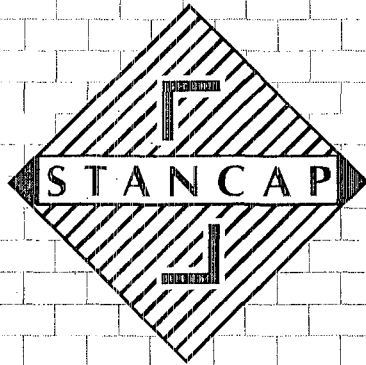


20th
ANNUAL REPORT
2006 - 2007



STANDARD CAPITAL MARKETS LIMITED

Carly Huggins
Abel



ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2007

DIRECTORS

MR. D. P. SHARMA
MR. N. K. ARORA (M.D.)
MR. VIJAY SEHGAL

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STANDARD CHARTERED BANK

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Attendance Slip

REGISTERED OFFICE

8/28, WEA, ABDUL AZIZ ROAD
KAROL BAGH, NEW DELHI - 110 005

REGISTRAR OF COMPANY

INDUS PORTFOLIO PRIVATE LIMITED
G-65, BALI NAGAR
NEW DELHI - 110 015



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the company will be held at 94/16, Mukhmel Pur Road, Zindpur, Alipur, Delhi-110036 on Friday the 28th September, 2007 at 10.00 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2007 together with reports of the Auditors and Directors thereon;
2. To appoint a Director in place of Shri Narender K. Arora who retires by rotation and being eligible, offers himself for re-election;
3. To appoint **M/s. TIWARI & ASSOCIATES**, Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting of the company and to fix their remuneration.

4. AS SPECIAL BUSINESS

To consider and if thought fit to pass or without modification, the following resolution as an **ORDINARY RESOLUTION**.

"RESOLVED that Mr. Durga Prasad Sharma", in respect of whom a notice under section 257 of Companies Act, 1956, has been received from a member proposing his candidature for the notice of director, be and is hereby appointed a Director of the company whose period of office will be liable to retirement by rotation."

By order of the Board
For **STANDARD CAPITAL MARKETS LIMITED**

PLACE : NEW DELHI
DATE : 18.08.2007

SD/-
NARENDER K ARORA
(DIRECTOR)



NOTES:

1. A member entitled to attend and vote at the annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip alongwith their copy of Annual Report to the Meeting.
4. Members are requested to notify the change of address, if any, to the company immediately.
5. For any specific query on the accounts of the company, please write to the company at its registered office at least 7 days before the date of the Annual General Meeting.

ANNEXURE TO NOTICE

The Board of Directors had appointed Mr. Durga Prasad Sharma as Director in its meeting held on 17.03.2007 under section 260 of Companies Act, 1956 Mr. Pankaj Arora holds office until the conclusion of this Annual General Meeting. But is eligible for re-appointment. As required under section 257 of the Companies Act, 1956 the company has received notice from a member of the Company proposing the candidature of Mr. Durga Prasad Sharma for the office of Director. It is recommended that Mr. Durga Prasad Sharma be appointed as Director of the Company.

Twentieth Annual Report.....3



DIRECTOR'S REPORT

To The Members

Your Directors are pleased to present the 20th Annual Report together with the Audited Accounts of the Company for the year ended March 31st, 2007.

FINANCIAL RESULTS:

The Performance of the Company for the financial year ended March 31, 2007 is summarized below:

	For the Year ended 31.03.2007	For the Year ended 31.03.2006
Gross Income	255.26	7.26
Expenditure	255.03	6.60
Profit Before Depreciation & Tax	1.67	0.66
Depreciation	0.32	0.39
Provision for Tax	—	—
Profit for the Year	1.67	0.27
Balance brought forward from the Prev. Year	10.97	10.71
APPROPRIATION		
General Reserve	—	—
Balance Carried Forward	12.00	10.97

DIVIDEND

Due to inadequacy of profits your board has not recommended any dividend for the year ended 31st March, 2007.

AUDITORS

The observation made in the Auditor's report are self explanatory and therefore, do not call for any further comment under section 217(3) of the Companies Act, 1956.

Your directors request you to appoint Auditors for the current year and fix their remuneration.



