

**DAPHENE INVESTMENT AND PROPERTIES
LIMITED**
28th Annual Report
2010 -2011

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Company shall be held on Thursday, the 29th day of September, 2011 at 11:00 Hrs at its Registered Office at 102, Palco House, 2162/T-10, Main Patel Road, New Delhi-110 008 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 and Profit & Loss Account of the Company for the period commencing from 1st April, 2010 to 31st March 2011 together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Nirmal Prakash, who retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment.
3. To appoint Statutory Auditors of the Company:

"RESOLVED THAT M/s PVR-N & Co., Chartered Accountants, retiring Auditors of the Company be and are hereby re – appointed as the Statutory Auditors of the Company to hold office from the date of conclusion of the ensuing Annual General Meeting till the date of conclusion of the next Annual General Meeting of the Company at a remuneration as may be mutually agreed upon among themselves."

**By Order of the Board
For Daphene Investment and Properties Ltd.**

Place: New Delhi
Date: 2nd September, 2011

**Sd/-
Director**

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 A MEMBER OF THE COMPANY.
2. The proxy form in order to be effective must be deposited with the company not less than 48 hours before the time fixed for commencement of the meeting.
3. The share transfer record of the Company will remain closed from **Monday 26th September, 2011 to Thursday 29th September, 2011** (both days inclusive) for the year 2010-2011.
4. Corporate Members intending to send their Authorized Representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the General Meeting.
5. The Copies of Memorandum and Article of Association of the Company, and all other documents referred in the Notice etc., shall be open for the inspection at the Registered Office of the Company on any working day between 11:00 Hrs and 14:00 Hrs upto the date of Annual General Meeting and also at the venue of Meeting during the meeting.



6. In case of the Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Annual Report has been sent to all members and members are requested to bring their copy to the meeting along with duly filled attendance slip (to be handed over at the entrance).



DIRECTORS' REPORT

The Members,
Daphene Investment and Properties Limited

Your directors have pleasure in presenting their 28th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 2011.

1. FINANCIAL RESULTS

(In Rs.)

Particulars	2010-11	2009-10
Income	1,204,248	109,560
Less: Total Expenditure	11,85,737	84,506
Net Profit/(Loss) before Tax & Depreciation (PBDT)	18,511	25,054
Less: Depreciation	5,829	7,787
Net Profit/(Loss) after Depreciation before Tax (PBT)	12,682	17,267
Less: Provision for Income Tax-Current	3,738	3,080
Profit after Tax	8,944	14,187

The Company has earned profit of Rs. 8,944/- during the year under review.

2. DIVIDEND

Your directors do not recommend any dividend for the financial year ended on 31st March, 2011.

3. PUBLIC DEPOSITS

The Company has not invited or accepted any public deposits within the meaning of Section 58A & 58AA of the Companies Act, 1956 and section 45-I(bb) of the Reserve Bank of India Act, 1934 during the year under review. The company does not hold any public deposit as on date and will not accept the same in future without the prior approval of Reserve Bank of India in writing.

4. DIRECTORS

Mr. Nirmal Prakash, Director of the Company retires by rotation and being eligible, has offered himself for re-appointment. Your directors recommend his re-appointment as per the provisions of the Companies Act, 1956.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as required under section 217(1) (e) are not applicable to our industry, hence no statement for disclosure has been made. *There was no foreign exchange earnings and outgo during the year under review.*



6. PARTICULARS OF EMPLOYEE U/S 217 (2A) OF THE COMPANIES ACT, 1956

None of the employees of the Company has drawn salary in excess of the limits prescribed in the section 217(2A) of the Companies act, 1956 read with Companies (Particulars of employees) Rules, 1975 and hence no such list is being provided.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures wherever applicable;
- b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011, and of the Profits of the Company for the year ended on that date;
- c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d) We have prepared the annual accounts on a '*going concern*' basis.

8. AUDITORS' & AUDITORS' REPORT

M/s PVR – N & Co., Chartered Accountants who were appointed in the Extra – Ordinary General Meeting of the Company in place of M/s Ajay Mehray & Co., Chartered Accountants, will retire as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment.

The Company has received a certificate from the Auditors to the effect that their appointment if made would be in the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The observations of the Auditors in their report read together with notes of Accounts are self explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

9. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is annexed herewith.

