The Board of Director duly met 7 (Seven) times on 27.04.2002, 28.06.2002, 25.07.2002, 21.08.2002, 23.08.2002, 29.10.2002 and 27.01.2003 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 24.09.2002 to 07.10.2002 and the necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2003 was held 30.09.2003 after given due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra cost ordinary meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any such contracts falling within the preview of section 297 of the Act.
10. The Company was not required to make any entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Board of Directors has not issued any duplicate certificate during the financial year.
13. The Company has :
 - (i) delivered all the certificates on transfer / transmission or any other purposes in accordance with the provisions of the Act.
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) not posted warrant to any members of the Company as no dividend was declared during the financial year.
 - (iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposited, matured debentures and the interest accrued thereon which have remained unclaimed for a period of seven year to Investor Education and Protection Fund. - NOT APPLICABLE
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Director of the Company is duly constituted. There was no appointment of additional directors, alternate director and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole time Director/ Manager during the financial year.
16. The Company has not appointed of sole-selling agents during financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Directors, Registrar or such other authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debenture or other securities during the financial year.
20. The Company has not bought any share during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.