OPERATIONS

Although the performance of Indian Economy in 2006-07 has exceeded expectations. The GDP growth of the economy estimated at 9.2% out of which GDP originating from Agricultural and allied activities registered a growth of 2.7% in 2006-07 and the service industry contributed as much as 68.6% of the overall average growth in GDP. While the share of agriculture in GDP declined to 18.5 %, the share of industry and services improved to 26.4 % and 55.1% respectively. The notable feature of the current growth phase is the sharp rise in the rate of investment in the economy. Investment in general being a forward looking variable, reflects a high degree of optimism. Despite all above factors, your company could not do any better as in the preceding year primarily because of liquidity crunch. As the current phase of economy is likely to continue in future as well, your company intends to cautiously reorganize its funds pattern and make re-investment accordingly. Your directors are hopeful this move will enhance the working results of the company in a more profitable way.

DIRECTORS

In accordance with the requirements of section 256 of the Companies Act, 1956 and the articles of association of the company, Sh. Narender K. Arora Director of the retire by rotation at the ensuing Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
- b) the Directors 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 March 31, 2007 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.



CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchange in India forms part of the Annual Report.

Certificate from the Auditors of the Company, M/s TIWARI & ASSOCIATES., confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

PARTICULARS OF EMPLOYEES

None of the company's employees, employed throughout the Financial year under review, was in receipt of an aggregate remuneration of Rs. 24,00,000/- p.a. or more, Similarly no employees of the company, employed for a part of the financial year, received remuneration @ Rs. 2,00,000/- p.m. or more. Hence the details required under section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 is not given.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public, within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars under Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 on conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the company and hence no disclosure is being made in this report.

APPRECIATION:

Your Directors thank you- our esteemed shareholders, customers, business associates, Financial/ Investment Institutions and Commercial Banks for the faith reposed by them in your company and its management.

Your Directors place on record their deep appreciation of dedication and commitment of your company's employees at all levels and look forward to their continued support in the future as well.

The Board also acknowledges the faith reposed in the company by lessees, investing public and Banks for their valuable assistance, and look forward to their continued co-operation.

For and on behalf of the Board

PLACE : NEW DELHI
DATE : 18.08.2007

Sd/-
DURGA PRASAD SHARMA
(DIRECTOR)

Sd/-
N.K. ARORA
(DIRECTOR)



REPORT ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As Shareholders evince keen interest in the practices and performance of Companies, Corporate Governance has emerged on the center stage.

In accordance with Clause 49 of the listing agreement entered into with the Stock Exchange of India (Clause 49)

1. Company's philosophy on code of Governance :

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with shareholders, including shareholders, employees, lenders and the Government. The company is committed to achieve and maintain the highest standards of Corporate Governance. The company continuously endeavors to improve on these aspects on the ongoing basis.

2. Board of Directors ('Board')

The Board of Directors comprise Three Non –Executive Directors. During the year 6 Board meetings were held on 13.05.2006, 20.07.2006, 10.08.2006, 11.10.2006, 17.01.2007 and 17.03.2007. The Composition of Board of Directors and their attendance at Board Meetings held during the year and at last Annual General Meeting as also number of other Directorships/ Memberships of committees are as follows:

Name of Director	Category of Directorship	Attendance		No. of Directorships/ Committee Memberships/Chairmanship	
		Board Meetings	Last AGM	Other Directorship	Committee Membership
M. L. VIJ	Non Executive /Promoter	6	Yes	3	Audit Committee Chairman
N. K. ARORA	Executive /Promoter	6	Yes	2	—
VIJAY SEHGAL	Non Executive /Independent	6	Yes	—	Audit Committee
DURGA PRASAD SHARMA	Non Executive /Independent	1	No	2	Audit Committee

3. Board Committees

Audit Committee:

The Board has constituted Audit Committee, comprising one Independent and two Non-executive



Directors. All the members of the Audit Committee possess financial/Accounting expertise and well versed in finance and general business practices. The composition of the Audit Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreements.

The terms of reference of the Audit Committee include:

- a) To review financial Statement and pre publication announcements before submission to the Board.
- b) To ensure Compliance of Internal Control Systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, accounting standard and legislation.
- d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2006-2007 audit committee met on 29.04.2006, 25.07.2006, 14.08.2006, 21.10.2006, 23.11.2006 and 12.01.2007. The present composition & attendance of the members of the committee is as follows.

Member	Number of Meeting Attendance
M. L. Vij	6
Vijay Sehgal	4
D. P. Sharma	1

Remuneration of the Directors:

No remuneration has been made to any of the Directors for the period of 01.04.2006 to 31.03.2007.