10. LISTING OF SHARES

The Equity Shares of the Company are listed at Delhi Stock Exchange. These shares were not traded during the year under review as the trading of Shares was not taking place at the Exchange. The Preferential Allotment made on 18th March, 2002 of 3,00,000 Equity Shares of the Company are pending for listing at the Exchange. The Company is taking regular follow up for the same and hope to get the shares listed at the earliest.

11. ACKNOWLEDGEMENT

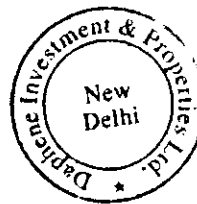
Your directors would like to place their grateful appreciation for the assistance and co-operation received from the Company's bankers during the year under review. The directors also acknowledge with appreciation the support and co-operation rendered by various Govt. agencies and Departments. Your Directors would also wish to place on record their deep sense of appreciation for the continued support of all the employees of the Company.

**By Order of the Board
For Daphene Investment and Properties Limited**

Place: New Delhi

Date: 2nd September, 2011

**Sd/-
Chairman**



Annexure to the Directors' Report**Auditors' Certificate on compliance with the conditions with the conditions of Corporate Governance under clause 49 of the Listing Agreement(s).**

To
The Members
M/s Daphene Investment & Properties Ltd.
102, Palco House, 2162/T-10,
Main Patel Road,
New Delhi – 110 008

We have examined the compliance of conditions of the Corporate Governance by Daphene Investment & Properties Ltd., for the year ended March 31, 2011 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the listing agreement entered into by the said company with the stock exchanges.

We certify that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/investors' Grievance Committee.

We further certify that such compliance is 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 PVR-N& Co.
Chartered Accountants

Sd/-
Pradeep Kumar Jindal
Partner
M. No. 082646

Place : New Delhi
Date : 27th May, 2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management presents the analysis for the Company for the year 2011-2012 and its outlook for future. This outlook is based on assessment of the current business environment.

Overview

The Company is involved in investment activities during the financial year under review in pursuing of its main object. The graph of the Company's performance has gone up in comparison to the overall growth as witnessed by the finance and investment sector in general. However, the Management of the Company is making sincere efforts for the betterment and expansion of the Business of the Company.

Internal control Systems and their adequacy

Internal control systems are implemented to safeguard the Company's assets from loss or damage, keep constant check on the cost structure, prevent revenue leakages and to provide adequate financial and accounting controls and implement accounting standards.

The Internal Audit department together with an independent firm of Chartered Accountants reviews the effectiveness of the systems and procedures. The internal Auditors evaluate the adequacy of the internal control systems by analyzing and testing controls and make their recommendations to the management to improve controls wherever necessary. The system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

Human Resources

A major strength for your Company has been its employees and your Company's relationship with its employees continues to be excellent. Over the years the company has taken several initiatives to attract and retain best talent. Being in the service industry, the company places foremost thrust on the continuous upgradation of human resource. A detailed performance evaluation system is in place and remuneration and rewards are strongly linked to performance indicators. To keep the employee excellence at high altitudes, your company continues to maintain its commitment towards providing training to its employees at all levels. Your Company's Staff turnover is very low as compared with the industry levels. Best HR Practices and continuous work environment ensures high motivational levels of the employees.

**For and On behalf of Board of directors
Daphene Investment and Properties Limited**

Place: New Delhi

Date: 2nd September, 2011

**Sd/-
Chairman**



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY:

The underlying principles of Corporate Governance are the values, ethics and commitment to follow best business practices. Thus, it rests upon the foundations of transparency, disclosures and fairness in dealing with it's' stakeholders.

Our Corporate Governance philosophy stems from our belief that the business strategy and plans should be consistent with the welfare of all stakeholders and should be in line with National Economic policies of the Government of India. The Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

2. BOARD OF DIRECTORS:

The Board of Directors provides strategic direction and the thrust to the operations of the Company and accountable at all time to the shareholders of the Company. The Company has a professionally constituted Board of Directors.

During the year under review, the Board met 7 times on 28/05/2010, 12/08/2010, 02/09/2010, 12/10/2010, 10/11/2010, 28/01/2011 and 31/03/2011 respectively.

