

ANNUAL REPORT 2004 - 2005

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DMC VAULTS LIMITED

-: Corporate Information :-**Board Of Directors**

Mr. Rajiv K. Jain	Director
Mr. Dhruv Agarwal	Director
Mr. Sham Sunder Gupta	Director

Statutory Auditors

M/s M.K. Goswami & Co.
Chartered Accountant
1st Floor, 4/B Asaf Ali Road
New Delhi-110002

Bankers

Bank Of Punjab

Share Transfer Agent

Alankit Assignment Ltd.
2E/21, Jhandewala Extension, New Delhi-1

Registered Office

F-25, Lajpat Nagar-I
New Delhi-110024
E-mail: dmcvaults@yahoo.co.in

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-: NOTICE :-

NOTICE is hereby given that the 21st Annual General Meeting of the Members of DMC Vaults Limited. will be held on Wednesday, the 28th September, 2005 at 10.00 A.M. at F-25, Lajpat Nagar-I, New Delhi-110024 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2005 and Profit & Loss Account for the year ended on that date along with the Directors' Report and Auditors Report thereon.
2. To appoint auditors and fix their remuneration and to consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

Resolved that pursuant to section 224 and other applicable if any of the Companies Act, 1956 M/s M.K. Goswami & Co., Chartered Accountants, of Delhi be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and Board of Directors be and is hereby authorised to fix their remuneration.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution with or without modification as ordinary resolution:
Resolved that, Mr. Dhruv Agarwal, who was appointed as an Additional Director and who in terms of section 260 of the Companies Act 1956, holds office until the conclusion of Annual General Meeting, be and is hereby appointed as rotational Director of the Company.

4. To consider and if thought fit, to pass the following resolution with or without modification as ordinary resolution :
Resolved that, Mr. Sham Sunder Gupta, who was appointed as an Additional Director and who in terms of section 260 of the Companies Act 1956, holds office unit the conclusion of Annual General Meeting, be and is hereby appointed as rotational Director of the Company liable to retire by rotation.

5. To consider and if thought fit, to pass the following resolution with or without modification as ordinary resolution :
Resolved that subject to Section 16 (1) and section 94 (1)(d) of the Companies Act, 1956, and in terms of the authority of Article 60(b) of the Articles of Association of the Company each of the existing shares of Rs. 10/- each in the capital of the Company on which the sum of Rs. 10/- is credited as paid-up be sub-divided into 2 shares of Rs. 5/- upon each of which the sum of Rs. 5/- shall be credited as paid-up.

6. To consider and if thought fit, to pass the following resolution with or without modification as ordinary resolution :
Resolved that subject to section 31 of the Companies Act, 1956 the Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the Following Clause in place of the exiting Clause.

The share Capital of the Company is Rs. 1,00,00,000/- (Rs. One Crore) divided into 20,00,000 (Twenty Lacs) equity shares of Rs. 5/- each.

7. To consider and if thought fit, to pass the following resolution with or without modification as Special Resolution :
Resolved that pursuant to Section 31 of the Companies Acts, 1956 and other applicable provision, if any, existing Article 3 of the Article of the Association of the Company be and is hereby amended in the following manner :

The Authorised Share Capital of the Company Share Capital of the Company is as per Clause V of the Memorandum of Association of the Company, capable of being increased or decreased in accordance with the Company's regulations and the provisions of Companies Act, 1956 for the time being in force in that behalf with the powers to divide the share capital whether original, increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the regulations of the Company and allowed by the Act.

8. To consider and if thought fit, to pass the following resolution with or without modification as Special Resolution:

Resolved that out of the total 45500 equity shares forfeited by the Board, 45500 equity shares be and is hereby re-issued to the following persons.

Name of the Proposed Allottee	No. of Shares re-issued	Amount in Rs. Received
Mr. Dhruv Agarwal	5000	50000
Mr. Sham Sunder Gupta	40500	405000
Total	45500	455000

Further Resolved that necessary entries in the register of members of the company be made to give effect for re-issue of the above 45500 fully paid equity shares of the company.

Resolved Further That, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect the above resolutions.

9. To consider and if thought fit, to pass the following resolution with or without modification as Special Resolution:

Resolved that subject to section 149(2A) and all other applicable provisions if any, the Board of Directors be and is hereby authorised to carry out the following object as enumerated in clause-29 of Other Objects of the Company.

To carry on the business of advertising agents, to acquire and dispose of advertising time, space or opportunities in any media, to undertake advertising and promotional campaigns of every nature and to carry on business of printers, publishers, decorators in connection with the general advertising business and to do any other act or carry out any other contract for the promotion, continuance and advancement of the said business.

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

sd/-

Dhruv Agarwal
(Director)

Date:01.09.2005
Place:New Delhi

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY.
PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members are requested to bring their copies of Annual Report to the meeting.
3. Members desirous of obtaining any information/Clarification concerning the operations of the Company are requested to send their requests at Registered Office of the Company and can obtain there from.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22nd September 2005 to Friday, 30th September 2005(Both days inclusive).
5. No gifts, Coupons or vouchers will be distributed to the members in the AGM

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**Item No.3**

Mr. Dhruv Agarwal was appointed as an Additional Director on 01.08.2005. Since Mr. Agarwal was appointed as an Additional Director he holds office upto the date of the ensuing Annual General Meeting as per the provision of Section 260 of the Companies Act, 1956.

The Company has received a notice in writing from a member U/s 257 of the Companies Act, 1956, proposing his candidature for the office of Director.

The Board placed this resolution for approval of Members.