Shareholder's / Investors Grievance Committee :

Committee of the board of Directors of the Company known as Share transfer committee looks after the grievance of shareholders of the company. Committee meets at frequent intervals to consider, inter alia, approves issue of duplicate certificates and review all matters connected with transfer to securities of the Company. The committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non receipt of balance sheet etc. The Committee oversees performance of the Registrars and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. During the financial year 2006-2007 the Company has not received any complaints regarding transfer of shares etc.

4. General Body Meetings :

Location, date and time of the Annual General Meetings held during the preceding 3 years are as follows:



Financial Year	Location	Date	Time
2003-2004	94/16 Mukhmelpur Alipur	29.09.2004	10.00 am
2004-2005	Zindpur	09.09.2005	10.00 am
2005-2006	New Delhi	25.09.2006	10.00 am

5. Disclosures:

There are no materially significant related party transactions which may have potential conflict with the interest of the company at large.

6. Means of Communication:

The quarterly, half yearly and Annual Reports are prepared as per the requirements of the Listing Agreements. SEBI/Stock Exchanges have never imposed penalty on the Company for violation of any law/agreement.

7. General Shareholder Information:

A. Annual General Meeting

Date, Time and Venue

Friday, September 28, 2007

At 10.00 a.m.

94/16 Mukhmelpur, Alipur, Zindpur, New Delhi

B. Financial Calendar

The Company follows April-March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter except for the last quarter for which the results were declared in June as permitted under the Listing Agreement.

C. Book Closure Period

18th September (Tuesday), 2007 to 24th September(Monday), 2007 (Both days inclusive)

D. Listing of Stock Exchanges

The Company's shares are listed on the Delhi Stock Exchange Limited (DSE), Bombay Stock Exchange Limited (BSE) and Jaipur Stock Exchange Limited.



E. Market Price Data

The shares of the company was not traded during the financial year 2006-2007. The highest and lowest price of equity shares of company was Rs. 3/- (Source High and Low quotations of Shares traded on Delhi Stock Exchange).

F. Registrar and Share Transfer Agents

INDUS PORTFOLIO PRIVATE LIMITED, G-65, BALI NAGAR, NEW DELHI.

G. Share Transfer System

Application for transfer of shares held in the physical form are received at the regd. Office of the Company as well at the office of the Registrar and share Transfer agents of the Company. All valid transfers are proposed and effected within 15 days from the date of receipt.

The company also offers transfer-cum-demat facility for the convenience of the investors.

Shares held in dematerialised form are electronically traded by the Depository Participants and the Registrar and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficially holdings so as to enable them to update records and to send all corporate communications.

H. Distribution of Shareholding (as on 31st March, 2007)

Number of Equity Shares Held	Shareholders Number	% of Total	Share Amount Rs.	%age
Upto 5000	3295	85.74	62,27,000	15.57
5001-10000	207	5.39	17,81,320	4.45
10001-20000	119	3.10	18,22,990	4.56
20001- 30000	72	1.87	18,12,640	4.53
30001-40000	33	0.86	12,12,000	3.03
40001-50000	21	0.55	9,79,000	2.45
50001- 100000	36	0.94	27,92,460	6.98
Above 100000	60	1.56	2,33,73,590	58.43
TOTAL	3843	100.00	4,00,01,000	100.00



I Dematerialization of Shares and Liquidity

About 6.5% Of the shares have been dematerialised as on 31st March, 2007 representing 2,59,498 Shares and balance shares 37,40,602 held in physical form.

J. Address for Correspondence:

For transfer/dematerilisation of shares and any other query relating to the shares of the Company :

Registrar and Transfer Agents:

INDUS PORTFOLIO PRIVATE LIMITED
G-65, BALI NAGAR, NEW DELHI.

For any assistance in this regard and for any other query relating to change of address please write to Company Registered office or to Companies Registrar to the Share Transfer Agents.

Registered Office:-

8/28 W.E.A Abdul Aziz Road,
Karol Bagh, New Delhi-110 005



ANNEXURE TO THE DIRECTORS' REPORT AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To The Members
STANDARD CAPITAL MARKETS LTD.

We have examined the compliance of conditions of Corporate Governance procedure by Standard Capital Markets Limited, for the year ended 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the aforesaid Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievance was pending for a period of one month against the company as per the records maintained by the shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with the Management has conducted the affairs of the company.