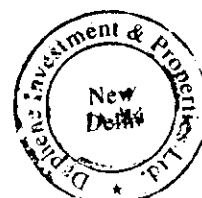
The following table summarizes the attendance of all the Directors at the said Board Meetings:

Name of Director	Number of Meetings attended	Presence in the AGM dated 28/09/2010	No. of other directorship (Except Pvt. Companies)	Category of Directorship
Mr. Yogesh Kumar Goyal	7	Yes	2	Non Executive Director
Mr. Nirmal Prakash	5	Yes	5	Independent Director
Mr. Ganesh Ray	6	Yes	2	Independent Director

None of the directors of the Company is member in more than ten Committees and they do not act as Chairman of more than five Committees across all Companies in which they are directors.

The Board has access to the following information / records:

- Annual operating plans and budgets;
- Quarterly results;
- Minutes of the meetings of the Audit Committee, share transfer and shareholders'/investors' grievances Committee;
- Any other items/events of materially important nature.



3. COMMITTEES OF THE BOARD:

The Board of Directors has constituted various committees of the Board to ensure focused attention on the various aspects of the Company's working. The Company has the following Committees of the Board.

3.1 AUDIT COMMITTEE:

The terms of reference of the Audit Committee are the same as detailed in guidelines set out in the listing agreement with the Stock Exchange and in section 292A of the Companies Act, 1956. The Audit Committee set up by the board is primarily responsible for internal control and financial reporting process. The Audit Committee has the following members:

- Mr. Yogesh Kumar Goyal
- Mr. Nirmal Prakash
- Mr. Ganesh Ray

3.2 REMUNERATION COMMITTEE:

The Company does not have Remuneration committee as contemplated under the Listing Agreement, as the Company is not paying any remuneration to its Non-Executive Directors.

3.3 SHARE TRANSFER AND SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE:

The Share Transfer and Shareholders'/Investors' Grievances Committee looks into the matters of complaints by the investors and shareholders relating to the non-receipt of dividend warrants, annual reports, share transfers / transmission in time, issue of duplicate share certificate, change of address etc. and the redressal of these complaints. As on date the following members are in The Share Transfer and Shareholders'/Investors' Grievances Committee:

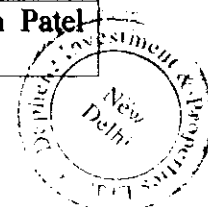
- Mr. Nirmal Prakash
- Mr. Yogesh Kumar Goyal
- Mr. Ganesh Ray

All the complaints of investors are promptly attended by the Company. All Share transfers are dealt with properly.

4. GENERAL BODY MEETINGS:

Particulars of last three Annual General Meetings:

Year	Date	Time	Location
2010	28 th September, 2010	11:30 Hrs	102, Palco House, 2162/T-10, Main Patel Road, New Delhi - 110 008
2009	30 th September, 2009	11:00 Hrs	102, Palco House, 2162/T-10, Main Patel Road, New Delhi - 110 008
2008	6 th September, 2008	11:00 Hrs	102, Palco House, 2162/T-10, Main Patel Road, New Delhi - 110 008



The following table summarizes the details of special resolution passed or not during the last three years:

S. N.	Particulars	Status
1.	Whether any special resolutions were passed at the last three Annual General Meeting	None
2.	Whether special resolutions were put through postal ballot at the last three Annual General Meeting	None
3.	Persons who conducted the postal ballot	N.A.
4.	Procedure for postal ballot	N.A.

4. DISCLOSURES:

a)	On materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, Directors or the management, their subsidiaries/relatives that may have potential conflict with the interests of the Company at large.	- None
b)	Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, or the Securities and Exchange Board of India or any other statutory body/ authority, on any matter related to capital markets during the last three years.	- None

5. MEANS OF COMMUNICATIONS WITH THE INVESTORS/SHAREHOLDERS:

a)	Quarterly results	Are published in one English and the other in Vernacular language (Hindi) newspaper.
b)	Any website where displayed	None
c)	Whether the website also displays official news releases	No
d)	Presentations made to institutional investors and analysts	No
e)	Whether Management Discussion and Analysis Report a part of Annual Report	Yes

6. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting

Date : Tuesday the 29th day of September, 2011

Time : 11:00 Hrs

Venue : 102, Palco House, 2162/T -10, Main Patel Road, New Delhi – 110 008



Financial Calendar (tentative):

Financial year : (April 01, 2011 – March 31, 2012)

Quarterly results : For Quarter ending

30-06-2011 – 1st/2nd week of August, 2011.
30-09-2011 – 1st/2nd week of November, 2011.
31-12-2011 – 1st/2nd week of February, 2012.
31-03-2012 – 4th/5th week of May, 2012.