None of the Directors except Mr. Dhruv Agarwal are concerned or interested in this resolution.

Item No.4

Mr. Sham Sunder Gupta was appointed as an Additional Director on 25.08.2005. Since Mr. Gupta was appointed as an Additional Director he holds office upto the date of the ensuing Annual General Meeting as per the provision of Section 260 of the Companies Act, 1956.

The Company has received a notice in writing from a member U/s 257 of the Companies Act, 1956, proposing his candidature for the office of Director.

The Board placed this resolution for approval of Members.

None of the Directors except Mr. Sham Sunder Gupta are concerned or interested in this resolution.

Item No.5, 6 & 7

Since the company is 20 years old company listed with BSE & Delhi Stock Exchange. However, the trading volume of the company's shares is very thin. In order to increase the liquidity of the company's shares, the Board of Directors of your company proposes for the sub-division of face value of the company's share by creating 2(two) equity shares of Rs.5/- each instead of 1(one) equity shares of Rs.10/- each. Thus creating more liquidity of the company's shares in the stock exchanges.

As per section 31 of the Company Act, 1956 any alteration in the Articles requires consent of the members by means of Special resolution. Therefore the special resolution has been proposed to make consequent amendment in the Articles of Association.

The proposed alteration also requires alteration in the Clause-V of the Memorandum of Association. Therefore the Board of Directors placed Resolution 8 for approval of shareholder as ordinary resolution.

The Directors recommend this resolution for approval of the shareholders.

The Directors recommend this resolution for approval of the shareholders.

A copy of the Memorandum and Article of Association of the Company is available for inspection on all working days during usual business hours at the registered office of the Company.

None of the Directors of the Company is concerned or interested in this resolution

Item No.8

The Company in its Board meeting held on 25th August 2005 forfeited 45500 shares, who failed to pay the call money. The Board decided to re-issue the above forfeited shares to the above two Directors of the company.

As per Clause 23(a) of Listing Agreement re-issue of forfeited shares should be offered in the first instance to the existing shareholders on pro-rata basis, unless the General Body decides otherwise.

The equity participation of Directors will bring more responsibility towards discharging their functions. That's why the your Board decided to re-issue the forfeited shares to the above two directors at a price of Rs. 10/- per shares.

The board placed the above resolution for approval of Shareholders as Special Resolution.

None of the Directors except Mr. Dhruv Agarwal & Mr. Sham Sunder Gupta are concerned or interested in this resolutions.

Item No.9

The company is presently carrying out the business of purchase, lease, or otherwise land and building and to erect and maintain safe custody fire proof and/or burglar-proof strong rooms and earn income by way of Locker rent. However, the company cannot perform satisfactorily. Now the advertising industry is in full swing creating a lot of opportunity. The Board of Directors are very much confident to carry out the new business satisfactorily with the current business.

As per section 149(2A) of the Companies Act, 1956 to carry out any business enumerated in Other Objects required shareholders approval by way of Special Resolution.

The board placed the above resolution for approval of Shareholders as **Special Resolution**.

None of the Directors are concerned or interested in this resolutions.

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

sd/-

Dhruv Agarwal
(Director)

Date:01.09.2005
Place:New Delhi

DIRECTOR'S REPORT**DEAR MEMBER
DMC VAULTS LIMITED**

Your Directors have pleasure in presenting the 21st Directors Report of the company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2005 for your consideration and approval.

FINANCIAL RESULTS

Following is summary for the financial results for the year ended 31st March, 2005

Particulars	For the year ended March 31,2005 (Rs.)	For the year ended March 31,2004 (Rs.)
Profit/ Loss before depreciation and Deferred tax assets	185,474.32	(307,812.21)
Deferred tax Assets	262,802.00	168,274.00
Less: (a) Depreciation	0.00	123,682.34
(b) Misc. Expenses w/o	0.00	141,448.00
Net loss	(77,327.68)	(599,768.55)
Appropriation		
Loss brought forward	(942,210.16)	(342,441.61)
Balance carried forward to Balance Sheet	(1,019,537.84)	(942,210.16)

REVIEW OF OPERATIONS***"Current Scenario"***

The Loss incurred by the Company during its lean period was due to recession period for Vaults industry. This year the company cannot perform its business of Vaults. Your Company incurred losses of Rs.10,19,537.84/-.

"Future Plan"

Seeing the upswing in the advertisement industry, the company has proposed to add a new line of business of advertising and to acquire & dispose of advertising time, space or opportunities in any media. Company is also proposed to undertake advertising and promotional campaigns of every nature and carry out act for the promotion, continuance and advancement of the said business.

In order to diversify and expand the business of the company, the company proposed to merge/ Take-Over with any other potential business Enterprises. The Company is in process of finding out potential business partners for this purpose in the viable business areas.

DIVIDEND

In absence of Profits, the Board of Directors of the Company regrets 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 DIRECTOR) 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.

CALL IN ARREARS.

Notices have been issued to those who have not paid call money and after giving proper opportunity shares have been forfeited.

DIRECTORS

Mr. Dhruv Agarwal was appointed as an Additional Director on the Board on 01st August 2005. Mr. Agarwal holds office under section 260 of the Companies Act, 1956, upto the forth coming Annual General Meeting and is eligible for appointment at the meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director.

Mr. Sham Sunder Gupta was appointed as an Additional Director on the Board on 25th August 2005. Mr. Gupta holds office under section 260 of the Companies Act, 1956, upto the forth coming Annual General Meeting and is eligible for appointment at the meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director.

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 (1-B) of the Companies Act, 1956 and are eligible for appointment.