**For TIWARI & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI
DATE : 18.08.2007

**(KRISHAN KUMAR)
PARTNER
(M. NO. 85415)**



AUDITORS' REPORT

To The Members of
STANDARD CAPITAL MARKETS LIMITED

We have audited the attached Balance Sheet of **STANDARD CAPITAL MARKETS LIMITED** as at March 31, 2007 and the Profit and Loss account for the year ended on that date annexed 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.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. These 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 a 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.
2. 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, (hereinafter referred to as 'the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on March 31, 2007 and taken on record by the Board of Directors, we report that none of the Directors is



STANDARD CAPITAL MARKETS LIMITED

disqualified as on March 31, 2007 from being appointed as a director in terms of 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 said accounts read together with Significant Accounting Policies and other thereon give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with accounting principles generally accepted in India;

i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;

ii) in the case of the Profit and Loss account, of the Loss for the year ended on that date;

**For TIWARI & ASSOCIATES
(Chartered Accountants)**

PLACE : NEW DELHI

DATE : 18.08.2007

**(KRISHAN KUMAR)
PARTNER
MEMBERSHIP NO. 85415**



ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 2 of our report of even date)

- i) In respect of its fixed assets:
 - (a) The Company has maintained reasonable records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- ii) In respect of its Inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management. In our opinion frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956:
 - (a) The company has not granted any new loans, during the year. However, the company has granted loans in the past to one party and maximum amount outstanding at any time during the year is Rs. 5.52 Lacs and year end balance is Rs. 5.52 Lacs.
 - (b) In our opinion and according to the information and explanations given to us, the aforesaid loan is interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.



- (c) The said interest free loan given by the company is repayable on demand and there is no repayment schedule.
 - (d) In respect of the loan given by the company, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - (e) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (f) As no loans have been taken, the clause on rate of interest and other terms and conditions is not applicable.
 - (g) As no loans have been taken, the clause on repayment of principal and interest is not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for purchase of inventory and fixed assets and also for the sale of the goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregation during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party in the said financial year.
- vi) According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore the provisions of Clause (vi) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.



- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The nature of the company's business/activities is such that clause 4 (viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of cost records is not applicable to the company.
- ix) In respect of Statutory dues:
 - (a) According to the records of the company and information and explanation given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess, and any other material Statutory Dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March 2007 for a period of more than six months from the date they become payable.
 - (b) According to the records of the company and information & explanations given to us, there are no dues in respect of Sales tax, income tax, customs duty, excise duty cess that have not been deposited with the appropriate authorities on account of any dispute.
- x) According to the records of the company the company have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and immediately preceding the financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the question of maintenance of adequate records for this purpose does not arise.
- xiii) In our opinion and according to the information and explanations given to us, the company is not a chit fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the company.



STANDARD CAPITAL MARKETS LIMITED

- xiv) The company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us, the company has not taken any term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the company has not raised any funds during the year on long term or short term basis.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year and question of whether the price at which the shares have been issued is prejudicial to the interest of the company does not arise.
- xix) The company has neither issued any debentures during the year nor there are any old debentures outstanding, and hence the question of Creating Securities in respect thereof does not arise.
- xx) The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, we have place reliance, no fraud on or by the company was noticed or reported during the year.

**For TIWARI & ASSOCIATES
Chartered Accountants**

PLACE : NEW DELHI
DATE : 18.08.2007

**(KRISHAN KUMAR)
PARTNER
MEMBERSHIP NO. 85415**



STANDARD CAPITAL MARKETS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2007

Schedule As at 31.03.2007 As at 31.03.2006

SOURCES OF FUNDS

a.) Share Capital	1	4,00,01,000.00	4,00,01,000.00
b.) Reserve and Surplus	2	13,29,053.65	12,26,153.80

Total

4,13,30,053.65 **4,12,27,153.80**

APPLICATION OF FUNDS

FIXED ASSETS :-

a.) Gross Block	3	10,46,658.10	10,46,658.10
b.) Less: Depreciation		8,70,392.72	8,38,851.40

NET BLOCK

1,76,265.38 **2,07,806.70**

INVESTMENTS

4 51,15,000.00 51,15,000.00

CURRENT ASSETS, LOANS & ADVANCES

a.) Current Assets	5	34,40,985.26	36,99,906.22
b.) Loans and Advances	6	3,63,22,847.00	3,58,72,324.00