BOOK CLOSURE:

Monday 26th September, 2011 to Thursday 29th September, 2011 (both days inclusive).

LISTED ON STOCK EXCHANGE(S):

DELHI STOCK EXCHANGE LIMITED,
DSE House, 3/1,
Asaf Ali Road,
New Delhi -110 002.

ADDRESS FOR CORRESPONDENCES:

For any query related to Annual Report, transfer of shares and other query related to shares, please contact at the following addresses.

Registered Office of the Company
M/s Daphene Investment and Properties Limited
102, Palco House,
2162/T-10, Main Patel Road,
New Delhi-110008



AUDITORS' REPORT

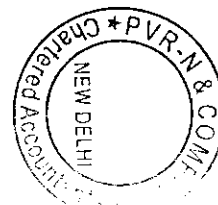
To,
THE MEMBERS

We have audited the attached Balance Sheet of **Daphne Investment & Properties Ltd.** as at 31st March 2011, and also the Profit & Loss Account of the said company for the year ended on that date together with annexure thereto.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


- 1) As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to our comments in the annexure referred to in paragraph 1 above, we report that: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books;
 - c) The said Balance Sheet, Profit and Loss account and Cash Flow Statement are in agreement with the books of accounts;
 - d) In our opinion the Balance Sheet and the Profit and Loss Account comply with the Accounting Standard referred to in sub section (3C) of Section 211 of the Companies Act 1956;



- e) On the basis of the written representation received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view ;
- i. In the case of Balance Sheet, of state of affairs of the company as at 31st March 2011;
 - ii. In the case of Profit & loss Account, of Profit for the year ended on that date; and
 - iii. In the case of cash flow statement of the cash flow for the year ended on that date.

For PVR - N & Co.
Chartered Accountants




Pradeep Kumar Jindal
Partner

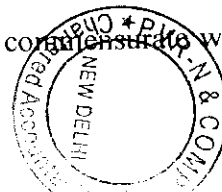
Mem. No.: 082646
Firm Regn No.: 004062N
Place: New Delhi
Date: 27th May, 2011

ANNEXURE TO AUDITORS' REPORT

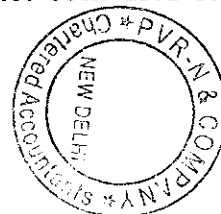
REFERRED TO OUR REPORT OF EVEN DATE.

Referred to in paragraph 1 of our report of even date,

- 1.(a) The Company has maintained proper records of Fixed Assets showing full particulars, including Quantitative details and situation of fixed assets.
- (b) The physical verification of the Fixed Assets was conducted by the management at the year end which is in our opinion is reasonable having regard to the size of the Company and nature of its Fixed Assets. No material discrepancies were noticed during the year on such verification.
- (c) There was no disposal of Fixed Assets during the year.
- 2.(a) The inventories including investments have been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not granted / taken unsecured loans to / from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to explanation given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets and with regard of the sale of goods. During the course of our audit, no major weakness has been noticed.
5. Based on the audit procedures applied by us and according to information and explanations given to us by the management, we are of the opinion that there was no transaction need to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted deposits from public within the meaning of sections 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

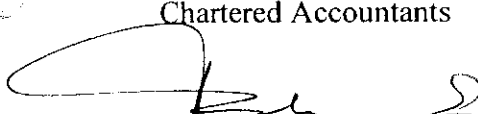


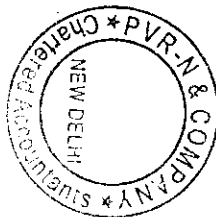
8. The Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 to the Company.
- 9.(a) According to the information and explanations given to us by the company, the company is generally regular in depositing undisputed statutory due with the depositing authorities. According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 2011 for a period of more than six months from the date they become payable.
- (b) The Company doesn't have any disputed dues of Sale Tax, Income Tax, Wealth Tax, Excise Duty and Customs etc. which have not been deposited.
10. The accumulated losses of the company are not more than fifty percent of its net worth. It has not incurred any cash losses during the current financial year and in the immediate financial year.
11. In our opinion and according to the information and explanation given to us by the management we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution or bank.
12. According to the information and explanations given to us and based on the documents and records produced 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. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund/societies.
14. The Company is dealing in shares and investments and proper records have been maintained of the transactions and contracts. Timely entries have been made there in. The shares and investments have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Act.
15. According to the information and explanations given to us, the company has not given any guarantee for loan taken by its associates or subsidiaries from bank or financial institutions.
16. According to the information and explanations given to us, the Company did not have any term loan outstanding during the year.
17. On the basis of information received from the management and based on our examination of the Balance Sheet of the Company as at 31st March, 2011 we find that the funds raised on a short term basis have not been used for long term investment and vice versa.



18. On the basis of information received from the management we report that the company has not made preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised monies by way of public issue during the year.
21. According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.

For PVR - N & Co.
Chartered Accountants


Pradeep Kumar Jindal
Partner
Mem. No.: 082646
Place: New Delhi
Date: 27th May, 2011



DAPHNE INVESTMENT & PROPERTIES LTD
BALANCE SHEET AS ON 31ST MARCH 2011

PARTICULAR	SCHEDULE	AS ON 31.03.2011	AS ON 31.03.2010
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS FUNDS</u>			
Share Capital	1	5,475,000.00	5,475,000.00
Reserves & Surplus		12,000,000.00	12,000,000.00
		17,475,000.00	17,475,000.00
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	2		
Gross Block		236,390.00	193,550.00
Less:- Depreciation		174,944.00	169,115.00
Net Block		61,446.00	24,435.00
Investments	3	18,835,000.00	19,900,000.00
<u>Current Assets, Loans & Advances</u>	4		
Loans & Advances		2,306,287.00	1,344,287.00
Sundry Debtors		2,613,824.00	1,904,150.00
Cash & Bank Balances		1,520,032.00	1,496,289.04
		6,440,143.00	4,744,726.04
Less:- Current Liabilities & Provisions	5	11,168,738.00	10,510,254.00
Net Current Assets		(4,728,595.00)	(5,765,527.96)
<u>MISCELLANEOUS EXPENDITURE</u>			
(To the extend not W/off or adjusted)		24,500.00	24,500.00
<u>PROFIT & LOSS ACCOUNT</u>		3,282,649.00	3,291,592.96
		17,475,000.00	17,475,000.00

NOTES FORMING PART OF ACCOUNTS

7

THE SCHEDULE REFERRED TO ABOVE FROM AN INTGRAL PART OF THE BALANCE SHEET

AS PER OUR REPORT OF EVEN DATE

For PVR - N & Co.

Chartered Accountants

Pradeep Kumar Jindal
Partner

Mem. No.: 082646

Firm Regn No.: 004062N

Place: New Delhi

Date: 27th May, 2011



For & on behalf of the Board

Atul Pesh
Director

[Signature]
Director

DAPHENE INVESTMENT & PROPERTIES LTD
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2011

PARTICULAR	SCHEDULE	AS ON 31.03.2011	AS ON 31.03.2010
INCOME			
Sales		1,075,000.00	-
Other Income		4,174.00	7,500.00
Service Charges		125,074.00	102,060.00
		1,204,248.00	109,560.00
EXPENDITURE			
Cost of Sales		1,065,000.00	-
Administration & Other Expenses	6	120,737.00	84,506.00
Depreciation		5,829.00	7,787.00
		1,191,566.00	92,293.00
Profit/(Loss) before Tax		12,682.00	17,267.00
Provision for Tax		3,738.00	3,080.00
Provision for FBT		-	-
Profit/(Loss) After Tax		8,944.00	14,187.00
Profit/(Loss) Brought Forward		(3,291,593.00)	(3,305,779.96)
Balance Carried to Balance Sheet		(3,282,649.00)	(3,291,592.96)

NOTE FORMING PART OF ACCOUNTS 7

THE SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

AS PER OUR REPORT OF EVEN DATE

For PVR - N & Co.
Chartered Accountants

Pradeep Kumar Jindal
Partner

Mem. No.: 082646

Firm Regn No.: 004062N

Place: New Delhi



For & on behalf of the Board

Nutan Bhatnagar
Director

[Signature]
Director


SCHEDULE :- "5" CURRENT LIABILITIES & PROVISIONS

Sundry Creditors	11,150,000.00	10,500,000.00
Audit Fees Payable	15,000.00	3,000.00
Listing Fees Payable	-	4,174.00
Provision For Tax	3,738.00	3,080.00
	<u>11,168,738.00</u>	<u>10,510,254.00</u>

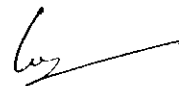
SCHEDULE :- "6" ADMINISTRATIVE & OTHER EXP.