3,97,63,832.26 **3,95,72,230.22**

Less:- CURRENT LIABILITIES & PROVISIONS

Current Liabilities	7	37,25,043.99	36,67,883.12
Net Current Assets		3,60,38,788.27	3,59,04,347.10

Total

4,13,30,053.65 **4,12,27,153.80**

Accounting policies and Notes on Accounts
Schedule 1-7 and 11 referred above form Integral
Part of Balance Sheet

D. P. SHARMA (Director)
N. K. ARORA (Managing Director)
VIJAY SEHGAL (Director)

For **TIWARI & ASSOCIATES**
Chartered Accountants

(**KRISHAN KUMAR**)
(Partner)

MEMBERSHIP NO. 85415

PLACE : NEW DELHI

DATE : 18.08.2007

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2007**

	Schedule	As at 31.03.2007	As at 31.03.2006
INCOME			
Income from Operations	8	25,52,58,510.65	7,26,093.00
		<u>25,52,58,510.65</u>	<u>7,26,093.00</u>
EXPENDITURE			
Purchases		25,47,08,170.35	—
Personal Expenses	9	2,28,500.00	1,68,000.00
Administrative & Other Expenses	10	1,23,299.24	1,24,541.47
Depreciation		31,541.32	39,488.32
Loss on Sale of Assets		—	3,67,498.33
Total Expenses		<u>2,55,091,510.91</u>	<u>6,99,528.12</u>
Profit/(Loss) before Tax		1,66,999.74	26,564.88
Provision for Income Tax		—	—
Securities Transaction Tax		64,099.89	—
Profit/(Loss) after Tax		1,02,899.85	26,564.88
Balance brought forward		10,97,058.81	10,70,493.93
Transferred to General Reserve		11,99,958.66	10,97,058.81

Accounting policies and Notes on Accounts
Schedule 8-10 and 11 referred above form Integral
Part of Profit & Loss Account

D. P. SHARMA (Director)
N. K. ARORA (Managing Director)
VIJAY SEHGAL (Director)

For TIWARI & ASSOCIATES
Chartered Accountants

(KRISHAN KUMAR)
(Partner)

MEMBERSHIP NO. 85415

PLACE : NEW DELHI
DATE : 18.08.2007



ANNEXURE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE – 1	As at 31.03.2007	As at 31.03.2006
SHARE CAPITAL		
Authorised Share Capital		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000.00	5,00,00,000.00
	<u>5,00,00,000.00</u>	<u>5,00,00,000.00</u>
Issued, Subscribed & Paid Up		
40,00,100 Equity Shares of Rs.10/- each, fully paid up	4,00,01,000.00	4,00,01,000.00
	<u>4,00,01,000.00</u>	<u>4,00,01,000.00</u>
SCHEDULE – 2		
RESERVE & SURPLUS		
a) General Reserve as per last Balance Sheet	1,29,094.99	1,29,094.99
b) Profit and Loss Account	11,99,958.66	10,97,058.81
	<u>13,29,053.65</u>	<u>12,26,153.80</u>
SCHEDULE – 4		
INVESTMENTS		
A. In Government Securities	—	—
B. Others		
i. Quoted	—	—
ii. Un Quoted		
a. Akar Shares Intermediates Pvt. Ltd.	1,00,000.00	1,00,000.00
b. ADL International Ltd.	2,90,000.00	2,90,000.00
c. Madhav Cotex Pvt Ltd.	20,05,000.00	20,05,000.00
d. India Cotvel Ltd.	19,50,000.00	19,50,000.00
e. Hari Creations Pvt. Ltd.	7,70,000.00	7,70,000.00
Total	<u>51,15,000.00</u>	<u>51,15,000.00</u>



Schedule - 3

SCHEDULE OF FIXED ASSETS AS PER COMPANIES ACT

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2006	Addition	Deletion/ Transfer	As at 31.03.2007	Depreciation up to 31.03.06	Written Back	For the year	Dep up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
ASSETS FOR COMPANY USE										
Computer System	472,893.60	-	-	472,893.60	472,893.60	-	-	472,893.60	-	-
Furniture & Fixtures 6.33	271,363.30	-	-	271,363.30	202,413.36	-	17,177.28	219,590.64	51,772.66	68,949.94
Office Equipments 4.75	302,401.20	-	-	302,401.20	163,544.44	-	14,364.04	177,908.48	124,492.72	138,856.76
Total (Rs.)	1,046,658.10	-	-	1,046,658.10	838,851.40	-	31,541.32	870,392.72	176,265.38	207,806.70
Previous Year	3,079,984.10	-	2,033,326.00	1,046,658.10	2,115,190.75	1,315,827.67	39,488.32	838,851.40	207,606.70	964,793.35