Salary	42,000.00	32,000.00
Advertisement Exp. ✓	27,645.00	16,084.00
Printing & Stationery ✓	1,404.00	3,092.00
Listing Fee ✓	5,515.00	-
Legal & Professional Charges ✓	9,795.00	13,000.00
Misc. Office Exp.	6,695.00	2,639.00
Conveyance Exp.	1,677.00	1,555.00
Postage, Telegram & Courier	1,395.00	2,769.00
Board Meeting Exp.	2,800.00	2,400.00
Billing Fee	2,500.00	2,500.00
Bank Charges	287.00	176.00
Telephone Exp.	1,365.00	1,450.00
Interest on Tax	132.00	-
Audit Fee	15,000.00	3,000.00
Vehicle Exp.	2,527.00	3,841.00
	<u>120,737.00</u>	<u>84,506.00</u>

FOR AND ON BEHALF OF BOARD



DIRECTOR



DIRECTOR



DAPHNE INVESTMENT & PROPERTIES LTD
SCHEDULE OF BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULAR	SCHEDULE	AS ON 31.03.2011	AS ON 31.03.2010
<u>SCHEDULE :- "1" SHARE CAPITAL</u>			
<u>AUTHORISED :</u>			
12,50,000 Equity shares of Rs. 10/- each		12,500,000.00	12,500,000.00
<u>ISSUED, SUBSCRIBED & PAID UP :</u>			
5,47,500 Equity Shares of Rs 10/- each fully paid		5,475,000.00	5,475,000.00
	TOTAL	5,475,000.00	5,475,000.00
<u>SCHEDULE :- "3" INVESTMENTS</u>			
Investment in Shares and Securities		18,835,000.00	19,900,000.00
		18,835,000.00	19,900,000.00
<u>SCHEDULE:- "4" CURRENT ASSETS, LOANS & ADVANCES</u>			
<u>Loans & Advances</u>			
Premium Linkers Ltd.		950,000.00	1,000,000.00
V & K Softech Ltd.		1,000,000.00	-
Advance Tax, TDS etc		356,287.00	344,287.00
		2,306,287.00	1,344,287.00
<u>Sundry Debtors</u>			
		2,613,824.00	1,904,150.00
		2,613,824.00	1,904,150.00
<u>Cash & Bank Balances:</u>			
Cash in Hand		1,470,994.00	1,444,009.42
Balance with Bank in Current A/C		49,038.00	52,279.62
		1,520,032.00	1,496,289.04

FOR & ON BEHALF OF THE BOARD



Atch P. R. G.
DIRECTOR

DIRECTOR

DAPHENE INVESTMENT & PROPERTIES LTD.
Schedule of Fixed Assets-As at 31.03.2011

Schedule-2

Particulars	Gross Block			Depreciation			Net Block	
	As at 1.04.2010	Addition	As at 31.03.2011	Upto 1.04.2010	During the Year	As at 31.03.2011	As at 31.03.2011	31.03.2010
Vehicle	155000.00	-	155000.00	136076.00	4900.00	140976.00	14024.00	18924.00
Computer	20000.00	34,750.00	54750.00	19609.00	156.00	19765.00	34985.00	391.00
Furniture	7000.00	8,090.00	15090.00	5507.00	268.00	5775.00	9315.00	1493.00
Inventor	11550.00	-	11550.00	7923.00	505.00	8428.00	3122.00	3627.00
Total	193550.00	42,840.00	236390.00	169115.00	5829.00	174944.00	61446.00	24435.00

Note: New Assets purchased were not put to use during the year, hence no depreciation is claimed.

FOR AND ON BEHALF OF BOARD

Neha Puri

DIRECTOR

[Signature]

DIRECTOR



DAPHENE INVESTMENT & PROPERTIES LTD**CASH FLOW STATEMENT AS AT 31ST MARCH 2011**

	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>Cash Flows from operating activities</u>		
Net Profit before Taxation		12,682.00
Adjustment for :		
Depreciation	(+)	5,829.00
		5,829.00
Operating profit before working capital changes		
<u>Add:</u>		
Increase in Current Liabilities	(+)	658,484.00
Increase in Sundry Debtors	(-)	709,674.00
Increase in Loans & Advances	(-)	962,000.00
		(1,013,190.00)
Cash Generated from operations		
Less : Income Tax & FBT	(-)	3,738.00
		(3,738.00)
Net Cash Generated from operations		(998,417.00)
<u>Cash Flow from Investing Activities</u>		
Purchase of Fixed Assets	(-)	42,840.00
Sale of Shares	(+)	1,065,000.00
		1,022,160.00
Net cash used in Investing Activities		1,022,160.00
<u>Cash Flow from Financing Activities</u>		
		-
Net increase in cash/ cash equivalent during the year		23,743.00
Cash and Cash equivalent at beginning	(+)	1,496,289.00
Cash and Cash equivalent at the end		1,520,032.00
<u>Breakup of Cash & Cash Equivalent as at 31st March 2011</u>		
Cash in Hand		1,470,994.00
Cash at Bank		49,038.00
		1,520,032.00

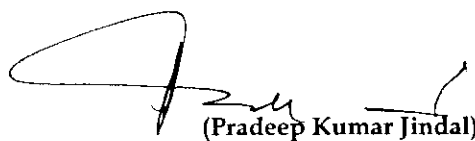
AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of M/s Daphene Investment & Properties Limited for the year ended 31st March 2011. The statement has been prepared by the Company in accordance with the requirements of Accounting Standards - 3 "Cash Flow Statements" and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report dated 27th May, 2011

PLACE : NEW DELHI
DATE : 27th May, 2011



For PVR-N & CO.
CHARTERED ACCOUNTANTS


(Pradeep Kumar Jindal)
Partner

DAPHENE INVESTMENT & PROPERTIES LTD

SCHEDULE "7" SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant Accounting Policies:

a) Accounting Assumption

Accounts have been prepared under the historical cost convention on the basis of going concern concept.

b) Fixed Assets & Depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation on the Fixed Assets has been provided on the basis of written down value method as per rates prescribed under Schedule XIV of Companies Act, 1956 as amended from time to time. Some assets have been purchased at the end of the year but not put to use, therefore, no depreciation have been claimed.

c) Investments and Inventories

The stock of shares and investment in shares are valued at cost.

d) Income & Expenditure

Income and expenditure are recognized on accrual basis.

e) Income Tax

Provision for Income Tax has been made as per the provision of Income Tax Act, 1961.

f) Cash Flow Statement

The Company adopts the indirect method in the preparation of Cash Flow Statement. For the purpose of Cash Flow Statement, Cash & Cash Equivalent consists of Cash in hand, Bank balances.

2. In the opinion of Board of Directors, the aggregate value of Current assets, Loans and Advances are realisable in ordinary course of business and will not be less than the amount at which these are stated in the balance sheet.

3. Auditors Remuneration

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
As Statutory Audit Fees	15000.00	3000.00
Total	15000.00	3000.00



Additional information pursuant to part II of Schedule VI of the Companies Act,

Foreign Exchange earnings during the year -- NIL
Expenditure in Foreign Currency -- NIL

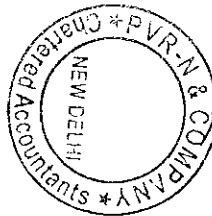
Previous year's figures have been regrouped/rearranged wherever found necessary. Current year's figures have been rounded off in multiple of rupee, i.e. figures in paisa rounded off in rupee.

5. Provision for Deferred Tax Assets as per Accounting Standard 22, issued by the Institute of Chartered Accountants of India has not been recognized by way of prudence, as in the opinion of management there is reasonable uncertainty of future income, which may be available for its adjustment. The company does not estimate consistent income in future years and as such no provision for deferred tax liability has been made.

For PVR-N & COMPANY
CHARTERED ACCOUNTANTS

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PRADEEP KUMAR JINDAL
PARTNER

PLACE: NEW DELHI
DATE: 27TH MAY, 2011



FOR AND ON BEHALF OF BOARD

()
DIRECTOR

()
DIRECTOR