**SCHEDULE – 5****As at 31.03.2007** **As at 31.03.2006****CURRENT ASSETS**

a. Sundry Debtors (Unsecured Considered Good)		
a. To firms in which Directors are interested:-		
-Debts due over six months	5,17,728.85	5,31,686.43
-Others	25,205.72	—
b. To Others:		
-Debts due over six months	21,70,738.00	21,70,738.00
-Others	1,00,693.90	—
c. Cash and Bank Balance:		
-Balance with Scheduled Banks	—	—
-Cash in Hand	1,49,818.79	4,75,681.79
d. Stock in Trade (As taken, valued & Certified by the Management)	4,76,800.00	5,21,800.00
	34,40,985.26	36,99,906.22

SCHEDULE – 6**As at 31.03.2007** **As at 31.03.2006****LOANS & ADVANCES**

(Unsecured Considered Good)

(Loans and Advances recoverable in Cash or in kind or the value to be received)

1. To Firms in which Directors are interested	5,52,000.00	5,52,000.00
2. To other companies/firms/individuals	3,54,53,327.00	3,51,04,025.00
3. Tax Deducted at Source	2,71,420.00	1,70,199.00
4. Fringe Benefit Tax	500.00	500.00
5. Security Deposits	45,600.00	45,600.00
Total	3,63,22,847.00	3,58,72,324.00



STANDARD CAPITAL MARKETS LIMITED

SCHEDULE – 7	As at 31.03.2007	As at 31.03.2006
CURRENT LIABILITIES		
Sundry Creditors	35,91,027.00	35,89,584.00
Book Overdraft:-		
- Standard Chartered Bank	18,331.99	(10,422.88)
Expenses Payable	1,15,685.00	88,722.00
Total	<u>37,25,043.99</u>	<u>36,67,883.12</u>

SCHEDULE – 8	As at 31.03.2007	As at 31.03.2006
INCOME FROM OPERATIONS		
Interest Income	4,50,523.00	11,05,890.00
Sales	25,48,52,981.23	—
Short & Excess	6.42	
Increase/(Decrease) in Inventory		
-Opening Stock	5,21,800.00	
Less:- -Closing Stock	4,76,800.00	(45,000.00)
	(45,000.00)	(3,79,797.00)
Total	<u>25,52,58,510.65</u>	<u>7,26,093.00</u>

SCHEDULE – 9	As at 31.03.2007	As at 31.03.2006
PERSONNEL EXPENSES		
Employees Cost:-		
Salaries & Allownces	2,28,500.00	1,68,000.00
Total	<u>2,28,500.00</u>	<u>1,68,000.00</u>



STANDARD CAPITAL MARKETS LIMITED

SCHEDULE – 10

As at 31.03.2007 As at 31.03.2006

ADMINISTRATIVE & OTHER EXPENSES

Advertisement Expenses	—	5997.00
AGM Expenses	46,799.00	37,046.00
Audit Fee	5,612.00	5612.00
Filing Fee	1,500.00	1,000.00
Custodial Expenses	9,326.00	
Conveyance	898.00	
Demat Charges	1,355.24	1,675.00
Bank Charges	6,431.00	5,284.47
Interest	1,300.00	
Listing Fee	25,000.00	25,000.00
Misc. Expenses	2,721.00	
Professional Expenses	14,980.00	42,052.00
Printing & Stationary	1,087.00	875.00
Staff Welfare Expenses	3,215.00	
Telephone Expenses	3,075.00	
Total	<u>1,23,299.24</u>	<u>1,24,541.47</u>



Significant Accounting Policies & Notes on Accounts

SCHEDULE '11'

INCORPORATION AND ACTIVITY

The Company is incorporated in New Delhi under the Companies Act, 1956. The main activity of the Company is financing and trading in shares.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. A summary of important accounting policies applied, are set out below:

- b) The Company generally follows the mercantile system. All expenditure and income to the extent considered payable and receivable respectively are accounted for on accrual basis.
- c) **Fixed Assets:** Fixed assets have been valued at historical cost less accumulated depreciation.
- d) **Depreciation:** Depreciation on fixed assets is provided on straight line method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956 as amended up to date.
- e) **Investments:** Long term Investments are stated at Cost.
- f) **Inventories:** Items of Inventories are measured at lower of cost or net releasable value.
- g) **Income:** Income are accounted on accrual basis.
- h) **Provision for Current and Deferred Tax:** Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from " timing difference " between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

NOTES ON ACCOUNTS

- a) The Previous year's figures have been reworked, regrouped and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included



as and integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

- b) Income from Operation also includes Income from Interest on Loans of Rs. 4,50,523/=- (Previous Year Rs. 11,05,890/-)
- c) No Provision for gratuity has not been made as no employee has put in the qualifying period of services for entitlement of this benefit.
- d) No Provision for Bonus has been made as Company is not covered under the payment of Bonus Act.
- e) During the financial year 1997-98, the company had filed a criminal suit against an employee for an alleged infidelity by the employee for a sum of Rs. 20.22 Lacs. As the insurance cover was available only for Rs. 10.00 Lacs, the Insurance company has repudiated the claim and the company has filed an appeal in the consumer forum. The same was not provided and shall be accounted for only when the claim is finally settled by the consumer forum.
- f) In the opinion of the management, the current assets, loans and advances have a value on realization on the ordinary course of business, atleast equal to the amount at which they are stated in the Balance Sheet and that all the known liabilities relating to the period have been provided for.
- g) The aggregate market value of Company's Stock in trade is Rs. 4,76,800/- (Previous Year Rs. 5,21,800/-)
- h) CIF Value of Imports NIL
- i) Expenditure incurred in Foreign Currency NIL
- j) There is no employee in receipt of remuneration aggregating to not less than Rs. 2,00,000/- p.m. if employed for a part of the year, or Rs. 24,00,000/- p.a. , if employed for full year.
- k) As the Company has substantial unabsorbed depreciation and carried forward business losses under the Income Tax Act, 1961 and is unlikely to have taxable income in the foreseeable future, the deferred tax asset/liabilities have not been recognised. This is in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.



STANDARD CAPITAL MARKETS LIMITED

- l) Schedule 1 to 11 and company general business profile are integral part of the Balance Sheet and Profit & Loss Account.

**For TIWARI & ASSOCIATES
Chartered Accountants**

N. K. ARORA (Director)
D. P. SHARMA (Managing Director)
VIJAY SEHGAL (Director)

(KRISHAN KUMAR)
(Partner)
MEMBERSHIP NO. 85415

PLACE : NEW DELHI
DATE : 18.08.2007



STANDARD CAPITAL MARKETS LIMITED

Regd. Office : 8/28, WEA, Abdul Aziz Road, Karol Bagh, New Delhi - 110 005

PROXY

Folio No..... No. of Shares held.....

I/We.....of.....in the

District of.....being a member/members of the above Company hereby

appoint Shri/Smt.....of.....in the district.....

or failing him/her.....or.....in the district of.....as my

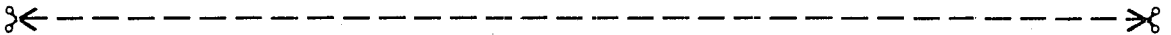
Our proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Friday, the 28th day of September 2007 at 10.00 A.M. and any adjournment thereof.

Signed this.....day of.....2007.

Signature.....



Note : The form should be signed across the stamp as per specimen signature registered with the Company the proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.



STANDARD CAPITAL MARKETS LIMITED

Regd. Office : 8/28, WEA, Abdul Aziz Road, Karol Bagh, New Delhi - 110 005

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER THE ENTRANCE OF THE MEETING HALL

Folio No..... # No. of Shares held.....

NAME OF THE MEMBER.....
(in block letters)

NAME OF THE PROXY.....
(if any)

I hereby record my presence at the Annual General Meeting of the Company held on Friday, 28th day of September 2007.

.....
Signature of Member/Proxy

ADMISSION SLIPS WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED.

BOOK POST

If undelivered, please return to :

STANDARD CAPITAL MARKETS LIMITED

8/28, WEA, Abdul Aziz Road, Karol Bagh, New Delhi - 110 005